

**BOONE COUNTY BOARD OF HEALTH
FINANCE COMMITTEE MEETING MINUTES
NOVEMBER 4, 2010
BOONE COUNTY DEPARTMENT OF PUBLIC HEALTH**

Members Present: Dr. Hess, Jim Cox, Jack Spotz, and Allen Sisson

Board of Health Members Present: Kathy Taylor and George Sprecher

Staff Present: Bill Hatfield, Lisa Gonzalez, and Sandy Romanek.

Guests Present: Bob Walberg and Ken Terrinoni

Dr. Hess called the meeting to order at 12:10 p.m.

Approval of Agenda: A motion to approve the agenda was made by Allen Sisson and seconded by Jim Cox. Motion carried.

Lisa reviewed the Grant Fund Budget for FY 2011. She addressed the shortfall of \$30,354.00. \$28,976.00 of this will be resolved with voluntary reduction in hours of 3 employees. She anticipates that the balance of the shortfall will be resolved by further voluntary reductions. The Finance Committee thanked Lisa for her resolving the projected shortfall on the Grant Fund.

Allen presented an overview of the issues that are outstanding with the Health Fund.

- At this time we are looking at a shortfall of \$192,000.00.
- The consensus of the Board of Health concerning the FY 2011 budget is that expenses can not exceed the revenues.

Bill was asked what he thinks can be done to resolve the shortfall projected for the Health Fund. Lisa and Bill provided the Finance Committee with a summary of their options to address the projected shortfall in the Health Fund Budget. A copy of the document is in the packet. The total reduction from the original budget totals \$15,610. The total includes adjustments to fuel, publications, property maintenance, an increase in health insurance, car maintenance, computer maintenance, telephone, travel, training and conferences.

There was an open discussion concerning the transfer of funds or expenditures from the Grant Account to the Health Fund. Sandy explained the reimbursement received for administrative costs, salaries, and operating expenses that have been deposited in the Grant Fund Account. These are not Grant Funds but reimbursements for previous expenditures made against the Health Fund. This has been a slow accumulation of funds. If we were to move forward with the transfer of expenditures, we would then need to update the Grant Fund budget to reflect these expenditures. She is going to receive outside confirmation on how these funds can be spent. Potentially \$54,000 could be charged against these reserves. Sandy cautioned the Finance Committee concerning depleting this reserve amount, based on the payments from the State being at least 6 months behind for some of the grants.

The Finance Committee stated that they did not feel that the elimination of the Administrator position was an option to correct the FY 2011 budget deficit. The overall opinion was that the Health Department needs an Administrator with a strong financial background. The question is whether or not all the candidates that were identified as being qualified by I.D.P.H., are still interested or available for the Administrator position. This will need to be clarified through Ray Empereur. Dr. Hess will follow-up with Ray in the near future to confirm availability of the candidates, and update them on the status of the hiring process.

Ken Terrinoni confirmed he would like copies of the revised budget by November 15, 2010, to present at the next County Board meeting scheduled for November 17, 2010.

Bill and Lisa submitted a copy of a letter from George Rudis from I.D.P.H. concerning the current arrangement of having co-administrators within the Health Department. George Rudis stated that one individual (not identified as Interim) should be appointed as soon as possible. A copy of the letter is included in the packet.

There was an open discussion concerning if it best for hourly reductions to be made versus eliminating positions. Jack Spatz stated that his HR Specialist felt that for professional positions, it is easier on employees to have their position eliminated. One employee would be hurt versus 20 employees with mandated reduced hours. Lisa reviewed the handout prepared by her and Bill with reduction options and the projected affects of those reductions. Allen also stated that he would like to see a summary of all programs and whether or not they are self-supporting, expendable or necessary. The question was also asked concerning who is responsible for determining what cuts should be made. Currently is this the responsibility of the Board of Health Finance Committee or the Interim Co-Administrators? Is the role of the Finance Committee to make recommendations to the Board of Health, and then the Board of Health mandate certain actions that need to be taken by the Administrator?

Bill was asked to get information for the surrounding areas concerning their fee structure for services. Ken was asked what the projections were for Fiscal Year 2012. Ken's opinion for forecasting purposes is that the revenue for 2012 will be similar to 2011, and really should not be reduced more. This highlighted that the expenses need to be reduced going forward, since the philosophy of the BOH is that expenses should not exceed you revenue. Bill felt that we would have a continuation of savings if the Environmental Director replaced the Administrator, and that the Environmental position could be left open throughout the next few years.

The Finance Committee summarized the following:

Plan A – Confirm the legality of utilizing reimbursements received for operating expenses. The projected amount is currently \$54,000.

Plan B – Based on the projected shortfall, instructing the Co-Administrators to develop a plan to reduce expenses through personnel cuts and/or reductions. The Administrator position is not to be included in the position cuts. It needs to be clear that services provided by the Health Department could be cut, reduced, or not be performed in the capacity that they are currently performed.

Plan C – What revenues can we increase to achieve a balanced budget?

Plan D – Look into realigning positions, or better utilization of employees.

Thinking outside the box to determine how we can provide the best services possible with the least amount of staff. Bottom line is that we need a balanced budget. It may be determined that utilizing some of the reserves to help offset the shortfall, and a combination of increasing revenues and decreasing expenses is the best approach to achieving a balanced budget.

A motion to adjourn was made by Jim Cox and seconded by Allen Sisson. Motion carried. Meeting was adjourned at 1:35 p.m.

Submitted through Allen Sisson.
Sandy Romanek

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