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WOODBURY COUNTY BOARD OF SUPERVISORS AGENDA ITEM(S) RE

Date: October 13, 2015

Weekly Agenda Date: October 20, 2015

DEPARTMENT HEAD / CITIZEN: Supervisor Jeremy Taylor

SUBJECT: **Siouxland District Health**

ACTION REQUIRED:

Approve Ordinance Approve Resolution Approve Motion

Give Direction Other: Informational Attachments

WORDING FOR AGENDA ITEM: Siouxland District Health CIP Item

EXECUTIVE SUMMARY: In order to strike a balance between a CIP item that was pushed back a fiscal year, the Board of Supervisors may recommend or endorse an approximate \$266,000 being kept by the Siouxland District Board of Health over the 25% reserve level. Doing so would allow them to stay on the timeline for needed services and mean that we do not have to bond for the project.

BACKGROUND: The District Board of Health has a project that initially called for \$300,000. The project grew to over \$470,000, and the District Board of Health Director Kevin Grieme believed that there was enough in their Health Fund to keep the CIP request to the Board at the level of \$300,000 in February.

I cautioned at both the District Board of Health and in reporting back during committee meetings that this project was tenuous for the following reasons: a pending MRHD application (which was denied in just the past two weeks) the Board of Supervisors was engaging a long-term Master Facility Plan study of all buildings between March and May; Supervisors had not toured and received an extensive scope of the project for this county facility (completed in September-October); the Board was going to go through a retooling of the CIP process with a better decision-making process. Kevin Grieme had reported that the Board of Health was included in the CIP because of a reversion of funds beyond 25%, and this had been initially approved in February 2015.

According to our Budget Analyst Dennis Butler, our current auditors have not changed the projection of \$266,000 being left over and above the 25% “reserve” of Siouxland District Health. My understanding from Kevin Grieme about a 2010 Iowa Code provision mandating a reversion of funds above 20% is that our Board of Health is the only one grandfathered in to not having to comply with the requirement under the Iowa Code. My understanding from Dennis Butler, our Budget Analyst, is that the county recommendation of 22% has been exceeded to (and agreed upon) at 25% simply for the 3% regarded as necessary for Capital Improvement.

Endorsing or recommending the Siouxland District Board of Health keep the reversion of funds above a certain threshold this year—and this year only—will keep them on their timeline and possibly even allow for lower total project cost implementation. It also respects their place in being influx and will not have a detrimental impact on their service reconfiguration.

FINANCIAL IMPACT: Recommendation or endorsement of \$266,000 is what the funding amount would be over 25%.

RECOMMENDATION: Seek guidance from our County Attorney and have a discussion about the logistics. This is a good faith compromise that recognizes the reality of the in-flux nature of CIP and long-term facility planning including the necessity of moving on the LED lighting project as well as helping Siouxland District Health stay on track.

ACTION REQUIRED: None but anticipated the following week.

To: Jeremy Taylor, County Supervisor
From: Dennis Butler, Finance/Operations Controller
Date: October 8, 2015
RE: District Health Fund Carryovers

District Health Fund
June 30, 2015 Accrued Carryover Funds

Our County Financial Policies state that the County will try and maintain a carryover balance at 22% for General Fund. This would seem reasonable for other funds to follow this 22% carryover.

In reviewing the cash Carryover in the District Health Fund, the carryover amounts to \$1,614,678 or 29.94%. According to Chapter 137.112 of the Iowa Code 2014, the maximum amount is to be 20%. Legislative action changed this requirement for any District Health Department with no % attached to the carryover funds if the District was in existence prior to May 2012 and applies retroactively to July 1, 2010. If the District Health Board wants a 25% carryover reserve than the County would receive back \$266,344.

Accrued Expenses (audited) for FY 2015	5,393,338
Carryover at 25% of Accrued Expenses	1,348,334
Actual Accrued Carryover per audit	1,614,678
Difference between Actual and 25%	266,344

This could be returned to the County in two ways:

- (1) Do a cash transfer from the District Health Fund to the General Basic Fund in the amount of \$266,344.
- (2) Reduce the allocation from the General Basic Fund (line item 001-3041-430-4815) in the amount of \$266,344.

Also there is a potential Capital Improvement Project to the District Health building of approximately \$475,000. As the building is County owned, this project should fall under the County's CIP Fund. All improvements have to be approved by the District Health Board and the County Board of Supervisors.

Hope this explains both areas of discussion. I will be available at any time if there are questions

137.112 District public health fund — budget.

1. The district treasurer shall establish a district public health fund from which disbursements may be made in the manner specified for disbursements by law for the disbursement of county funds.

2. All moneys received by a district board or district health department for local public health purposes from federal appropriations, state appropriations, local appropriations, fees, gifts, grants, bequests, or other sources shall be deposited in the district public health fund. Expenditures shall be made from the fund on order of the district board for the purpose of carrying out its duties. No more than twenty percent of the unexpended balance remaining in the fund at the end of each fiscal year shall be maintained in the district public health fund. The remainder of the unexpended balance shall revert to the general funds of the member counties in the manner determined by the district board.

3. The district board shall adopt and certify an annual budget in accordance with **section 24.17** relating to certification of budgets and **section 24.27** relating to protesting budgets.

4. This section does not apply to any district board of health or district health department in existence prior to July 1, 2010.

2010 Acts, ch **1036**, §**12**; 2012 Acts, ch **1113**, §**17, 20, 21**

Subsection 4 takes effect May 2, 2012, and applies retroactively to July 1, 2010; 2012 Acts, ch **1113**, §**20, 21**