



REGULAR MEETING MINUTES

WWHD BOARD OF DIRECTORS

February 14, 2022

Subject to change until approved by the Board of Directors.

The Regular Meeting was called to order by Chairman Shaum at 7:02 pm.

The following voting Board Members were present: Chairman Paul Shaum, Vice Chairman Catherine Revzon, Director Linda Bruce, and Director Edward P. Mally were present in the room.

Director Doreen Collins and Director Nussbaum attended via Zoom.

Also, present were Mark A.R. Cooper, Director of Health; Charles Costello Auditor; Westport Journal reporter Thane Grauel.

Approval of Minutes

Chairman Shaum asked if there were any questions or comments on the November 29, 2021, Regular Meeting Minutes.

On a motion made by Director Bruce, and seconded by Director Nussbaum, the Board voted to approve the September 13, 2021, Regular Meeting Minutes. Chairman Shaum voted yes; Vice Chairman Revzon voted yes, Director Nussbaum voted yes, Director Bruce voted yes, Director Shaum voted yes, Director Collins voted yes, and Director Mally voted yes.

Motion was approved 6 to 0.

Communications

Mr. Cooper noted that the Regular Meeting Schedule included in the meeting package has already been approved by the Board, however it was noted that the first meeting day in 2023 (January 26, 2023) had the incorrect year (still said 2022). It has been corrected in this revision.

Mr. Cooper noted that at the request of Mr. Costello, the Health District's independent auditor, an extension for Filing and Auditor Appointment Notification was sent to the State Office of Policy & Management on January 3, 2022. OPM approved extending the audit filing.

Mr. Cooper noted the letter for Westport's First Selectwoman appointing Edward P. Mally to replace Director Crawford who retired at the end of the November meeting. Everyone welcomed Director Mally to the Board.

At the request of Bank of America, a letter requesting the Health District's new name, Aspetuck Health District, be added as a DBA to the existing banking accounts held by Bank of America. The letter was signed by Chairman Shaum and the Director of Health.

Salary/Job Description Study Update

Mr. Cooper briefly explained that he and Director Collins have been discussing the possibility of having the HBS CT CP board, of which she is also a Board member, taking on the Health District as a pro-bono client. The CP Board has some concerns about taking on a project with a government entity, this is something they have not done before. Director Collins had set up a Zoom meeting which Mr. Cooper and Kerri Hagan (AHD staff member) to discuss what the Health District needs to get done with two CP board members. Mr. Cooper asked Director Collins how she thought the meeting went.

Director Collins replied that she thought the meeting went well. Director Collins indicated that after the discussion with Mr. Cooper and Ms. Hagan, the DP Board members would like to have a similar meeting with Chairman Shaum. Chairman Shaum agreed to participate in such a meeting.

Director Collins asked Mr. Cooper how he and Ms. Hagan thought the meeting went. Mr. Cooper responded that they thought the meeting went very well they asked very good questions and although they may not be able to do all of the strategic planning or salary/job description study, they may be able to do parts or just as importantly, provide a guide or outline of the process for us to follow.

Mr. Cooper summarized the need for the strategic plan for the new members, how the world of public health has changed since the pandemic, the Health District has added a new community, there is a need to better understand the public health needs, wants and perhaps desires of all three communities that the Health District serves, and updating the Health District's strategic plan is overdue. Mr. Cooper explained the purpose behind the name change from Westport Weston Health District to a more inclusive names such as the Aspetuck Health District.

Health District Financial Statements as of June 30, 2021, and Budget Discussion

Chairman Shaum called for the audit report from Mr. Charles Costello from the Costello Company LLC. Mr. Cooper stated that the draft audit report for the Fiscal year ending June 30, 2021, was distributed to all Board members in the Board meeting package, including an *Appointment of Auditor Annual Notification* form. Mr. Cooper explained the state requires the appointment of an auditor every year. The appointment does not have to be done at this meeting but can be if the Board so desires.

On a motion made by Chairman Shaum and seconded by Director Nussbaum, the Board voted to re-appoint the Costello Company, LLC as the Health District's auditor for the next fiscal year. Chairman Shaum voted yes; Vice Chairman Revzon voted yes, Director Nussbaum voted yes, Director Bruce voted yes, Director Collins voted yes, and Director Mally voted yes.

Motion was approved 6 to 0.

Mr. Costello noted that he has audited the WWHD for several years now but changes his audit approach every year. He summarized the main audit points:

Page 1A - Independent Auditor's Report – tells the reader that *this is an actual audit*, the highest level of review. The second thing the State might note is the last paragraph – it is the *Auditor's opinion that the financial statements presented fairly in all material respects*. This is considered an unmodified opinion; it is a clean opinion, that is the opinion a company wants.

Page 1B – Continuation of Independent Auditor's Report, Mr. Costello noted that the first paragraph notes required supplementary information. The last paragraph outlines governmental audit standards. Because of state grants, a Yellow Book audit must also be done. A Yellow Audit includes a review and testing of internal controls, invoices, etc., and making sure funds are used correctly; the correct authority approved it and is there a system in place to ensure it is properly recorded. There is another report at the end of the audit package that deals with the government audit.

Page 3 - Exhibit A – The Statement of Net Position. This is the District's financial position at the end of the fiscal year. The total current assets are \$1,194,525. At the end of fiscal year 2020 it was only about \$860,000. The net capital assets are \$32, 447, last year it was about \$40,000 – the reduction being on the depreciation on assets. The deferred outflow related to pension. This is the timing differences regarding the state's municipal retirement program. Overall, the District's total assets and deferred outflows of resources was \$1,602,951, last year it was about \$1,200,000, up about \$325,000.

Total current liabilities were \$42,960 last year it was about \$77,000, down about \$34,000, the differential having to do with the timing of approved wages. The total noncurrent liability was \$1,103,085 but largest part being the District's net pension liability, up about \$126,000 from last year.

The District's total net position was \$261,624, last year it was about \$65,000, up about \$196,000.

Page 4 - Statement of Activities – outlines expenses of \$1,534,308 versus income of \$1,729,876 for a change in net position of + \$196,470. The District stated the year with a net position of \$65,154, added to the \$196,470 brings the total to \$261,624.

Page 5A - Governmental Funds Balance sheet – summarizes the various fund accounts and their amounts. Mr. Costello noted that grant funds should never have a balance because if the funds are not used for the intended purpose, they are returned to the funders.

Page 5B - Reconciliation of Fund Balance to Net Position of Governmental Activities. This page is just a reconciliation to the Statement of Net Position.

Page 6A - Statement of Revenues, Expenditures and Changes in Fund Balances – This page is an income statement for government funds. Total revenues under the General Fund were \$1,588,195, last year it was \$1,351,961. Expenditures were \$1,224,279 this year, \$1,205,011 last year, a + \$19,000 difference. The excess of revenue over expenditures was \$363,916. The variance came from septic system permit fees which were about \$33,000 more than last year, test holes were up \$20,000, home additions were up \$30,000, swimming pool plan reviews were

up \$29,000, food plan review fees were up about \$8,000, cosmetology plan review fees were up about \$8,000, septic inspections were up about \$11,000, new house plans up about \$6,000. These environmental fees together account for \$151,000 of the excess of revenue over expenditures.

Mr. Cooper added that in the Director's of Health Report later in the agenda, there is a chart that shows during the pandemic the number of plan review submittals increased from an average monthly total of about 100 to a high of almost 300. It has since decreased to about 150 plans per month, but still much more than pre-pandemic.

Director Bruce asked where the rest of the increase in the General Fund came from.

Mr. Costello replied that about \$80,000 came from the state per capita payment, there was an additional \$77,000 of contractual fees from Easton, and the rest was from several smaller sources.

Page 6B – Reconciliation of Changes in Fund Balance to Changes in Net Position of Governmental Activities. This page is a reconciliation to page 6A.

The next several pages are footnotes to the financial statements.

Page 8 - Schedule 1 Budget to Actual General Fund – This page shows what actually happened: \$1,306,031 was budgeted for revenue, but \$1,588,195 came in. On the expenditure side, \$1,306,031 was budgeted but only \$1,224,279 was spent. The result was the \$363,916 excess over revenue.

Director Bruce asked to go back to page 7G, exhibit E, and asked where the data comes from for the sensitivity analysis. Mr. Costello replied that the data comes directly from state's audit of the pension. Chairman Shaum indicated that it was his understanding that the Health District's pension contributions all go into the state's municipal retirement investment fund, and it is the state's analysis of what is needed based on their estimated tables of return and other factors, therefore the Health District has no ability to adjust that in any way. Mr. Costello agreed indicating that the \$1,017,636 (on page 7G, exhibit E) is the Health District's portion of the state's pension liability.

Mr. Cooper added, another way one could look at it is, if everyone at the Health District retired at once, the \$1,017,636 would be the cost of paying off all the retirement obligations. It does not get paid out at once, it is spread out over time as employees continue to contribute. Mr. Costello added that as employees pass away, that number gets adjusted.

Director Bruce asked how or why that number increases. Mr. Costello responded that number is just a calculation from the state's actuary and will fluctuates from year to year. Director Mally asked if the fluctuation is also based upon the number participants in the plan and the return on the plan's assets during the prior year? Mr. Costello agreed, as well as the amount of money that gets paid in. Mr. Mally asked if any requirement to make excess payments along the way to lower the liability? Mr. Costello explained that what the state started doing a number of years ago was to make the annual payments higher and higher to reduce that liability. He noted that years ago the pension liability was not required as part of the audit, it was the Governmental Accounting Standards Board requirement to start doing so.

Page 12 Independent Auditor's Report on Internal Controls, this is the government auditing report. He goes through the Health Districts financial records and if he finds anything concerning, this is where it gets reported. Two deficiencies considered significant enough to report them are outlined on pages 12C and 12D.

The first finding #2021-001 resulted from the Quick Books accounting software having a problem. The District's bookkeeper contacted the software manufacturer who in trying to correct the problem, set up a number of "dummy" accounts, they also deleted adjustments that went back a few years. The issue was found when Mr. Costello started the audit. The bank record reconciliations were all correct, there was no problems with cash, the beginning equity accounts were way off from where they ended last year, mostly from the prior adjustments that the software manufacturer modified. Mr. Costello corrected all the adjustments.

Chairman Shaum asked whether part of the issue was the change from the older Peach Tree Accounting program the District had been using and switched over to Quick Books?

Mr. Cooper stated that the Health District did switch from Peach Tree to Quick Books upon Mr. Costello's suggestion. Mr. Costello agreed but indicated he thought the transfer from Peach Tree to Quick Books went relatively well, the Quick Books issue happened after the transfer. He also suggested that if there is a problem with the software in the future, the District should have a CPA come in who could likely figure out what is going on fairly quickly and help reconcile the books.

There was a brief discussion on using computer backups when issues like this happen. Mr. Cooper indicated that the Health District pays to have all records backed up every day and had not been asked by the Quick Books software developer for the back up in this situation.

Mr. Costello noted the next finding, #2021-002 dealt with the Community Health Clinic and the accounting department. He explained that what happened is when clinic staff administer a vaccine they record the use of that vaccine. In the example of flu vaccine, there is high dose flu vaccine, regular dose, or nasal flu vaccine, and they can come from different manufacturers. Upon administration they might record that 1 dose of high dose flu vaccine was administered, but not the manufacturer. When the bookkeeper gets the record, it sometimes gets recorded just as flu vaccine. There is an information disconnect between the clinic and accounting which makes it difficult to reconcile by "shot".

Mr. Costello's recommendation is that on a weekly or monthly basis, the clinic and accounting reconcile vaccine usage. It is important that whatever the clinic records the administration of a vaccine, the name of the vaccine and manufacturer and any other identifying information be recorded, and accounting should get the exact same information.

Chairman Shaum noted that he had been present during the physical counting of every vaccine in the Health District's inventory. Mr. Costello indicated that basically what they found was if one vaccine count from one manufacturer was up by 6, another vaccine manufacturer's count might have been down by 5 only leaving a variance of 1. He also noted that it is common to be able to get an extra dose out of a vial. Sometimes a drawn dose gets wasted. When the negatives are compared to the positives, there was not that much of a difference.

Mr. Cooper noted that during the administration of COVID-19 vaccine which came from the federal government, there was a very strict accounting protocol that staff had to follow to account for each and every dose. He stated he has talked to staff about implementing that kind of tight inventory control from ordering, receipt, storage, and usage. Mr. Cooper also noted that

because of the volume of COVID-19 vaccine administered in a very short period of time and all of the required tracking “paperwork” that went along with it, clerical staff was added to the Community Health section to help with the record keeping and let the nursing staff – be nurses.

Mr. Costello indicated that the work papers that were developed for checking the inventory are so detailed, rather than reinventing the wheel, he could give the District a copy of the excel sheets that can be used as the weekly or daily reports. Mr. Cooper thought this a good idea and when Mr. Costello comes to the District to meet with the bookkeeper they will meet with the clinic director to how best to implement such a system.

Mr. Costello indicated that was the end of his report. Chairman Shaum thanked Mr. Costello for his hard work and asked if there were any more questions for Mr. Costello.

On a motion made by Director Bruce and seconded by Director Collins, the Board voted to accept the Westport Weston Health District’s Financial Statements as of June 30, 2021, Together With Independents Auditor’s Report and Supplemental Report, prepared by Costello Company, LLC. Chairman Shaum voted yes; Vice Chairman Revzon voted yes, Director Nussbaum voted yes, Director Bruce voted yes, Director Collins voted yes, and Director Mally voted yes.

Motion was approved 6 to 0.

Mr. Cooper commented that he has meet and discuss a preliminary budget with the towns and provided them with public health assessment numbers to work into their budgets. He believes the towns find the preliminary funding requests acceptable, but before finalizing the requests, like to discuss the budget with the Board.

Mr. Cooper summarized the budget request back up information that will be sent to the Health District’s member towns that included a FY22-23 Budget Narrative, Calendar Year Activity Report, Organizational Chart, and a copy of the preliminary draft budget. He noted that two clerical staff positions have been added, one to assist with COVID related activities in Community Health and the other position to help environmental staff keep up with the demands of Westport’s electronic permitting system, Acella, Mr. Cooper also noted that one of the nurses in Community Health will be retiring at the end of June so a replacement will need to be found. Efforts to find nurses interested in working at the Health District have already begun, it is being found that pay for nurses has increased significantly because of COVID and the Health District may not be offering a competitive enough wage.

Director Mally asked what kind of qualifications would a nurse need to work at the Health District? Mr. Cooper responded that ideally a Registered Nurse who is licensed by the state and can provide services somewhat independently under the direction of the Health District’s clinical director. Nurses with lessor degrees would need to be directly supervised by the clinical director which would not be as efficient running the Health District’s travel and other standard clinics.

Mr. Cooper indicated it was important for the Board to hear Mr. Costello’s audit report to better understand the impact of the new revenue sources that have resulted in a health surplus from last year, so there can be a discussion on how best to use it. He did not think is good idea to allocate it to immediate reoccurring expenses, but rather use it for things like replacing some 8-year-old computers, strategic planning efforts, or other unexpected expenses.

Director Mally noted that the increased level of permit activity that the Health District has had during the pandemic may not continue and may likely go back to pre-pandemic levels. With interest rates going up and diminished wealth return, housing activity is likely to go down.

Mr. Cooper agreed and indicated that permit activity seems to have already peaked and is heading down, but that it is still running about 50% higher than pre-pandemic levels. His projection for permit fee revenue reflects his best guess of what it will be next year, recognizing it will likely be less than we have been seeing. But he also noted there are new reoccurring revenue streams such as the state's per capita funding, permit activity in our newest member town, and there is some hope that revenue from the travel and other Community Health clinics will start to return to pre-pandemic levels.

There was a brief discussion on the Health District's emergency funds: CT-DPH recommends 10 to 15% of operational costs be set aside for such purposes and cash flow needs.

Chairman Shaum asked if the proposed budget included funds for capital replacement. Mr. Cooper responded that there has not been a need for large capital replacement funding, but this year he is looking at replacing some of the older 8-year-old computers. The Health District is now on Microsoft's 365 platform which a yearly subscription fee is paid, but that includes software update costs.

Mr. Cooper noted that at this time, the towns need to know how much the Health District will be requesting from them so they can work through their budgets but that in accordance with State Statutes, the Board does not have to approve a budget until about April 15.

Director Mally questioned the assumed environmental fee revenue of \$490,000 for the coming fiscal year which is higher than the budgeted FY21-22 amount of \$390,000 and closer to the boom year actual receipt of \$552,030 and wondered what the basis for the increase is. Is it solely from Easton or from what level of activity? Mr. Cooper responded that he has been tracking the permit fee revenue from about 150 plan submittals per month and looking at the added plan reviews from Easton, the projected revenue from permit activity is his best guess at this time. Director Mally asked if the Health District has changed its permit fee structure on a permit basis? Mr. Cooper replied that the Health District last looked at and modified its fees about 2 or 3 years ago, but not from the last fiscal year and this proposed budget.

Mr. Cooper brought to the Board's attention that in the Health District's past few budgets the employee benefit costs have been underestimated. This was brought out with Mr. Costello's audit just received the other day. After taking a hard look, he found a formula being used was not including all the costs which resulted in the lower estimate. This has been corrected in the current budget proposal.

Director of Health Reports

Operational and Permit Activity

Mr. Cooper stated that the Board package contains Consolidated Income Statements, Permit Activity Reports and Plan Submittal reports for November and December. These are standard monthly metrics

that previous Board members asked him to report on. The new Board may want to have different metrics reported, he is open to making changes should the Board want to.

Director Bruce indicated that there was a significant increase in Salary/PR Tax line in the year-to-date columns for FY22 and FY21, from the November report to the December report and wondered why. Director Mally stated it appeared to increase \$110,000 in one month.

After a little speculation, Mr. Cooper indicated he would have to check with the bookkeeper and report back to the Board. Director Mally noted that it appears to also have happened the previous year.

Director Bruce also noted that there seems to be some dropped numbers in the Activity Analysis section of the November 2021 Operating Report. Mr. Cooper will also look at these.

Request to reduce the plan review fee for users of community kitchens.

Mr. Cooper noted that a request to reduce the plan review fee for users of shared community kitchens be reduced from \$295 to \$195. Staff reviewed the request and found it reasonable since a community kitchen can generate multiple permits and fees. For example, the owner of the kitchen pays an annual license fee for an approved commercial kitchen. Then there may be several individuals who may want to use the approved kitchen part time for some product they want to produce and sell. The licensure and inspection process for the part time users is much less involved. Staff reviewed the request and recommended its approval.

There was a general discussion on how a community kitchen operates.

On a motion made by Director Bruce and seconded by Vice chairman Revzon, the Board voted to approve the request to reduce the plan review fee for the individual users of a shared community kitchen from \$295 to \$195. Chairman Shaum voted yes; Vice Chairman Revzon voted yes, Director Nussbaum voted yes, Director Bruce voted yes, Director Collins voted yes, and Director Mally voted yes.

Motion was approved 6 to 0.

COVID-19 Update

Mr. Cooper summarized the graphic of Confirmed and Probable COVID-19 Cases included in each members Board meeting package. The trend has been downward. It is unknown whether the next variant will be more transmissible or cause more severe. He noted whenever the CT-DPH or CDC makes a change in recommendations or guidelines, the Health District gets very busy answering questions from the three school districts or multitude of daycare centers and others who seek clarification on the changes.

Mr. Cooper has been telling those who ask that the CDC and CT-DPH continue to recommend people get vaccinated and wear masks because they offer the most protection against getting severe disease. For every protection strategy that is let go, the risk of getting COVID increases. People seem to be ready to evaluate their own level of acceptable of risk. As in dropping the mask mandate, the Health District will not object but will continue to monitor the incidence of COVID in our communities and if hospitalizations or deaths starts to increase alarmingly, let the schools know. He thinks the upcoming

Super Bowl may be a good indicator of community COVID spread. Many towns in the area are moving towards masking optional.

Vice Chairman Revzon asked why the home test kits are not reportable? Mr. Cooper responded that the CT-DPH has indicated they could not handle the volume of self-test kits being distributed by the millions to Connecticut residents and had concerns about making such results part of the record when there is no way to verify if the tests were done correctly. They are a screening tool. CT-DPH has urged parents to report home test results to schools to help school nurses reduce transmission there. There was a general discussion on the usefulness of COVID tracking metrics.

Transitioning from the WWHD to Aspetuck Health District

Mr. Cooper noted that the Health District's transitioning efforts continue. He is still trying to open a checking account in the new name, but Bank of America is finding it difficult to do so because of their own internal policies about opening new accounts. Apparently there have been a number of new federal banking rules that must be complied with. There is a need to continue having an account to deposit checks made out to WWHD, but over a few months all customers and vendors will be directed to only write Aspetuck Health District checks. Chairman Shaum added that he and Mr. Cooper have been to the bank a couple of times, each time being told the Health District is all set. The latest word from the bank is that the most recent application has been denied. Mr. Cooper will pursue and start looking into alternate banks for the accounts the Health District needs.

Mr. Cooper indicated he has requested two quotes from local companies for a new Aspetuck Health District sign by the road. It would be the same size, same colors, and location as the existing sign. Only one local vendor has provided a quote. Mr. Cooper has checked with the town of Westport to determine whether a Zoning approval was necessary. The Zoning department indicated a permit is not needed since the sign will essentially be the same as the one being replaced.

Holiday Schedule

Mr. Cooper noted that the proposed holiday schedule for 2022 – 2023 includes the new federal holiday Juneteenth on Monday, June 20, 2022. The rest of the proposed holidays are the same traditional federal holidays the towns observe.

There was general discussion on the holidays the town observe and how the Health District's "floating" is chosen. Westport has traditionally had one more holiday, in terms of number of days, than the Health District.

On a motion made by Director Mally and seconded by Director Nussbaum, the Board voted to accept schedule of proposed holidays for 2022 -2023 as presented. Chairman Shaum voted yes; Vice Chairman Revzon voted yes, Director Nussbaum voted yes, Director Bruce voted yes, Director Collins voted yes, and Director Mally voted yes.

Motion was approved 6 to 0.

Executive Session

On a motion made by Chairman Shaum and seconded by Vice Chairman Revzon, the Board go into Executive Session for an update on the lawsuit. Chairman Shaum voted yes; Vice Chairman Revzon voted yes, Director Nussbaum voted yes, Director Bruce voted yes, Director Collins voted yes, and Director Mally voted yes.

Motion was approved 6 to 0.

Chairman Shaum declared the executive session over at 9:08pm.

Adjournment

On a motion made by Director Bruce and seconded by Director Mally, the Board voted adjourn at 9:09 pm. Chairman Shaum voted yes; Vice Chairman Revzon voted yes, Director Nussbaum voted yes, Director Bruce voted yes, Director Collins voted yes, and Director Mally voted yes.

Motion was approved 6 to 0.

Respectfully submitted



Mark A.R. Cooper Director of Health
Westport Weston Health District