





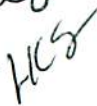
TO: SOUTHERN NEVADA DISTRICT BOARD OF HEALTH **DATE:** February 25, 2010

RE: *Approval of the establishment of the Environmental Health Division as an enterprise fund.*

PETITION #05-10

That the Southern Nevada District Board of Health *approve the establishment of the Environmental Health Division as an enterprise fund. Effective 7/1/2010.*

PETITIONERS:

Glenn Savage, *Director of Environmental Health* 
Scott Weiss, *Director of Administration* 
Lawrence Sands, DO, MPH, *Chief Health Officer* 

DISCUSSION:

Staff recommends approval for the establishment of the Environmental Health Division as an enterprise fund as defined in Nevada Revised Statute (NRS) 354.517. The establishment is consistent with Board policy as discussed below as well as the business model of the Division. The Environmental Health Division collects fees from the users of their services. The fees are set consistent with NRS 439.360 (5) that states “Such fees must be for the sole purpose of defraying the costs and expenses of the procedures for issuing licenses and permits, and investigations related thereto, and not for the purposes of general revenue.” This recommendation is consistent with our discussions with our external auditors Kafoury, Armstrong & CO.

Below are summaries of previous Board actions and some applicable section of Nevada Revised Statutes

In November 20, 2003, the SNHD Board of Health approved **Memorandum # 08-03**, *Public Hearing to Consider/Adopt Proposed Changes to the Environmental Health Division Fee Schedule* that has background information including “Pursuant to the direction from the Chief Health Officer that the Environmental Health Division becomes 100% self-sufficient, a Proposed Environmental Health Fee Schedule has been drafted to accomplish this.”

On May 24, 2007, the SNHD Board of Health approved **Memorandum # 19-07**, *Adoption of Proposed Environmental Health Division Permit and Plan Review Fee Schedule; Consideration of Business Impact Statement*. The fee increase was approved, which included the allocation of the division indirect costs.

NRS 354.517 defines the “enterprise fund,” an enterprise fund means a fund established to account for operations:

1. Which are financed and conducted in a manner similar to the operations of private business enterprises, where the intent of the governing body is to have the expenses (including depreciation) of providing goods or services on a continuing basis to the general public, financed or recovered primarily through charges to the users; or
2. For which the governing body has decided that a periodic determination of revenues earned, expenses incurred and net income is consistent with the public policy and is appropriate for capital maintenance, management control, accountability or other purposes.

NRS 439.360(5) states the county board of health may...adopt a schedule of reasonable fees to be collected for issuing or renewing any health permit or license required to be obtained from the board pursuant to a law of this state or an ordinance adopted by any political subdivision of this state. **Such fees must be for the sole purpose of defraying the costs and expenses of the procedures for issuing licenses and permits, and investigations related thereto, and not for the purposes of general revenue.**

In addition, Government Accounting Standards Board Statement (GASB) 23, paragraph 67 states (c) which defines the accounting terms for an enterprise fund, states if the operations of the department meet the following it should be considered as an enterprise fund:

(C) The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

FUNDING

None.