

**Maricopa County Board of Health  
Annual Retreat Meeting Minutes  
Department of Public Health  
4041 N. Central Avenue, 15<sup>th</sup> Floor  
Joshua Conference Room  
Phoenix, Arizona 85012  
8:15 a.m. – 2:30 p.m.  
April 22, 2006**

Dr. Cook called the meeting to order at 8:32 a.m.

**ROLL CALL:**

**Members Present:**

Audrey Adamic  
Don Cassano  
Susanne Cook, R.N., Ph.D.  
James Giangobbe, M.D.  
Zuhdi Jasser, M.D.  
Brian McNeil  
Jim Vandeventer  
Pam Wight

**Member Excused:**

Maclovia Zepeda

**Member Absent:**

Supervisor Andrew Kunasek

Ex-Officio: Bob England, M.D., M.P.H.

Dr. Cook welcomed everyone to the April 22, 2006 Board of Health meeting, recognizing the large number of individuals attending the meeting today in response to Agenda Item #2 - the Proposed Revisions to the Maricopa County Environmental Health Code – Chapter 1, Fees. Individuals will have the opportunity to address the Board of Health by filling out a Speaker Request Form. A Call to the Public will be announced after the Board of Health has discussed the agenda item. A time limit will be determined by the number of speaker requests – either three or five minutes per individual. According to the Arizona Open Meeting Laws, no official committee action can be taken on matters brought up by the public under public appearances as requested through a Speaker Request Form.

**Approval of the March 27, 2006 Board of Health Meeting minutes:**

*Mr. Cassano made the motion to approve the March 27, 2006 Board of Health Meeting minutes as presented today. Mr. Vandeventer seconded the motion. The motion passed unanimously by eight votes.*

## **Proposed Revisions to the Maricopa County Environmental Health Code – Chapter 1 (Fees):**

Mr. Power, Acting Director, Environmental Services, provided historical background for fee adjustments for the department. In September of 2004 an accounting firm was hired to assist the department to reach the goal of all programs paying for themselves through a fee for service structure. At this time it was determined that no funding would be provided from the County General Fund. Since May of 2005 the department has not generated enough revenue to be self sufficient. In several cases revenue generated from one program is used to cover the cost of providing other programs that are not currently structured as self sufficient. This matter was not addressed because the department was going through a period of uncertainty to determine if the department would remain a department. In January 2006 Mr. David Smith gave permission to move forward to realign the fee structure to again reach the fee for service funding level. This increase has been in the works for approximately two years. The department is simply not generating enough revenue on a day to day basis to cover the actual costs of providing services, for competitive salary increases, or the ability to hire additional staff necessary to provide services to our thriving community.

Mr. Power explained the revision process began with drafting the code changes, notifying stakeholders, and holding public informational meetings. We are asking the Board of Health members today to recognize our need for full cost recovery, for protected revenues by fee adjustment, which will also provide the opportunity to hire additional staff to minimize costs through productivity improvements.

Mr. Spicker arrived.

With approval from the Board of Health today the proposed changes will be presented to the Board of Supervisors at their second meeting in May. The changes will not go into effect until July 1<sup>st</sup> allowing for the thirty day official notice. The fee request provides full cost recovery, with each category paying its own way. The last major increase was in 1996.

Mr. Bodiya, Acting Manager Water and Waste Management Division, Environmental Services, explained fee increases for this division are mostly related to growth factors for Maricopa County. Some of the services involve drinking water, sewer collection, solid waste, and the septic program. These services are provided under delegation from the Department of Environmental Quality using state rules and regulations, the County Health Code. We also work closely with Department of Transportation, Flood Control and Planning and Development. Many of the permits requested are from developers and deal with growth and infrastructure. Turn around time is the key issue for developers willing to pay for exceptional service. The last hourly rate adjustment for this division was in 1993.

An additional change sets the fee required on an annual basis rather than a two year structure on recurring costs.

Mr. Ludwig said a number of new fees were established to adequately reflect the time difference to perform an inspection taking into consideration that other industry players should not pay for inspections that take a longer period of time. Inspections by request are not provided causing the industry to use private consultants until we have the manpower required. We anticipate a mandatory annual permit status will go into effect in 2008.

Mr. McNeil asked if fees are based on full cost recovery and is the fee schedule designed to meet today's expenditures? Mr. Power said the fee schedule includes a 25% across the board market adjustment including funding for 87 positions. Mr. McNeil asked what is the projected length of time that these increases are expected to cover the cost of services? Mr. Power said it is hard to project although Environmental Services plans on hiring a fee consultant to review the ratio for fees to productivity and services provided. Mr. Ludwig said each year the restaurant field expands by 5.3%. Mr. McNeil asked who receives the fees? Mr. Power explained that the Board of Supervisors approve a budget determining the revenue received by the department. Mr. McNeil asked if the revenue always stays within the program? Mr. Power said the revenue is strictly used for Environmental Services.

Mr. McNeil asked Mr. Bodiya of the Water and Waste Water Division what does the consumer receive for the fees charged? Mr. Bodiya explained that treatment facilities, plan review prior to construction, construction inspection, annual inspection, and monitoring of performance of the structure, are part of the inspection process. Mr. McNeil asked if another entity receives fees for these services? Mr. Bodiya said no one beyond Environmental Services receives fees for these services.

At the request of Mr. McNeil, Mr. Ludwig explained that a restaurant inspection involves an inspection to meet the requirements with all points covered logged in as historical data. Granted 90% of the inspections are Ok with 10% having issues to cover. We could have a billable system but you would not have the education approach that exists now.

Dr. Jasser asked why no increases since 1996? Mr. Ludwig explained that the previous director looked for a balanced budget for the department rather than a fee for service revenue balance for each program. Also a new on-line computer generated system for data was developed which increased productivity. The fees established in 1996 were based on our services provided.

Mr. Cassano asked why the increase for chemical toilets from \$1.50 to \$10.00 per unit and how do you reconcile that payment is received for each unit? Also,

do you ever receive a break for meeting inspection standards? Mr. Bodiya said no breaks are given. According to code there is a 1% mandatory inspection required for all chemical units.

Dr. Giangobbe asked is the loss of personnel a matter of salary or other significant problems? Mr. Power said salaries are low; there is fierce competition among the municipalities and our workload is gauged as three times higher than standard.

Ms. Wight asked if Mr. Power was in agreement with a consultant to review fee structure and productivity and how are the consultants paid? Mr. Power said the consultants are paid from the fund balance. Mr. Ludwig explained the fees are electronically computed and adjustment is as simple as plugging in new figures.

Mr. McNeil asked for an explanation of market adjustment. Mr. Ludwig said market adjustment looks at the ranges of the salary for a position and takes into consideration placement within the range with consideration for years of service.

Dr. Jasser asked for an explanation of how due diligence was performed for notification to the industry of a fee increase? Mr. Ludwig explained that a notice was sent to every restaurant totaling 20,000 notices, with two industry level workshops, and an industry wide meeting.

#### **Public Comment:**

Mr. Ralph Cahella, 4501 W. Van Buren, Phoenix, is the owner of 90 trucks functioning from a commissary. Mr. Cahella is very disappointed when Mr. Power states that all businesses involved had been notified of the proposed fee increase. Mr. Barnett sent me an E-mail as notification. Some of the fees I pay will increase from \$175.00 to \$500.00 each for one year. My company can not sustain this increase. My salary is \$52,000 a year and the increase totals \$40,000. I don't know if I should try to sell my company and do something else for a living.

Mr. Barnett, 99<sup>th</sup> Avenue, Tolleston, AZ, Food Safety Manager, Fry's, supports Mr. David Ludwig who is highly respected within the industry. Mr. Barnett opposes the fee increases. Fry's operates 86 locations within Maricopa County. There are four different types of permits required falling under bakery, deli, meat, and retail permits, in addition to specialty permits for sushi bars and coffee shops. Each location will increase between \$1,420 to \$1,620 with the fee increase in place. We already operate with the smallest margin of profit of any industry. These projected increases are not acceptable to us.

Mr. Michael Head, 20753 N. Pima Road, Scottsdale, Outback Steakhouse, Inc., has a great working relationship with Mr. Power and Mr. Ludwig. Mr. Head realizes that it has been ten years since the last increase and the difficulties of

operating understaffed. Mr. Head requested some time to work together and see how we can get there. Mr. Head questioned the financial responsibility of the bad performers. Mr. Head feels that a 400% increase is too much for the restaurant industry to swallow.

Mr. Tom Dominick, P.O. Box 488, Chandler, AZ, represents the Bashas' chain and explains that Bashas has always been very supportive protecting the public from foodborne illness. The amount in question with 93 locations to consider will increase \$145,000 or 201%. It is very difficult to sell another 14.5 million dollars to cover this increase. It appears that part of the reason for this fee increase centers around the removal of the Air Quality Division from Environmental Services. Why are we held responsible for these overhead costs? The notice sent to restaurants was not very descript, if it had been more prominent you would have had many more folks attending your workshop. We ask the Board not to support the proposal at this time.

Mr. Cassano asked when the fee increase notification was sent? Mr. Ludwig said January 2006. At the same time all industry reps were notified by E-mail including Mr. Barnet and Mr. Dominick.

Dr. Jasser said this might be more of a perception problem and asked what would be the real downside of delaying the fee request increase for a month and using the time to figure out creative processes. Mr. Power explained the decision was made that all divisions must support themselves and by delaying the decision to move forward longer will also delay the market adjustments and staffing increases beyond the July 1<sup>st</sup> target date.

Mr. Ludwig said 98% of the industry is compliant and delaying the increase to work with the 2 to 3% at a higher billable rate will not make a significant difference.

*A motion was made by Mr. McNeil in light of timing demands to send the fee adjustment proposal forward to the Board of Supervisors to allow the duly elected to take up the issue and provide direction to the department that they deem appropriate. This motion was seconded by Mr. Spicker.*

Mr. Cassano hopes that the Board of Supervisors will consider working with the industries represented here today and consider a phasing-in process.

A five minute recess was called to allow the Board of Health members time to work on a motion.

Mr. McNeil withdrew his motion.

*A motion was made by Mr. Cassano as follows:*

*The Maricopa County Board of Health recommends the following:*

- 1. The Board of Supervisors consider a phase-in of the proposed fee changes and/or fee change alternatives.*
- 2. The Board of Supervisors thoroughly examine the OMB policy decision regarding full cost recovery through fees.*
- 3. The Environmental Services Department re-establish a working group with leadership of all affected industry representatives to clarify areas of agreement and disagreement with regard to changes in the fee structure. The conclusions of this working group should then be presented to the Board of Supervisors.*

*Mr. Spicker seconded the motion. The motion passed unanimously by nine votes.*

#### **DISCUSSION ITEMS:**

##### **Budget/Finance Board Training/Main Focus Finance Issues:**

Mr. Porter, Financial Officer, Department of Public Health, provided an overview on how to read a monthly budget status report. Handouts were provided. Mr. Spicker asked what is our role in the finance and budget process, historically it has been to move the submittal forward? Dr. Cook explained that in fact the Board has no control because these matters are handled through the Office of Management and Budget. Dr. Cook asked that all future budget problem areas be brought to the attention of the Board of Health.

##### **What is Public Health:**

Dr. England, Acting Executive Director, Department of Public Health, explained his view of the differences between health care and public health. The Institute of Medicine has a list of the 10 Essential Public Health Services: Monitor Health Status to identify problems; Determine and investigate problems and hazards; Inform, educate and empower people; Mobilize partnerships; Develop policies/plans; Enforce laws and regulations; Link to services and assure care; Assure competent public health and healthcare workforce; Evaluate effectiveness; and Research.

Dr. England said he likes to think in terms of three public health services: Environmental Health; health education/health promotion; and disease control. He discussed various methods of disease control, based on the tools available.

Immunization is an example of disease control based upon producing "herd immunity." The role of a public health department in assuring adequate rates of immunity among the population, and various strategies to achieve this, was discussed.

STD control is an example primarily relying upon treatment of cases and contracts. Control of syphilis was discussed as a successful example of this model. We have the same tools available for control of gonorrhea and Chlamydia that we have for syphilis, so we could work toward a similar strategy for these diseases.

Increasing obesity and chronic disease trends were discussed as examples of needs for community health promotion activities. Models for success in health promotion were discussed.

**Strategic Plan/Department of Public Health:**

Ms. McFadden, Professional and Technical Services Administrator, Department of Public Health, introduced the Department's Strategic Plan process. Mr. Kodicek, Management Analyst, Department of Public Health, then described the status of the plan and asked for input into final priorities and goals for the Department.

Mr. Kodicek asked the Board to concentrate on strategic issues and goals using the big picture. Goals are defined as needing to contribute to the overall mission. The Department needs to establish goals for the next two to five years. Department staff will then build program and activity structure around the goals.

It was noted that changing demographics has increased the challenge for the department in its ability to control communicable and chronic diseases, especially from the staffing prospective. The Board responded that this is a priority for the Department. Board members emphasized that until infrastructure needs are adequately addressed, the other goals of the Department cannot be met. A discussion of the perception of the Department in the community and the ability of the Department to address its infrastructure needs ensued. The board reaffirmed its willingness to work with the community and establish a strong persona for the Department.

**CALL TO THE PUBLIC:**

No one from the public was present.

**CURRENT EVENTS SUMMARY:**

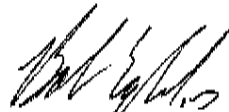
Dr. Cook recognized each member of the Board of Health with Certificates of Appreciation thanking members for service and mentioning her tenure as President of the Board of Health would end in July 2006. At that time Ms. Adamic will assume the role of president. A Board member will be asked to fill the vacancy for Vice President-Finance.

Dr. England thanked Dr. Cook for her dedication and service to the Board of Health and presented a plaque recognizing this role and a Certificate of Appreciation.

The meeting adjourned at 2:08 p.m.



Susanne Cook, Ph.D., R.N., President



Bob England, M.D., M.P.H., Acting Director

The minutes were transcribed and edited by Susan Attiah.