



***Snohomish Health District
Board of Health Minutes
Regular Meeting
May 14, 2013***

Members Present

Shannon Affholter, Councilman, Everett
Adrienne Fraley-Monillas, Councilwoman, Edmonds
Karen Guzak, Mayor, Snohomish, Chair
Linda Grafer, Councilwoman, Mukilteo
John Joplin, Councilman, Brier
John Koster, County Councilman
Vern Little, Mayor, Lake Stevens
Kerri Lonergan-Dreke, Councilwoman, Lynnwood
Stephanie Wright, County Councilwoman

Members Absent

Dave Gossett, County Councilman
Sean Richards, Councilman, Mountlake Terrace
Dave Somers, County Councilman, Chair
Brian Sullivan, County Councilman
Dianne White, Mayor, Stanwood
Donna Wright, Councilwoman, Marysville

Others Present

John Amos, Snohomish County
Judy Chapman, SHD Accountant
Randy Darst, SHD Environmental Health Division Director
Nancy Furness, SHD Interim Communicable Disease Division Director
Gary Goldbaum, MD, SHD Health Officer and Director
Kristin Kinnamon, SHD Communications Manager
Gayle Lanier, SHD Vaccine Preventable Disease Program Manager
Lynn Ljungquist, SHD Program Specialist
Peter Mayer, SHD Deputy Director
Rita Mell, SHD Clinic Program Manager
Lorie Ochmann, SHD Executive Assistant
Suzanne Pate, SHD PIO
Don Peterson, SHD Business Manager
Charlene Shambach, SHD Community Health Division Director



Glen Svendsen, Snohomish County Financial Analyst
Steve Uberti, Legal Counsel

Call to Order

The regular monthly meeting of the Board of Health was convened at 3:02 p.m. by Chair Karen Guzak in the Auditorium of the Snohomish Health District Rucker Building. Roll call was taken by Lorie Ochmann, who reported there was a quorum present.

Public Comment

There was no public comment.

Chair's Report

Chair Guzak reported on discussions with staff regarding Board of Health process and attendance. Chair Guzak proposed suspending Program Policy and Administration Committees over the summer months of June, July, and August, and appointing two ad hoc committees. One ad hoc committee will be created to address financial policies, and one Board committee to address attendance, process and structure to identify how to best accomplish Board goals. The Board Charter was written 54 years ago and needs to be reviewed for appropriateness in 2013. Board Members Linda Grafer and John Joplin volunteered to be on the Structure & Processes Committee. Adrienne Fraley-Monillas, Kerri Lonergan-Dreke, and John Koster volunteered to be on the Financial Policies Committee. Board Members not in attendance will be notified via email.

Health Officer's Report

Dr. Goldbaum reported on the new influenza A (H7N9) virus in China. As of May 2, a total of 128 laboratory-cases of human infection (including 26 deaths) had been confirmed. No cases have been reported outside of China. So far, there is no evidence of sustained human-to-human transmission. Consequently, neither CDC nor the World Health Organization is recommending that travelers change their plans.

On April 30, 2013, the Public Health Advisory Council shared the results of the Snohomish County Community Health Assessment with the community. The "Community Report Card", which was presented to more than 120 attendees, highlighted six priority areas: youth physical abuse, youth and adult obesity, youth and adult suicide, youth dental decay, access to primary care, and lack of prenatal care in the first trimester. The meeting closed with a "Call to Action" asking community members to commit to action on the top three priority health issues: youth physical abuse, youth and adult obesity, and youth and adult suicide. More than 40 people



signed up. Staff is now organizing teams to work on the top issues over the summer and into early fall.

Copies of SHD's first Annual Report were distributed, which summarize the Health District's accomplishments in 2012. This document is a valuable tool for helping legislators and other key leaders understand what public health does and why state investments in public health are worthwhile.

Minutes

It was moved by Ms. S. Wright and seconded by Mr. Joplin to approve the minutes of the regular meeting and work session held April 9, 2013. The motion carried unanimously.

Committee Reports

Included in today's meeting packet were the monthly standing reports. There were no questions regarding these reports. Program Policy Committee and Administration Committee did not meet.

Consent Agenda

It was moved by Mr. Affholter and seconded by Ms. S. Wright to approve the following items on the Consent Agenda: (a) vouchers of April 2013 and (b) Resolution 13-10 authorizing April 2013 expenditures, for Health District and PHEPR funds. The motion carried unanimously.

Executive Session

There was no executive session.

Action Agenda

Pete Mayer gave a presentation on establishing new financial policies and reserve levels. Mr. Mayer provided background on a number of financial management policies, practices and laws providing guidance to SHD regarding the management and reporting of its financial affairs. Examples include the basis of accounting used, fund structure, budget adoption process and appropriations methodology. The Board has adopted two prior financial management policies in the past few years- both related to fund balance, appropriate minimum levels and its intended use. Mr. Mayer proposed a more comprehensive set of financial management policies to help shape the budget and ensure that SHD has a framework for long-term decision making. The



proposed policies provide greater guidance regarding the agency's financial affairs and reinforce SHD's financial priorities and preferences in preparation for the development of the 2014 budget and beyond. Proposed policies fall into four categories: Long Range Financial Planning and Resource Utilization, Reserves, Capital Planning and Asset Management, and Financial Asset and Liability Management.

Mr. Mayer also reported on Fund Balance and Reserves. As part of the 2013 budget process, the Board approved spending \$960,000 in fund balance to off-set potential reductions to programs and services. Continued reliance on fund balance is not sustainable over the six year horizon, as reliance on one-time funds could deplete the undesignated fund balance by 2016. The issues of fund balance and reserves are two increasingly important elements of concern as the agency strives for a more stable and sustainable future. Staff has concluded that the current \$2 million "Committed Reserve" is insufficient to adequately address emergencies, working capital and unfunded liabilities as well as other liabilities or obligations. Thus, staff recommends the establishment of discrete reserves with specific funding levels set by the Board. In doing so, the agency's six year financial forecast can more accurately reflect the agency's fiscal health, ensure that appropriate reserve amounts are held for contingencies and enable a more accurate picture of remaining undesignated (discretionary) funds. Mr. Mayer proposed implementing three reserve accounts, Emergency General Fund Reserve, Working Capital Reserve, and Revenue Stabilization Reserve. In addition, three assigned reserves were proposed, an Equipment Replacement reserve, Technology Replacement reserve, and Building and Maintenance reserve. Board Members discussed their general support for financial policies and reserves. Staff noted receipt of a draft letter from Snohomish County Councilmember Kostner regarding a series of questions and concerns regarding the recommended reserve policies. To more fully address the questions, the Board agreed to form an Ad-Hoc Committee on the policies. The Ad Hoc Committee will work with staff to return to the Board with a final set of recommendations addressing the questions posed in the letter. Councilmember Kostner asked that the letter be shared with the Board. No Board action was requested at this time.

Program Briefings

Don Peterson gave a first quarter finance status report. The district has two funds, the general fund and the Public Health Emergency Preparedness and Response Fund (PHEPR). The general fund is the operational fund and PHEPR is a cost reimbursement fund. First quarter revenue and expenditures are in line with projections. To date 63% of projected revenue has been collected. This is primarily due to food establishment permits collected early in the year. There are currently three major uncertainties, the federal budget, Medicaid Administrative Match, and state funding. Intergovernmental revenues are 25% of the agency revenue. Currently it is unclear how sequestration may affect funding.

Kristin Kinnamon gave a presentation on the SHD Communications Program goals. The three member team focuses on developing key messages and strategic public relations, improving consistency, quality, and effectiveness of public materials, and improving communications channels. The Communications staff has compiled the first Annual Report and



developed templates for publications. The team is also redesigning the agency's webpage for improved navigation, search and general usability and also just launched an agency Facebook page.

Information Items

A calendar for scheduled meetings in May and June 2013 was provided to Board Members in their packets.

Adjournment

The meeting was adjourned at 4:34 PM.

Karen Guzak, Chair

Gary Goldbaum, M.D., M.P.H., Secretary