

**MARICOPA COUNTY BOARD OF HEALTH MEETING MINUTES
Finance Committee**

**Monday, October 28, 2019 at 2:30 pm
301 W. Jefferson Street, 10th Floor, Phoenix, Arizona 85003
Board of Supervisors Conference Room**

President Hughes called the meeting to order at 2:35 p.m.

ROLL CALL:

Members Present:

Don Cassano
Don Hughes
Kristen Acton via phone
Nedra Halley

Members Absent:

Robert MacMillan

DISCUSSION/ACTION ITEMS:

1. Approval of BOH Finance Committee Minutes from July 22, 2019:

President Hughes asked for a motion to approve the BOH finance committee minutes from the BOH Meeting held on July 22, 2019. Motion was made by Ms. Halley to approve the BOH finance committee minutes as presented. Motion was seconded by Mr. Cassano and all were in favor. The motion passed unanimously.

2. Public Health Finance Report

Mr. Max Porter

Fund 100 - General Fund

Through the September 2019 period, or 25% of the fiscal year, Public Health has spent 22.5% of the General Fund authorized budget, with a year-to-date positive variance, budget to actual expenditures, of \$654,183. The total General Fund portion of the report includes the FY20 special appropriation of \$1,693,222 for the Hepatitis A outbreak response, which shows a \$145,114 positive variance year-to-date budget to actuals. If that variance is netted out, the General Fund positive variance is \$509,069 year-to-date. In Personal Services the department has a positive variance of \$277,487. We currently have a higher-than-usual number of vacancies in the General Fund. For Supplies there is a positive variance of \$69,005 year-to-date; and in Services a positive variance of \$307,641.

Our department's "Hep A" response is estimated at this time to continue through February, and we anticipate that most of the nearly \$1.7 million appropriation for this response will be expended. Contract temps expenses are currently running at over \$30,000 a week for the response.

We recently began charging indirect costs from the grants and fee fund accounts and allocating our General Fund administrative costs to the indirect cost pools, using budget object codes 8740 and 8750. These codes are at the end of the Services section of the attached report. These used to be budgeted in Personal Services, Supplies and Services. In the report, the first two number columns, Current Budget and Current Expenditures, are for the most recent month's budget to actuals—in this case September. For the General Fund, it appears for these two columns that we are way under budget for the month. This is

largely due to the fact that indirect and the admin reallocation for the first two months of the year posted all in the month of September.

Fund 265 - Special Revenue Fund

From the Special Revenue Fund we have spent 19.0% of our expenditure budget as of the end of the first quarter. Actual expenditures are under budget by \$546,181, or 22.8%. This budget consists of \$8,010,963 in operating funds and \$1,690,000 of non-recurring funds, such as \$625,000 for the Office of Vital Registration's move of its East Valley location to the Southeast County Complex in Mesa. Expenses for this project and other non-recurring projects will commence later in the fiscal year, which skews the positive variance numbers.

Personnel expenditures for the Fee Fund are \$51,597 under budget for year-to-date, or 4.4%. Supplies expenditures are \$45,066 under budget, or 11.5%, with much of that in Vital Registration. Services expenditures for the department are under budget by \$448,858, or 55.1%. Of this amount, \$154,800 is in unspent budget for the new OVR Southeast office. The majority of the unspent services funding is in the non-recurring budgets for the Refugee program and the mandated programs of STD and TB, as well as for the healthcare policy initiatives.

Fee revenues year to date are exceeding budget by \$113,332, or 5.7%, and are exceeding expenditures by \$316,716, so the fund is structurally balanced. Fees for the Community Health Assessments we do for the hospitals are \$51,249 below budget year to date but are expected to surpass the budgeted amounts by fiscal year-end. Third party collections for the immunization fee fund are coming in close to budget (3.2% under) but are 16.6% in excess of expenses year to date, so also structurally balanced. For Vital Registration, revenues year to date exceed budget by \$195,206, or 16.5%, and exceed expenditures by \$259,724, or 23.2%. The STD and TB fee funds are also structurally balanced year-to-date.

We've reported previously that the Refugee fee fund's expenditures have been cut dramatically, and the program is maintaining the minimum core staff necessary to keep the program going. Fee revenues to date are 49% below budget, but still exceed expenditures, so the program is structurally balanced. We will likely request a smaller budget for FY21 to keep it more in line with actual collections and client demand.

Fund 532 – Grant Fund

Through the first quarter, the Grant Fund expenditures are \$7,912,079, which is 10.3%, below budget year-to-date. Revenues to date are \$5,316,937, which is 41.4% below budget. It should be noted that in September the County's Finance Department processed a reversal of deferred revenue of over \$4 million, which involves moving revenues associated with FY19 billings that posted in this fiscal year back to last fiscal year---FY19. This transaction is done annually. The effect of this is that revenues appear well below what would be expected. As we have pointed out before, all our grants bring in enough revenue to match expenditures before they can be closed out. (There was one exception last year in which one grantor did not pay us \$70K+ that was owed to us.)

As mentioned in the July meeting, we have lost several grants recently but are gaining two large grants. The direct federal grant (from the CDC) for Opioid Overdose Data to Action in the amount of \$2.68 million in the

first year was awarded for the grant period that started September 1st, and expenses are just being “ramped up.” This grant’s purpose is to gather high quality, comprehensive and timelier data on overdose morbidity, and to use that data to inform prevention. We are also gaining the Ryan White HIV/AIDS-related federal grants with awards exceeding \$14 million. This program had been operating on its own but is being merged into our department this year. Organizationally the program has been moved under MCDPH already, but the budget will not be rolled into D860, our department, until March 1 and April 1, the start dates of the Part A and Part B grants respectively.

3. Environmental Services Finance Report

Mr. Gus Martinez

FUND 100 (County General Fund)

FUND 100 are reporting **revenues 43% over** the year to date (YTD) budget and **expenditures 1% under** the YTD budget through Period 3 close FY20.

Revenues

FUND 100 is funded by the County General Fund subsidy. Environmental Services collects enforcement revenue from non-permitted activities. These fines are associated with violations of the Environmental Health Code by persons and organizations not subject to obtaining a permit. In addition Environmental Services waste resources and recycling division collects transfer station fees for refuse services provided to citizens across the county. Fund revenue through Period 3 close are reporting at \$131,538 which is **43% or \$57,014 over** YTD budget.

Expenditures

The Environmental Services General Fund is reporting **expenditures 1% or \$30,011 under** YTD budget through Period 3 close. The amount is primarily attributed to a positive variance in supplies and services costs of **\$18,739**, and a positive variance of **\$11,271** in personnel.

FUND 290 (Environmental Tire Fund)

FUND 290 are reporting **revenues 8% over** the year to date YTD budget and **expenditures 7% under** the YTD budget through Period 3 close FY20.

Revenues

FUND 290 is funded by the State of Arizona through the tire disposal tax. Revenues are distributed to the counties based on the number of vehicles registered within that county. Fund revenue through Period 3 close are reporting at \$1,485,314 which is **8% or \$111,505 over** YTD budget.

Expenditures

The Environmental Services General Fund are reporting **expenditures 7% or \$94K under** YTD budget through Period 3 close. The amount is primarily attributed to a positive variance in supplies and services costs of **\$88K**.

FUND 505 (County Grant Fund)

FUND 505 are reporting **revenues 0% under** the year to date (YTD) budget and **expenditures 15% under** the YTD budget through Period 3 close FY20.

Grant Funds

Agency 881 is a grant from the Food and Drug Administration Department of Health and Human Services. Environmental Services was awarded the grant on September 10, 2015 in the amount of \$67,198 for FY20. The grant was approved by the Board of Supervisors on October 21, 2015. The purpose of the grant is to advance conformance with the voluntary national retail food regulatory program standards. The purpose of the grant is to advance conformance with the voluntary national retail food regulatory program standards. This grant will serve in assessing foodborne illness risk factors in Maricopa County and provide permitted food operations with educational strategies to reduce the occurrence of foodborne illness risk factors. In Year 5, Environmental Services is providing education to all Environmental Health staff for implementing Active Managerial Control principles during their inspections and train the operators to do the same (Train the trainer). This training is based on the results of the survey conducted in Year 1. Also, Maricopa County Environmental Services will develop an AMC Toolbox, consisting of guidance documents, templates, logs, videos, and handouts on policies, training, and verification. These materials will emphasize the shift to a population that learns through the oral and visual delivery of information. Access to these materials will be streamlined via inspection reports, website design, and other mobile platforms. AMC will be further incentivized by increasing public awareness of the Department's voluntary AMC program: the "Cutting Edge Food Safety Partnership." Our Department will develop media to showcase Cutting Edge Program participants.

The grant was approved by the Board of Supervisors on October 21, 2015 and the department has submitted a reimbursement for the 1st Qtr. FY20 expenses, however the disbursement will not show until the Period 4 close FY20 balancing our expenses within this fund.

Expenditures

The Environmental Services Grant Fund are reporting **expenditures 15% or \$2,215 under** YTD budget through Period 3 close FY20.

FUND 506 (Environmental Fee Fund)

FUND 506 is reporting **revenues 15% over** the YTD budget and **expenditures 3% under** the YTD budget through Period 3 close FY20.

Revenues

FUND 506 is funded by permit fee and fine revenue. Revenues through Period 3 close are reporting at \$5,540,163, which is **15% or \$850,139 over** YTD budget.

Pool, food permitting, and environmental plan review are all experiencing a higher than average permit and plan review submittals resulting in **\$376K** above budgeted revenue. Food permitting is also on the rise with an increase of revenue in the amount of **394K**. This is primarily due to dormant construction projects that are now being revitalized and the ever-improving economy.

Expenditures

Expenditures through Period 3 close are **3% or \$147,391 under** the YTD budget. This positive variance is primarily made up of a supplies and services in the amount of **\$49K** and **97K** in personnel costs.

FY20 internal personnel allocation expenditures are 114K lower than expected through Period 3 close however, the department is not forecasting that this trend will continue as OET replaces vacancies within their own department.

Adjournment

There being no further business, motion was made by Ms. Halley to adjourn the meeting. The motion was seconded by Mr. Cassano and the motion passed unanimously. Vice President MacMillan adjourned the Finance meeting at 2:55 p.m.

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