

WOODBURY COUNTY BOARD OF SUPERVISORS AGENDA ITEM(S) REQUEST FORM

#2b

Date: February 8, 2018 Weekly Agenda Date: 02-13-18

ELECTED OFFICIAL / DEPARTMENT HEAD / CITIZEN: Kevin Grieme- SDHD

WORDING FOR AGENDA ITEM:

Budget support information

ACTION REQUIRED:

Approve Ordinance ☐

Approve Resolution ☐

Approve Motion ☐

Public Hearing ☐

Other: Informational ☒

Attachments ☒

EXECUTIVE SUMMARY:

This memo provides information related to the budget that is to be presented by Siouxland District Health Department.

BACKGROUND:

The funding for Siouxland District Health Department is complex. The budget being presented reflects all operational costs, including salaries and benefits. With the past utilization of the health fund, the discussion can get confusing about what is being presented to the Board of Supervisors.

FINANCIAL IMPACT:

Support material only for the budget presentation

IF THERE IS A CONTRACT INVOLVED IN THE AGENDA ITEM, HAS THE CONTRACT BEEN SUBMITTED AT LEAST ONE WEEK PRIOR AND ANSWERED WITH A REVIEW BY THE COUNTY ATTORNEY'S OFFICE?

Yes ☐ No ☒

RECOMMENDATION:

Recommended review of this prior to the meeting.

ACTION REQUIRED / PROPOSED MOTION:

No action required specifically on this memo, but a request to include with the budget request that is to be presented during the budget review portion of the meeting.

SIouxLAND
DISTRICT HEALTH
DEPARTMENT



February 8, 2018

To: Woodbury County Board of Supervisors

From: Kevin Grieme, Director Siouxland District Health Department

RE: Background on Siouxland District Health Department budget request

The budget request that you are being presented is \$2,504,485. This amount includes a reduction of \$25,000 because of no health insurance increase. This request is also in line with the \$2,524,490 budget that was submitted and approved last year (but reflected utilization of health fund dollars), so is a decrease of \$20,000 in the overall budget. This budget includes all operational costs, including personnel and benefit costs. There is a 2% cost of living increase and \$12,000 additional anticipated energy costs, computer upgrades, vehicle replacements and maintains all current services. This budget request reflects a restructuring of SDHD and provides better alignment with the needs of the department. This is supported by the upcoming retirements of two management level positions, which are being redefined to meet the needs.

Siouxland District Health Department(SDHD) functions as an associated department of Woodbury County. In 2002 the Supervisors purchased the facility at 1014 Nebraska for the amount of \$810,000 to allow SDHD to merge their two service locations into one. A 28E agreement that was developed and approved in 2002 by both the Board of Supervisors and Board of Health that outlines the relationship between the Board of Health and Board of Supervisors. It was originally written for a ten-year period, but was extended by twenty-five years as a requirement to receive federal funds to cover the cost of renovations prior to relocating there.

The 28E agreement also includes terms that are consistent with a lease agreement, which reflects that SDHD shall pay \$80,000 per year as rent, and that any maintenance or repairs that exceed \$2,000 shall be paid by the county.

This agreement also includes language that the Treasurer of the County to establish a health fund for the district. All funds received by SDHD are deposited within this fund and all expenditures are dispersed through this fund. This fund is allowed to carry a balance forward from one fiscal year to the next. Originally it was targeted to maintain a 25% of the previous year's expenditures within the account. This was to assure that funds were available for the payment of expenses while waiting for thee tax allotment in September/October and for reimbursement from contracts and grants if there should be some delay that occurs.

When language was added to Chapter 137 of the Iowa Code that outlines the duties and responsibilities of Local Boards of Health for District Health Departments, there was established that any balance in excess of twenty percent in the health would be reverted back to the county. Chapter 137 was modified

in 2012 to reflect that any District Health Department in existence prior to July 1, 2010 was exempt from this requirement, which is SDHD since we are the only district in the state.

The SDHD Board of Health has always worked with the county and approved the transfer of these funds back to the county when the balance has exceeded this level. The calculation of the allowed carryover balance is calculated when the audited financial statements are completed and is done on an accrued basis. The carryover is determined by taking twenty percent of the previous year's total audited expenditures.

Over time, this fund also allowed for building improvements to be made, without additional fiscal requests to the Board of Supervisors. Projects such as the roof, HVAC units, parking lot, building exterior maintenance, retaining wall and most recently a remodel that was completed in June of 2016. This was made possible with the Board of Supervisors cooperation and willingness to use the funds above 22% in the fund towards this project. This \$497,000 capital improvement project did not require any requests for additional tax dollars.

The balance in this fund is a combination of tax dollars, grant dollars, collected fees, and billing for revenues. One of the challenges that we have been faced with is a reduction in revenue because of the changes in Medicaid and our ability to bill for public health services, along with the reimbursement rates received.

I thank you for the time you commit to the entire budgeting process. What I have learned over the past few years, is that understanding the funding behind the quality services that we provide could be termed confusing. I know that this will not answer all questions, but wanted to provide some basic information to start the conversation.