BOARD OF DIRECTORS
MEETING
November 8, 2018

Health District Office Building
120 Bristlecone Drive, Fort Collins

MINUTES

BOARD MEMBERS PRESENT: Michael D. Liggett, Esq., Board President
Molly Gutilla, MS DrPH, Board Vice President
Celeste Kling, J.D., Board Secretary
Joseph Prows, MD MPH, Board Treasurer
Faraz Naqvi, MD, Liaison to UCHealth-North/PVHS Board

Staff Present:
Carol Plock, Executive Director
Karen Spink, Assistant Director
Bruce Cooper, Medical Director
Richard Cox, Communications Director
Lorraine Haywood, Finance Director
Chris Sheafor, Support Services Director
Dana Turner, Dental Services Director
Lin Wilder, Community Impact Director
Wendy Grogan, Administrative Assistant
Laura Mai, Assistant Finance Director
Jane Gerberding, Reg Health Connector
Vivian Perry, HealthInfoSource Project Mgr

Jessica Shannon, Resource Develop. Coord
Suman Mathur, Eval and Data Specialist
Pam Klein, Communications Specialist
Brian Ferrans, CIT BH Strategy Manager
Maria Jorgensen, Implementation Coord

Others Present:
Josh Birks, City of Ft. Collins, Director,
Economic Health & Redevelopment
Jenny Tarr, RN

CALL TO ORDER: APPROVAL OF AGENDA
President Michael Liggett called the meeting to order at 4:06 p.m. There were no changes to the
meeting agenda.

PUBLIC COMMENT
None.

PRESENTATIONS AND POSSIBLE ACTIONS
Health District Direction and 2019 Budget
Introduction
Carol Plock and Lorraine Haywood presented the 2019 budget, starting with the mission - to
enhance the health of the community – noting that our core functions come from our statutory
powers relating to health services, and that our work is primarily around providing, connecting
to, improving, or growing health services.
In general, 2019 is a tough budget year for revenues, with only .8% increase in property and ownership taxes, requiring some creativity. 2019 is a ‘down’ year for tax revenues; every other year is either an ‘up’ year – the year right after property assessments, when taxes go up - or a ‘down’ year – the year after that, when property values stay the same, and the only increase is in growth. In a normal (non-recession) ‘down’ year, around 3% might be anticipated, but adjustments made due to Gallagher kept tax revenues even lower. The second challenge to the 2019 budget the need to adjust revenues in the Dental Program.

In 2019, we anticipate a year of constant change, and the need to continue to be nimble. With the passage of the mental health ballot, a great deal of work is just beginning on service planning. And the change in the Colorado policy landscape, with the Democrat trifecta, will mean a very busy year analyzing potential policy changes. We are also involved in helping to facilitate and be involved in discussions and work to move effectively to the Medicaid new “regional accountable entity” (RAE) structure; one of its changes is to better integrate physical and behavioral health.

**Overview of Core Services**

Ms. Plock reviewed the core services funded by our operational budget. The Health District’s top priority is to help people become insured so that they can access health care services. Services related to Access to Care include Larimer Health Connect (which assists over 2200 people per year), Prescription Assistance, and the Medicaid Accountable Care Collaborative (at the state, regional, and local level).

Access to affordable dental care remains a big issue in the community. The Health District serves about 4,500 people a year, but there are about 64,000 people who are enrolled in Medicaid in the county; 39,000 are adults. Medicaid doesn’t cover the full cost of care for adults even for community health clinics (like Salud), so there are fewer dental providers for adults than children, and significant need remains. In 2019, the dental clinic anticipates having enough capacity for adult demand for care, so the portion of Dental Connections for general dental care has been put on hold, but will still be used for access to specialists. The clinic is fully involved in Meaningful Use now, and is working on using the information from electronic dental records to improve quality of care, and to assist with population health (identify and refer).

Addressing mental health and substance use issues also continue to be a top priority. The Health District proposes to continue its Direct Services through three programs; the first is Mental Health/Substance Use Connections and CAYAC (Child, Adolescent, and Young Adult Connections) – which serves about 3100 people per year, providing assistance to anyone, at any time, for any mental health or substance use need, to both understand the situation, and to get connected to the right service for their particular need. The second is the Integration of Mental Health/Substance Use Care into Primary Care, providing about 1,800 people per year with behavioral health screening, treatment, and referrals. The last is the Community Dual Disorders Treatment (CDDT) program; we are one of the four local agencies that created the CDDT program for those with significant mental illness and SUD, provide psychiatric care, the building, and nursing services.

The Health District also works on the Mental Health and Substance Use needs of the community by working with partners to help services evolve. After figuring out the gaps, solutions, state of the art practices, and how can they be pulled together; with the ballot issue passing, we will now
be working with our partners in planning the implementation phase. Work like licensing, medical clearance, facility design, and state of the art services design are ahead of us. And the services can only be effective if there is a successful transformation in the community’s approach to SUDS, through projects like the Changing Minds campaign and the special grant to make changes in criminal justice and SummitStone (which will then expand to other providers). Work will continue on the Pain Management project; the report has been updated, and work on mapping is in process. It’s a complex, difficult challenge to tackle.

CAYAC is funded by operational dollars, grants, and time-limited (reserve) funding. CAYAC is in high demand, largely due to the inclusion of child/adolescent psychiatry and psychological testing, and the biggest challenge will be meeting demand, and assuring sustainability after the grants end after 2019. The Poudre School District has had a challenge in assuming funding for the school liaison position. The 2019 budget proposes using some flexible funding from another grant to help bridge that position, with the goal that by 2020 they will be able to take on the position. Others have mentioned that an expansion of CAYAC might be an appropriate use of some of the mental health ballot ‘distributed’ (not facility) funds; it is too early to project that.

The Frequent Utilizers project is also funded by both operational and time-limited funding, and should move forward in 2019 with a community pilot project to serve people who are frequent utilizers in a different way, developing and testing new processes between organizations, including working on one service plan, providing services, data gathering, information sharing.

Other key services funded by operational dollars are those for Health Promotion services. The tobacco cessation program uses evidenced based practices for treatment, providing NRT (nicotine replacement) counseling, and tools to help someone quit tobacco. While smoking rates continue to drop in the community, about 1,800 smokers in the District are in the preparation stage for quitting. Screenings for hypertension, high cholesterol, and glucose are done with the goal of assuring that anyone with a current high risk will get care that manages the risk. The HealthInfoSource website is part of preventive and health promotion.

Other regular services to be funded in 2019 include Communications, Policy, Resource Development, and Assessment/Research and Evaluation. 2019 will be the beginning of the triennial review process, with upcoming community health service and community discussion groups.

**Time Limited Budget**

Projects that are in the time-limited category have funding coming from reserves, grants, partnerships, or all three.

**Big Projects:** CAYAC, Larimer Health Connect, Advance Care Planning, SUD Transformation, and the Triennial Community Health Survey (which will need grant funds in order to administer in south county).

**Direct services:** Assistance for dental specialty care, and client assistance; CAYAC bridge position for PSD liaison, CDDT nurse

**Community Planning and Change, Training:** Community MH/SUD: Medication assisted treatment hub and spoke model, Pain Management, MH/SU Alliance priorities; Health info
sharing, health care reform; Aging and health care; Community and staff specialized training: Best practices for substance use disorders, law enforcement crisis training, staff training in their fields.

Other: Regional Health Coordinator; Transition Management, Special Projects: to allow for the transition from veteran key personnel (retirement, moves) to new, and to complete several special projects; Communications plan implementation; Emergency preparedness; Grant funded evaluations; Healthinfosource.com rebuild. For healthinfosource.com, the plan at this point is to phase in the project, starting with behavioral health, health district services, and dental safety net services. Behavioral health rebuild is essential for both Health District services (Connections and CAYAC) and the community. Key users are anticipated to be Connections, Medicaid care coordinators, school counselors, community care coordinators and navigators in health settings, behavioral health providers, and community members. Estimated utilization per year would be around 8000 referrals, 13,500 community hits, and 600 likely community professional users.

As needed (may or may not be used): Community health data project (potentially including social determinants of health); Census 2020 outreach (the count is critical: over ½ billion dollars come back to Larimer County based on census counts, amounting to about $1,500 per life counted); dental (meaningful use, loan repayment); preventive medicine resident; CDDT/ACCT facility repairs contingency; intermediate medical leave; high-level staff recruitment; HR/finance consultants.

**Timelines and Deadlines**
Lorraine Heywood reviewed the timeline, noting that the next dates include: en’t changed.
- December 10, 2018 – Final assessed valuation due from County
- December 13, 2018 – Board of Directors meet to adopt Budget and appropriate money
- December 15, 2018 – Deadline for Board of Directors to adopt 2018 Budget and appropriate money
- December 15, 2018 – Deadline for Certification of Mill Levy to County Commissioners

**Revenues**
The Health District’s sources of revenue lead with property and ownership taxes, lease revenue, fees for services, grants, and also include some investment income, partnership funds, etc. As noted before, the tax increase is very small, at .8% ($57,000), and fee income is lower than budgeted previously. Net tax revenue to the district is about $7.7M. Investment income is projected to go up. A reminder that grant revenue includes not only confirmed grants, but also a generous estimate of grants possible, because all revenues have to be appropriated and it’s important to be able to accept funding should we have grants we didn’t originally anticipate.

A board question was whether the decrease in fee income was related to the mix of patients receiving Medicaid going down, and whether that category includes the meaningful use revenue that should be coming in?

The meaningful use revenue is found in grant revenues rather than fee income. The decrease in fee income is largely related to the dental clinic; some of it is due to Medicaid patients having received by now much of the pent-up need for high-cost procedures like crowns and dentures, and part is correcting for an overestimate of demand and income.
Ms. Haywood reviewed the impact of TIF and county collection fees, and noted that the projection of specific ownership tax is based on the last 6-8 months of experience. She noted that the mill levy was 2.304 in 1995, increasing to 2.197 in 1996, but dropping to 2.167 due to TABOR in 2000, where it has stayed since (the Health District is now de-Bruced). Ms. Plock summarized: the key changes in revenue are slight increases in property taxes, specific ownership taxes, and investment income; and a decrease in fee income.

**Key Changes in Expenditures**
The budget includes a very small pay for performance pool this year (1.5%). In 2018, our salary survey found 32 people whose positions need adjustments in order to keep grades within market range; modest funding has been budgeted to provide some increases to that end. There was a very small (less than 1 FTE) increase in staffing levels; made possible by cuts in other areas. Health insurance increased by 7 percent.

Key changes in staffing include moving psychiatrist costs fully into operations, and moving the .6 FTE of the psychologist into operations (with the intent to move the full position into operations in 2020). In reorganizing administrative functions, a full time HR/Compliance manager has been added. The main reductions in staffing include lowering the dentist FTE by .5, and not hiring a dental assistant position that is currently in the budget but unfilled. Despite efforts to increase utilization of the dental clinic, there is still empty chair time, which could change in the future if referrals from Salud and Medicaid providers increase.

Ms. Plock reviewed the charts for total expenditures and program expenditures, noting that our administration costs remain low at 6%. She also noted that our in our reserves, we are reserving funds for a potential building purchase in 2022, as well as retaining flexibility for short term projects. She noted that the future of our budget is largely dependent on what happens with Gallagher.

**PUBLIC HEARING: PUBLIC COMMENT**
Mr. Liggett called for any public comment on the budget; there was none.

**Comments/Questions from the Board on the Budget**
Questions from the Board included: Q: Why do we have election related expenses in 2019 when there’s not an election? A: That is a placeholder; a few things are kept in the budget as a placeholder so that the funds don’t disappear for the years they are needed. Q: Some of the numbers on the proposed budget don’t seem to match the reserves plan. A: Can you point us to an example? (it was decided that Ms. Kling would meet with staff to review her questions). Q: Under non-operating expenditures, capital and contingency, what is causing the shift of funds? A: We were considering purchasing a building in 2018, but that has been postponed, so the funds move back into contingency for now. Q: If next year is a survey year, why is the increase in Assessment/Research/Eval only $10,000? A: The major expenditure is found in reserves, not in the operational program budget.

Additional Board questions: Q: Is the line item for Meaningful Use meant for technology? A: Yes, there needs to be a place to put meaningful use revenues, and anticipated expenditures for the future will be expenses related to dental technology. There is not a specific plan for 2019, but one potential use is that it is likely to be needed to keep up with software changes. Q: Are the reserve funds for Larimer Health Connect a placeholder if Connect for Colorado funding goes
away? A: The funds in that category are critical for the program and wouldn’t replace all the funding if Connect for Colorado funds weren’t renewed. It covers the rental office and outreach (things beyond what C4CO covers), and helps with up-staffing, although some might be used for temporary staffing if C4CO funds weren’t continued. In the future, it is important to move reserve costs gradually into operations in order to continue the program at an adequate level; it just wasn’t possible at any level in this budget year.

Board members were reminded that if they have further questions or concerns, they should let Ms. Plock know prior to the next meeting, because the vote will occur at that meeting, and the budget is due to the state the next day.

New Urban Renewal Authority Project
Chris Sheafor, Support Services Director of the Health District, and Josh Birks, Director of Economic Health and Redevelopment for the City of Fort Collins, will be presenting on this topic.

Chris Sheafor presented a brief review of Tax Increment Financing (TIF). TIF is a tool used by municipalities to work with private developers on projects to eliminate blight. Basically it works by freezing the distribution of property taxes (for the project’s boundaries) to taxing districts at the level of assessed value in place when the project begins. As value increases in that area, the increased tax revenues are used to pay for the cost of the project (rather than going to the taxing entities), and can be captured for up to 25 years. After that time, taxes go back to all the taxing entities in the project area. The impact to the Health District is the loss of tax revenue for those first years.

In 2015, the State Legislature made significant changes to the TIF law, expanding URA boards, which now include representation from the County, School Board, and Special Districts. The legislation also requires an analysis of the impacts of TIF on those tax entities, and negotiated agreements with taxing entities for any tax revenues allocated, which also must clarify how remaining funds will be used when the project ends.

Prior to the legislation, the taxing entities in Larimer County came together in a TIF study group that included representatives from the County, municipalities, special districts, etc. The County convened and facilitated the group, which agreed that its purpose was to:

- Devise a method to quantify costs and benefits
- Develop models to assess impacts for different types of projects
- Create a process for more meaningful county and special district involvement
- Adopt intergovernmental agreements to balance benefits and risks as needed

The group created a proposed process by which to evaluate future projects, which included a Project Review Committee. The process included:

- A municipality identifies a proposed TIF project
- The PRC applies the project evaluation criteria developed by the TIF study group
- Taxing entities review the municipality’s proposal and the PRC’s findings and engage with the municipality in negotiation (which has a process defined by statute)
The hope is that the findings of the PRC lead to a common conclusion for affected taxing entities, but this is the first project to go through this process, so it’s too early to tell.

The project evaluation criteria includes two components: 1) A Fiscal Impact Model, which was developed after significant work by financial consultants, with input from the TIF study group, and includes both revenue and cost estimates. The PRC would look closely at the assumptions made in the model. The model only estimates direct revenues and costs resulting from a project, and doesn’t account for the cumulative impact on taxing entities of multiple TIFs, nor growth of citizen needs. 2) There is a list of Project Evaluation Criteria that includes more qualitative factors of the need for and impact of the project. These criteria help take into consideration whether the project would lead to significant economic development or growth, improving the value of the project. The PRC would rate those factors on a scale of high, medium, or low. Mr. Sheafor reviewed the project evaluation criteria.

The current project is at Drake and College. It is being reviewed using study group recommendations and the project review process; a group has been formed (with Health District involvement) and they have begun to look at the project details. The City of Fort Collins hopes to start on intergovernmental agreements in the beginning of 2019. Timing depends on information received from developer and how fast the consultants and the PRC can move. If agreement between the taxing entity and the municipality isn’t reached, the statute allows 120 days for negotiation, after which the issue goes to mediation. A Board question was whether there was arbitration; the answer was that the meaning appears to be mediation, although the language used in statute is confusing.

Another Board question was whether the 120-day period had started. Mr. Birks noted that they had not given formal notice that the 120 days has started and are talking with legal counsel about when it would be most appropriate; it may be the first meeting of the PRC on October 16th, when they actually send the letter, or another date. Mr. Liggett requested that the Board be informed when the 120 days starts; Mr. Birks said that 120 days is the longest period, but the hope is that the models will be so helpful in analyzing impacts that it will quickly give information to entities for negotiations.

Mr. Birks gave a presentation on the proposed College and Drake Plan, making the following key points:

- Urban renewal was created by the state for revitalizing urban areas.
- Eleven statutory conditions constitute the hurdle before discussing urban renewal.
- He noted that on the graphic presented by Mr. Sheafor, the TIF base actually changes (slightly) over time based on the County Assessor’s re-appraisal according to market value.
- Currently there are two urban renewal plans (North College and what is left from Midtown Urban Renewal area) but three tax increment Districts.
- Was larger plan area, but has been shrunk after House Bill 1348.

Why Urban Renewal at College and Drake?

- Is in a major targeted redevelopment area
  - The City has a priority to ‘grow up rather than out’ – there are policies and principals within the City plan that encourage intensification along College Avenue.
- There is private interest private investment proposed
- Does blight exist? Do we meet the statutory threshold? The statute requires that four of 11 factors must exist; their analysis found six factors, so they determined that blight does exist.

A draft plan has been referred by City Council to the Planning and Zoning Board to review it for consistency with City’s comprehensive plan. Objectives are to remedy conditions that impair sound growth of the City, leverage reinvestment complementary to community goals, effectively utilize undeveloped and underdeveloped land, and improve pedestrian, bicycle, vehicular and transit-related circulation and safety.

The proposed plan includes a ‘King Soopers” project that includes a 92k sf marketplace, 8100sf existing retail, 5k sf additional retail, and preserves the city’s easement for parking. The second section includes 71,200 sf retail, a 110 room hotel, and 190 residential units.

Post HB 1348 New Tax Increment and Use:
- Private investment creates the increment
- 100% goes to urban renewal authority
- Some gets allocated back to the tax entities
- Remaining funds are available for investment

Project approval schedule (is likely to change):
- Planning and Zoning Board review on November 15, 2018
- Talk to Urban Renewal Authority Board on December 20, 2018
- Original adoption date January 15, 2019, but that has changed

Discussion: The Board had several questions; answers are from Mr. Birks. Q: When is the PRC coming up with recommendations with what they think is appropriate for the County and Special Districts? A: Three meetings have been held so far, and several more will be scheduled; the PRC has asked for the outside consultant to walk us through the model. Q: Will the PRC make a recommendation? We can’t do much until we’ve seen their information. A: When the PRC makes their conclusions/recommendations that becomes a jumping off point for the URA and HD to begin negotiations. Q: What will our options look like? A percentage of tax revenue? A: We would like to keep it simple; for example, the impact to a taxing entity might require 50% of increment to cover them, so revenues might be split down the middle, or another option is to start out lower and raising the share over time.

Mr. Liggett noted that the two factors for negotiation are basically amounts and length of time; Mr. Birks noted their preference that there is one number that last throughout. He noted that to be conservative, they assumed no appreciation over the 25 years; they do that because they don’t know Gallagher’s impact in the future. Another consideration is what happens to funding if the project is completed before the full 25 years.

**Policy: Gallagher and Its Potential Future Impact on the Health District Budget**

A video from the Colorado Fiscal Institute was presented to delineate what the Gallagher Amendment is and how it impacts special districts. In 1982 in Colorado, the Gallagher amendment was passed; the effect of Gallagher was to reduce the assessment rate (the percentage
of property value subject to taxation) when statewide total residential property values increase faster than business values. The impact has been that in 1983, the residential assessment rate was 21%, but in 2017, had dropped to 7.2%. After the video, Ms. Williams discussed the growing concern that Gallagher, which is also impacted by TABOR, will have on property tax revenues in the future. Current projections are that the assessment rate could decrease even further, to 6.11% in budget year 2020, which would have a marked impact on those entities who rely on property tax revenues. For the Health District, if a Gallagher ‘fix’ is not accomplished, there could be as much as a $700,000 drop in tax revenues in 2020.

A bipartisan committee developed three potential bills to fix Gallagher; all three were killed but are anticipated to come back. The issue doesn’t impact education, because the state is required to backfill their revenues, but could have a major impact on counties, special districts, fire districts, etc.

Post-Election
Mid-term elections were held this week; the Larimer County Ballot Issue 1A regarding increased taxes for mental health services passed, with 61% in support. In other local news, Senator Kefalas won his bid for Larimer County Commissioner, meaning that his Senate seat will be open for an appointment by the Democratic Party. Should one of the current local House members be appointed, a House position will also be opened. Senator Lundberg’s seat went to Rob Woodward.

In state news, Amendments Y & Z passed in an attempt to curb gerrymandering in Colorado, and a Democrat trifecta emerged, with Jared Polis as Governor, and majorities in both the state House and Senate.

At the national level, Colorado’s delegation remains mostly the same except that Joe Neguse will take Polis’ seat, and Jason Crow defeated Representative Mike Coffman of Aurora. Also at the national level, Republicans held the Senate, while the House will come under Democrats. Pundits are projecting that this means that attention will shift from Affordable Care Act repeal and replace discussions to ACA ‘fixes,’ and that prescription drug prices may take center stage. Elections in three states make it likely that there will be Medicaid expansion in those states.

Public Charge Proposed National Rule
Staff prepared a memo to the Board regarding a proposed rule that has been put forward by the U.S. Department of Homeland Security, being called the “public charge” rule, along with proposed comments on the rule. Existing regulations state that an immigrant’s likeliness of utilizing public cash assistance programs would be weighed when granting entry or a green card. The current proposal would include also non-emergency Medicaid, Medicare Part D low-income subsidy, Supplemental Nutrition assistance Program (SNAP), Section 8 Project-Based Rental Assistance, and Public Housing. The biggest concern relating to the Health District is that families where there are both citizens and non-citizens will avoid utilizing services, putting them at increased risk for health conditions, putting both their health and the general public’s health at risk.

MOTION: To approve the proposed comments on the public charge rule being considered at the federal level, for submission by deadline.

Motion/Seconded/Passed 4-0 (Dr. Naqvi had to leave early)
**UPDATES & REPORTS**
There were no additions to updates already discussed by the Executive Director, and Dr. Naqvi had to leave early, so no report from UC Health. Staff will send the draft meeting schedule for 2019 to Board members; please respond with any conflicts so a calendar can be set at the December meeting.

**PUBLIC COMMENT (2nd opportunity)**
None

**CONSENT AGENDA**
- Approval of September 2018 Financial Statements.
- Approval of September 25, 2018 Board Meeting Minutes.

**MOTION:** To approve the Consent Agenda as presented/amended.
Motion/Seconded/Passed 4-0 (Dr. Naqvi left early)

**ANNOUNCEMENTS**
Just a reminder that a quorum is essential for the December 13th meeting; please let Ms. Plock know right away if something arises to keep you from attending.

**EXECUTIVE SESSION**
A motion was made to go into Executive Session.

**MOTION:** For the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators, pursuant to issues pursuant to §24-6-402(4)(e) of the C.R.S.
Motion/Seconded/Passed 4-0 (Dr. Naqvi left early)

The Board retired to Executive Session at 6:07 p.m.
The Board came out of Executive Session at 6:15 p.m. No business was transacted in the meeting.

**ADJOURN**

**MOTION:** To adjourn the meeting.
Moved/Seconded/Passed 4-0 (Dr. Naqvi left early)
The meeting was adjourned at 6:17 p.m.

Respectfully submitted:

[Signature]
Wendy Grogan, Acting Assistant to the Board of Directors

Absent
Michael D. Liggett, Esq., Board President

[Signature]
Molly Gutilla, MS DrPH, Board Vice President

[Signature]
Celeste Kling, J.D., Board Secretary

[Signature]
Joseph Prows, MD MPH, Board Treasurer

[Signature]
Faraz Naqvi, MD, Liaison to UCH Health-North/PVHS Board