



***Snohomish Health District
Board of Health Minutes
Regular Meeting
November 12, 2013***

Members Present

Dave Gossett, County Councilman
Karen Guzak, Mayor, Snohomish, Chair
Linda Grafer, Councilwoman, Mukilteo
John Joplin, Councilman, Brier
John Koster, County Councilman
Kerri Lonergan-Dreke, Councilwoman, Lynnwood
Dianne White, Mayor, Stanwood
Donna Wright, Councilwoman, Marysville

Members Absent

Adrienne Fraley-Monillas, Councilwoman, Edmonds
Vern Little, Mayor, Lake Stevens
Sean Richards, Councilman, Mountlake Terrace
Dave Somers, County Councilman
Brian Sullivan, County Councilman
Stephanie Wright, County Councilwoman

Call to Order

The regular monthly meeting of the Board of Health was convened at 3:06 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 not a quorum present. The agenda was revised to move ahead to non-voting items. Dr. Goldbaum began the Health Officer's report. Ms. Donna Wright arrived at 3:08, creating a quorum.

Public Comment

There was no public comment.



Chair's Report

There was no Chair's Report.

Health Officer's Report

Influenza vaccine

Influenza activity is low across the country, increases are expected during November. Anyone aged 6 months and older who is not already vaccinated should get vaccinated now.

Thirteen different formulations exist this year. The standard (trivalent) vaccine contains three influenza antigens (inactivated or attenuated virus), two type A and one type B. New quadrivalent vaccines add another type B antigen. Most formulations are injected intramuscularly, one is injected intradermally, and one is inhaled. Some are manufactured using eggs (the traditional approach) while others use human recombinant technology. One has higher doses of the influenza antigens; this produces a better immunological response among persons >65 years old, but studies of clinical effectiveness are just being evaluated. Currently, the Centers for Disease Control and Prevention does not recommend any formulation over another. The decision is really about what works best for the patient and the provider. However, the choices are complicated, as not all formulations are approved for all ages.

National Association of City and County Health Officials Grant Application

The National Association of City and County Health Officials is (NACCHO) is awarding grants in amounts up to \$40,000 to support strategic planning initiatives. Staff would like to apply for \$40,000 in funding to support planning with the Board next year. The grant application requires support from the Board, even though SHD policies do not require such action.

It was moved by Ms. White and seconded by Ms. Lonergan-Dreke to support applying to NACCHO for funding to support strategic planning. The motion carried unanimously.

Snohomish County Health Leadership Coalition

The Snohomish County Health Leadership Coalition is a group of executives from the health care, education, business, and public health sectors. Premera convened the Coalition, with an aim to jumpstart community projects that would improve health locally. Scott Forslund, Premera's Director of Strategic Communications and Coalition Director, provided an update on Coalition activities. By the end of the first meeting, the group had decided to establish two initiatives. One would move an indicator of long-term community health and the other would move an indicator of the community's health associated with a problem that creates acute health care costs for families and communities. The Coalition agreed that both initiatives would need to produce results within 18 months from the point that projects began and they were to be taken on with an 18-year vision. The Coalition hopes to create the runway for the community to continue working together.



Mr. Forslund highlighted the Gear Up and Go! Initiative, a program that has provided 7,000 5th graders schools with wristbands that measure activity levels. Fifth grade was identified as the age when physical activity begins to decline. The data is collected at a sync stations located at the participating schools. Students can monitor their progress online, create avatars and interact with other students in a virtual environment. The virtual environment is designed to protect student identities and prevent bullying by allowing students to only choose pre-scripted comments. The information gathered in the project will allow data to be collected and mapped in a number of ways. The system can track and compare the progress of individual classrooms and among schools, creating competition within the same school district and against other districts. The long-term success of the project will be measured in part through Healthy Youth Surveys. Neighborhood parks walkability maps and will also be compared to the data collected for use in future planning.

Board Members discussed availability of the Squord devises to the general public and the need for transparency in health care costs to enable good decision making by consumers.

Minutes

It was moved by Ms. D. Wright and seconded by Mr. Gossett to approve the minutes of the regular meeting held October 8, 2013. The motion carried unanimously.

Committee Reports

There were no questions regarding the monthly standing reports. Program Policy Committee and Administration Committee did not meet.

Consent Agenda

It was moved by Mr. Gossett and seconded by Ms. Lonergan-Dreke to approve the following items on the Consent Agenda: (a) vouchers for October 2013, and (b) Resolution 13-16 authorizing October 2013 expenditures for Health District and PHEPR funds. The motion carried unanimously.

Action Agenda

2013 General Fund Budget Revision

The 2013 Budget was created with projected revenues, the best information available at the time. Several adjustments have been made to grants and contracts which have been previously communicated to the Board. In total, grant revenue increased by \$792,302 from a



variety of sources, fees and charges for services were 2% higher than projected bringing the total increased revenue to \$825,030. In addition, the Board of Health has approved and the District has entered into a renewal of the Local Source Control contract with the Washington State Department of Ecology. Accomplishing the scope of work required in the contract will necessitate hiring additional staff equal to 1.0 FTE Environmental Health Specialist. The District anticipates this change will require additional expenditure authority of \$56,974 in 2013 with an offsetting reimbursement of the same amount from the Department of Ecology.

It was moved by Mr. Gossett and seconded by Ms. Lonergan-Dreke to approve Resolution 13-18 authorizing 2013 General Fund Budget Revision. The motion carried unanimously.

Budget Briefing

2014 Proposed Budget

Dr. Goldbaum introduced the 2014 Proposed Budget, provided an overview of the budget process and recognized staff for their efforts over the six month process.

Pete Mayer discussed the 2014 Proposed Budget and provided summary of agency and divisional budgets. The goal has been to create a balanced and sustainable budget in 2014 and beyond. The transition approach is comprised of near term and long term objectives. For the near term, defined as 2013-2014, SHD has assumed all current District functions are justified. The budget process included a review of all services with additional focus on services supported by the General Fund. Fee and grant supported services will continue to be evaluated to ensure they are self-sustaining. The agency will also continue to evaluate attrition opportunities and new revenues will be considered with the goal of achieving a balanced budget in 2014, but by no later than the 2015 budget. For long-term planning (2015-2020), staff will update the SHD Strategic Plan, develop performance standards for use of state flexible funds, identify and direct funding to foundational public health programs, services, and functions, and facilitate transfer of other programs, services, and functions to community partners.

Judy Chapman detailed the General Fund revenue sources and highlighted the unpredictable nature of federal funds. Sixty-three percent of SHD revenues come from federal, state, and local funding streams, which are declining or flat funding. Thirty-six percent of revenue is self-generated through licenses, permits, and charges for goods and services. These revenues are anticipated to increase by 2% in 2014. Personnel services account for 82% of expenditures. Employer contributions to medical and retirement benefits and salary increases total and anticipated 3% increase to personnel services costs. The 2014 Proposed General Fund Budget includes the elimination of 17.43 FTE, 14.53 of those positions are currently vacant. Personnel costs represented in the forecast assume no attrition, although, attrition is expected to occur yielding salary savings.

Nancy Furness provided an overview of the Communicable Disease Division and Public Health Emergency Preparedness and Response (PHEPR) Fund. The Communicable Disease



Division receives over four million dollars in grants and state revenue, including \$1.6 million from the county for TB and other communicable disease control. New in the 2014 budget is enhanced Medicaid revenue for immunizations, TB home visits, and physician services for TB clients. Participation in the Patient Assistance Program, which provides free vaccines to SHD from pharmaceutical companies for low income individuals, represents substantial saving to SHD. These savings combined with scrutiny of other program spending resulted in a \$97,000 reduction in supply expenditures. In summary, the division proposes a budget reduction of \$380,000 achieved through the elimination of management positions and consolidation of the leadership structure between Communicable Disease and PHEPR, a reduction in administrative support, and increased technology investments.

Charlene Shambach presented an overview of the Community Health Division revenue and expenditures. Eighty-eight percent of the funding for Community Health comes from grants and contracts from the State Department of Health, State Department of Social Health Services and Snohomish County. Two grants were successfully concluded and youth tobacco funding was eliminated. New funding for tobacco and smoke-free living has recently been awarded as well as healthy and active lifestyle funding. Non-personnel expenditures for the division were reduced by \$50,000 in this budget proposal without reduction in services. A reduction in staffing reflective of a reduced WIC caseload is also proposed, for a total Community Health budget reduction of \$238,702.

Randy Darst reviewed the revenue and expenditures for the Environmental Health Division. Licenses and permits represent 59% of the divisional revenue. Grant and contract funding has been stable with one grant expanding. Permitting and inspection activity remains high and revenues are strong in all program areas. Seventy-five percent of divisional expenditures are staffing costs. Other major expenses include software licensing and legal counsel. Restructuring and implementing efficiencies have decreased staffing needs. The Environmental Health Division proposes the elimination of three vacant positions at a savings of \$126,006 in addition to the \$125,552 savings from the elimination of a management position earlier in the year.

Pete Mayer discussed the Administration Division Budget. Over a dozen program areas are included in Administration such as support for internal committees, building maintenance, Lynnwood building lease, and Board of Health support. Like the other divisions, the majority of the expenses are related to labor costs. Other expenses include equipment rentals, such as copiers, building expenses, and legal services. One major change this year is the allocation of revenue to programs. Likewise, some expenditures have been allocated to programs. Costs saving initiatives in Administration include the elimination of a management position, administrative, and administrative support positions, realignment of staff resources to support business and analysis functions, renewed focus on external communications and outreach, and greater reliance on technology investments. These measures would result in savings of \$231,273. Work Plan highlights for 2014 include website redesign, exploration of revisions to governance structure, improved tracking of small assets, and reallocation of office space.

Mr. Mayer discussed capital requests. Staff request \$70,000 for annual repair and replacement costs related to the Rucker building and \$109,000 for Information Services. Additionally, staff request \$906,500 in one-time capital investments for software, building expenses, and planning initiatives. In summary, staff proposes a General Fund Operating Budget



in the amount of \$16,518,493, PHEPR Operating Budget of \$672,252, and one-time capital request of \$906,500. The Proposed Budget for 2014 totals \$18,097,245.

Dr. Goldbaum provided a summary of recent events regarding changes in staffing. Since last month seven additional positions have become vacant, or will soon be vacated resulting in savings that would allow the proposed 2.9 FTE reductions of occupied positions to be delayed for six months. During this time staff will engage in a strategic planning process with the Board. After the strategic planning process is complete, staffing needs and assignments will be reevaluated.

Board Members discussed unassigned fund balance versus undesignated fund balance and replenishment. These funds are replenished at the discretion of the Board. Board Members also sought clarification of projected costs of software replacement initiatives. These core systems require replacement regardless future strategic planning outcomes.

At the December 10th Board meeting staff will present an updated 2014 Budget reflective of recent developments in staffing and Board guidance. The Six Year Financial Forecast will also be updated.

Public Hearing

It was moved by Ms. Grafer and seconded by Ms. Lonergan-Dreke to open the Public Hearing on the SHD 2014 Proposed Budget. The motion carried unanimously.

There was no public comment.

It was moved by Mr. Gossett and seconded by Mr. Koster to support staff recommendations to delay for six months action on the occupied positions identified for reduction or elimination in the 2014 budget. The motion carried unanimously.

Information Items

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

The Program Policy Committee meeting scheduled for November 28th and the Administration Committee Meeting scheduled for December 2nd are both cancelled.

Adjournment

The meeting was adjourned at 4:50 PM.

Karen Guzak, Chair

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