

CHAMPAIGN COUNTY BOARD OF HEALTH

**Budget Subcommittee Meeting
Tuesday, May 27, 2008, 5:00 p.m.**

Call to Order & Roll Call

The Budget Subcommittee held its first meeting on the FY2009 budget on May 27, 2008 in Meeting Room 2 at the Brookens Administrative Center, 1776 East Washington, Urbana. The meeting was called to order at 5:01 p.m. by John Peterson. Stan James and John Peterson were present at the time of roll call, making all Budget Subcommittee members present and accounted for. Other Board of Health members present were Julian Rappaport and Betty Segal. The staff members present were Kat Bork (Board of Health Secretary) and Deb Busey (County Administrator of Finance & HR Management). Others present were Julie Pryde (Acting CUPHD Administrator) and Andrea Wallace (CUPHD Finance Director).

Approval of Agenda/Addendum

MOTION by James to approve the agenda; seconded by Peterson. **Motion carried.**

Public Participation

There was no public participation.

Discussion of FY2009 Board of Health Budget

The FY2008 Board of Health Budget was distributed so the subcommittee could reflect on the past year's budget levels. Peterson asked if there was anything from last year that could be improved upon, besides the revenue. Busey stated the Board of Health is sitting on a healthy fund balance and advised the Board to determine its long-term expectations, particularly in regard to the County Board's current financial condition. The Board of Health receives a grant from the County Board and it has been discussed that this grant was not intended to be permanent. The grant was cut from \$145,000 to \$95,000 last year. Busey inquired if the Board of Health had a plan in place for the grant to dissolve or are they leaving it to the County Board to decide when it ends. Peterson said this was one of reasons he wanted James on the Budget Subcommittee, as he is also on the County Board. Peterson stated the Board of Health is aware of the County Board's financial position and this was reflected in last year's budget when they accepted Busey's recommendation to reduce the subsidy. Peterson felt the Board of Health, like any board, would like to see some continuation of the subsidy, but noted they are sitting on a healthy fund balance. Peterson asked for the amount of the Board of Health's carryover. Busey said it is about \$59,000. She would have an audited number in June. James noted the current property taxes show a difference of \$50,000 in revenue versus expenditure. Peterson told James to watch out for that figure because it includes the money that goes directly to the Champaign-Urbana Public Health District. Busey projected 5% growth in the property tax rate for 2009 and explained how the calculation works under PTELL. James suggested scaling back the County Board grant from \$95,000 to \$50,000. Busey offered an alternative the Board of Health could consider. Busey's projections showed that with 5% growth, the total levy will be \$866,000. She sent a memo to the Board and CUPHD a month ago regarding the breakdown of the distribution,

which went slightly in the Board of Health's favor over what was budgeted in FY2008. Peterson confirmed the Board received the memo. Busey explained if the Board was able to accept a freeze or a slight drop in their property tax levy, then that levy growth could go to the General Corporate Fund. The County Board grant comes directly to the Board of Health, whereas the Board of Health only nets 47% with \$50,000 in property taxes because the rest goes to CUPHD. CUPHD will collect its share of the property tax regardless of whether the Board of Health collects it or not because CUPHD has its own levy. The Board of Health could ask for a more permanent agreement about funds from the County Board while bringing down the property tax levy. Property tax tends to be a stable source of income, so Busey encouraged the subcommittee to think about this option. Peterson asked if she was talking about redistributing property tax for the Board of Health, reallocating it to the General Corporate Fund. Busey answered yes. Busey said, for example, the Board of Health could freeze its levy and instead accept a \$30,000 permanent subsidy from the County Board, then the \$50,000 in growth could be added to help the General Corporate Fund's position. Rappaport asked if it would be for one year or be permanent. Busey explained the Board of Health would not get the levy growth back.

Peterson asked if this would be handled at the County Board level. Busey stated it has never been done. Within a certain group of levies, the County Board can move around the total authority for increase. For example, when IMRF increased more than PTELL allowed some of the General Corporate Fund's growth was moved into IMRF. Busey does not know if the County Board would agree to this idea, she wanted to present it as a possibility to the Board of Health. Peterson noted the Board of Health could keep their allowed levy mount and ask for less of a subsidy from the General Corporate Fund. James stated that no one knows how bad the County will be affected by the current economic conditions. The Board of Health could keep a freeze in mind for next year and cut its requested subsidy this year.

Busey recommended the Board of Health develop a long-term spending plan. Taking into account the Board's fund balance, the County Board will question why the subsidy is needed. Rappaport asked what the original reason was for the subsidy from the County Board. Busey explained the children's dental access program and home health nursing were original reasons for the subsidy. James commented that the General Corporate Fund realistically needs the money and the County hopes the Board of Health subsidy will shrink. The County Board has given the money in good faith and the Board of Health should return it. The County Board is helping the Nursing Home and experiencing financial difficulties. Rappaport felt the Board of Health should make it explicit that it is important to provide dental services in the County and determine whether or not the Board of Health can provide the services without the General Corporate Fund subsidy. Peterson stated the Board of Health would have to decide if it wanted to continue supporting the dental access program without a General Corporate Fund subsidy because it would mean spending down the accumulated fund balance.

Pryde interjected that CUPHD would have an alternative dental program proposal for the Board of Health's consideration this year. The program coordinator told Pryde the dental program can be maintained through Medicaid. CUPHD was looking into it for FY2008, but Pryde felt it best to take a year to evaluate the current dental program and see what needed to be done. The CUPHD proposal would have one-time startup costs, then Medicaid would enable the program to be self-sustaining. Rappaport said the Board would need more than an assurance

because CUPHD's dental services have not been historically good. There would need to be a substantial conversation about such a proposal because the Board would want to ensure it provided for children in the County. The Budget Subcommittee acknowledged the need to give the County Board a straightforward, substantive picture on the current state of public health services being provided in the County.

Wallace distributed the proposed CUPHD budget for FY2009. The mobile unit amount did not change because the program was developed a couple of months ago so those numbers remain in effect. James asked if the mobile unit was up and running. Pryde answered affirmatively. James asked for the mileage amount. Pryde thought it was \$2 per mile. It is identical to current rate. Wallace said the Maternal and Child Health costs are up slightly due to a rent increase in Rantoul and an increase in personnel costs. Wallace said the IBCCP Program has the biggest change with an increased caseload of 26% over the prior year. Pryde added that anyone without insurance is eligible and this is a state change. The Tobacco Free program amount stayed the same. The Emergency Preparedness amount went up slightly. Wallace did not have firm number for 2009, so she based it on what was received in 2008. The West Nile Virus Grant went up slightly. Wallace noted some unused West Nile Virus funds had to be returned to the state in FY2008. The Environmental Health amount also increased. Actual personnel positions were broken out in more detail by Jim Roberts on Page 3. CUPHD is looking at more cross-training amongst employees for more stability. James asked for amount of increase over last year's budget. Wallace answered it was roughly 13%. The CUPHD requested FY2009 budget is \$671,581. The CUPHD FY2008 budget was \$595,447, plus the mobile unit.

Rappaport inquired about the West Nile Virus Grant. Busey explained the grant revenue comes to the County and they pay CUPHD to administer the program. Wallace said CUPHD only bills the Board of Health for its actual expenses in the monthly invoice.

Peterson requested the division of external grant funding from other revenue sources in the CUPHD budget. Wallace listed the Tobacco Free, Emergency Preparedness, and West Nile grants as the external grant funding. Busey asked for next year's projected revenue for the categories and the grant income expected for next year. Wallace agreed to do so. The subcommittee discussed the figures presented by CUPHD. Peterson asked how much more money CUPHD was requesting over last year. Pryde answered it is \$50,000. The subcommittee continued to ask questions about the CUPHD budget.

Busey asked if the Board of Health is receiving over \$100,000 in Environmental Health fees. Wallace said yes. Busey said the Board looks to receive \$12,000 more in revenue and CUPHD is asking for \$50,000 more in expenses. Pryde explained a lot of the increase is in personnel and mileage costs. James asked about the Environmental Health fees structure. Pryde said the fees are in line with other counties and her recommendation to the district is to keep fees at the current level. Peterson wanted to bring up violation fees so the County and CUPHD could recover their expenses in return inspections due to noncompliance. Pryde suggested the Board discuss it at the joint study session with the CUPHD Board. The subcommittee discussed the history of fees.

Peterson was pleased to see the work CUPHD had done with its budget this year. James asked why Bork's benefits were not listed. Busey explained Bork is a part-time Board of Health

employee and a full-time County employee. Her fringe benefits are covered by the County as her primary employer.

Peterson wanted to complete the FY2009 budget in three subcommittee meetings. The subcommittee discussed what they wanted to receive for the next meeting. They requested that CUPHD provide the difference between the grants and the amount CUPHD is requesting from the Board of Health. The subcommittee and the Board will need to make a decision regarding its budget carryover and the General Corporate Fund grant for either a reduction in the subsidy request or a zeroing out of the subsidy request and what this means to the programs. James wanted to see the budget proposals from agencies funded by the Board of Health before the final budget is prepared to plan accordingly. Peterson requested all budget proposals from agencies requesting Board of Health funding be submitted the week before the next meeting for consideration by the subcommittee. Rappaport asked about a five-year projection report on Busey's suggestion of levy reduction. Busey suggested the Board look at how many years the fund balance would last if the subsidy is cut without altering any expenditures. She recommended the subcommittee review the historic spending in Board of Health budgets so the Board could show the County Board the impact of a subsidy reduction. Peterson confirmed the also Board of Health needs to comprehend the consequences.

Other Business

There was no other business.

Next Meeting

The next Budget Subcommittee meeting was scheduled for June 24, 2008 at 4:30 p.m. Rappaport asked Busey to attend the next meeting. Peterson directed Bork to contact the agencies to submit their budget requests for consideration at the next meeting.

Adjournment

The meeting was adjourned at 6:00 p.m.

Respectfully submitted,

Kat Bork
Board of Health Secretary

Secy's note: The minutes reflect the order of the agenda and may not necessarily reflect the order of business conducted at the meeting.