

CHAMPAIGN COUNTY BOARD OF HEALTH

Budget Subcommittee Meeting Tuesday, June 24, 2008, 4:30 p.m.

Call to Order & Roll Call

The Budget Subcommittee held its second meeting on the FY2009 budget on June 24, 2008 in Meeting Room 2 at the Brookens Administrative Center, 1776 East Washington, Urbana. The meeting was called to order at 4:35 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. The other Board of Health member present was Julian Rappaport. The staff members present were Kat Bork (Board of Health Secretary) and Deb Busey (County Administrator of Finance & HR Management). Others present were Victoria Christensen (RPC Senior Services), Nancy Greenwalt (CIDES Executive Director), Darlene Kloepfel (Regional Planning Commission), 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.**

Approval of Minutes

MOTION by Peterson to approve the Budget Subcommittee minutes of May 27, 2008; seconded by James. **Motion carried.**

Public Participation

Claudia Lenhoff, the Champaign County Healthcare Consumers Director, spoke about the May meeting minutes she had read. She hoped the decisions made by the Board of Health are in the interest of public health.

Discussion of FY2009 Board of Health Budget

CUPHD distributed their budget. Wallace highlighted the grant based items on the budget in blue that are 100% grant based. CUPHD's budget is based on the anticipation the grants will be funded at the same rate in FY2009 as they were in FY2008. The third page of the CUPHD budget explains the grants. There is no guarantee on the grant amounts until they are renewed by the state. The remaining items on the CUPHD budget are covered by the local health protection grant at \$125,403 and property tax revenue. Busey asked if the IDPH General Revenue grant remained the same. Wallace answered the health protection grant was at the same amount. Busey and Wallace discussed the level of funding compared to last year. Wallace stated the Tobacco Free Community Grant was decreased to \$25,725. Busey had previously provided a memorandum to the Board and CUPHD describing the distribution of the Public Health Levy for FY2007 and how this changed the revenue distribution in FY2008. The revenue from the property tax collected on behalf of the Board of Health will be increased from \$328,510 to \$349,478. The subcommittee discussed the property tax distribution.

The subcommittee discussed the fees revenue. James was in favor of looking into gaining the additional revenue with penalties to violators who require repeat inspections. He felt there were restaurants in the County that were very much in need of inspection. Rappaport asked if the Board of Health had responsibility for the inspection policy. Pryde specified the policy comes from the state and CUPHD has always been in compliance. The Board of Health could change the ordinance if it wanted to collect fines for return inspections. More can be done, but Pryde cautioned the Board to carefully read the rules governing food inspections. Food inspection is one of the most unpopular public health programs because they have shut down restaurants. Pryde offered to have Jim Roberts attend a future Board meeting to talk about this program. In response to James's question about requiring a restaurant to post a notice of how to contact Environmental Health with complaints, Pryde thought it could be included in the ordinance; otherwise restaurants will not do it. The subcommittee agreed to place this item on a future Board of Health agenda. Pryde suggested a joint study session with CUPHD. Discussion continued over the food inspections. Rappaport asked where the over \$100,000 of expenses in excess of revenue comes from. Peterson explained it comes out of the general revenue. Pryde explained the trained personnel constitutes most of the cost because staff have to perform the inspections. If a program has to be cut, then it has to be something other than a core service like food protection.

The total CUPHD request was an 8.7%, about \$53,000, increase over last year. Rappaport wanted to see where that money was going. Wallace said the biggest change was the Illinois Breast & Cervical Cancer Program (IBCCP) portion, which assumes the program will go up 25-30% in the number of clients CUPHD has to serve because the program's state-wide qualifications changed. Rappaport asked if CUPHD continues to serve clients even when grant money runs out. Pryde said this is only done in Champaign County. Wallace explained the County is billed for 14%, which is the portion of clients that CUPHD estimates are County residents. Rappaport asked if they would serve more clients because of the change in state requirements. Pryde said they are now required to provide breast and cervical screenings and treatment for any uninsured person, regardless of income. They will provide services to more clients, but they do not know how many more at this time. CUPHD is lead agency for three counties for IBCCP. Peterson asked if this was an unfunded mandate from the state. Pryde confirmed it was and shared that the state's tactic is often to first give money to an agency and then take it away. The subcommittee continued to discuss the program and the new eligibility requirements. Pryde would check with staff to confirm that CUPHD does not give extra money beyond the grant to the other counties.

The subcommittee and CUPHD staff discussed the breakdown of the requested increase to the FY2009 budget across the divisions. Peterson appreciated that the CUPHD budget was presented in the same format as last year's budget. Wallace offered to continue using this format if it is working for the Board. James asked if the Board could decrease its funding from one CUPHD program and in order to increase funding for another program. Pryde said that could not be done without serious staff disruption. James stated this approach is not been fair to the Board. There have been CUPHD programs, like the home nursing service, where the Board was paying for the program, but the services were not adequately provided. Pryde noted that she tried to say that the home nursing program was not happening like it was saying it was happening for a long time. The core services such as Environmental Health and Communicable

Disease are required, but outside of those the Board can make changes if they want something different. Peterson said, for example, the Board could terminate the mobile unit contract if they are dissatisfied. Pryde acknowledged they could do so, but encouraged them to wait until the program has been active for a year before making a decision.

Rappaport inquired why there was a change in the fringe benefits expense. Wallace stated there was a 6% change in health insurance and other benefits. Pryde confirmed fringe benefits and malpractice insurance are extremely costly. Discussion continued over CUPHD budget. James asked about the occupancy cost. Pryde and Wallace thought it was overhead costs. Busey asked why there was such a difference between the subtotal direct program expenses and total CUPHD Contract & Grant amount. Wallace said she would need to review her calculations to determine where the difference comes from.

Peterson stated the budgeted expenses for the RPC Senior Wellness Program and the Mental Health Board joint funding would stay the same. He said the RPC program budget is \$50,000 and the Mental Health Board funding is \$25,000. Kloepfel said she prepared the Senior Wellness Program budget for same amount as FY2008. James asked Kloepfel about the program expenses, especially staff. Kloepfel remarked that she hired another person. She was not asking for more money because the program is only two quarters into this year and they do not have a lot to show for it. Kloepfel explained the money from the Board of Health is to set up a community network to provide referrals for County seniors and passing on information. It would leverage what RPC already does. They have started to build a network of people such as neighbors and pharmacists who will know what is going on in communities. Then RPC would have a case worker to do referrals. RPC is trying to leverage more money and may bring different proposal next year based on a needs assessment done this year.

Regarding CIDES, Peterson said the Board budgeted \$130,360 in FY2008, plus a one-time \$10,000 equipment grant. CIDES requested \$130,360 in FY2009. Busey explained if all the revenue stays the same, the investment interest comes in as expected, and the County Board maintains the subsidy at \$95,000, then the Board would have just under \$130,000 left in remaining with the expenses budgeted so far. There was no guarantee the County Board subsidy would remain the same. If CIDES is budgeted at \$130,000, then the FY2009 budget would have a \$400 deficit. If the County Board subsidy decreases without a corresponding decrease in Board of Health expenditures, that money would have to come out of the Board of Health's fund balance. Busey said the Board of Health's fund balance is about \$600,000.

Wallace clarified she made a formula error in the total CUPHD Contract and Grant amount. The figure for FY2008 actually should be \$290,059. She had the 3.5% COLA in FY2008 and that does not go into effect until FY2009. She stated \$319,627 is the correct figure for 2009.

James asked if the County Board would approve another \$95,000 subsidy. Busey said could not predict what would occur, but the General Corporate Fund is in a very difficult position. James wanted the Board of Health to be prepared for a cut in the subsidy. Rappaport wanted to make projections to see how long it would take to deplete the \$600,000 carryover balance if the County Board reduces the subsidy. He did not want to ask the County Board to

reduce the subsidy, he wanted to tell the County Board what the options were and have them make the decision. James recommended, based on his knowledge of the County budget and the Nursing Home issue, that the Board of Health make good faith effort by cutting the subsidy by \$50,000 or they might end up with no subsidy. James stated the people representing the programs currently funded should understand the Board might not be in a position in the future to continue funding at current levels. Rappaport said his impression was that the County Board liked the CIDES program and that was a reason for the subsidy. He wanted to tell the County Board the consequences of reducing the subsidy. James said the groups that are currently funded should look into opportunities to use the money from the Board of Health to leverage other money because the County has to re-evaluate its budget. Present economic conditions have many businesses and government bodies evaluating their budgets to find ways to reduce expenses. The subcommittee discussed its budget and how to make a presentation to the County Board. James spoke about the County's financial struggles with the Nursing Home and how this subsidy was not intended to be open-ended, which Peterson confirmed. Busey articulated that when the subsidy is stopped, the Board cannot count on the County Board ever reinstating a subsidy. It would take the Board of Health twelve years to spend down its fund balance at the current budget levels. Predicting the effects of future revenue is very difficult. Peterson noted the property tax revenue is not sufficient to maintain all of the programs beyond the core services.

Peterson asked if the Board of Health could loan the General Corporate Fund some of its fund balance. Busey did not think it was possible to take dollars designated for public health purposes and loan them to the General Corporate Fund. The General Corporate Fund is allowed to borrow from certain funds and Busey would be happy to obtain a legal opinion on the proposition. The subcommittee agreed this would be a creative idea. The subcommittee discussed what to request from the County Board regarding the subsidy. James firmly believed the members of the Republican Caucus would question continuing a \$95,000 subsidy when the Board of Health has very large fund balance and the drain on the General Corporate Fund is significant.

MOTION by James to reduce the requested subsidy from the County Board by \$50,000; seconded by Peterson.

Peterson wanted to have one more Budget Subcommittee meeting to finalize the Budget and then take it to the full Board for approval in July. He acknowledged that the Board really needs to look at its fund balance and the programs it supports. James said the Board must develop a better way to evaluate its programs. They should take into consideration other programs instead of the same ones that have been funded in the past. He envisioned the Board of Health of performing outreach to the County residents outside of the Champaign-Urbana area.

Other Business

There was no other business.

Next Meeting

The next Budget Subcommittee meeting was scheduled for July 29, 2008 at 4:30 p.m.

Adjournment

The meeting was adjourned at 5:47 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.