



MINUTES

Southern Nevada District Board of Health Meeting Environmental Health Fee Committee Meeting May 29, 2019 - 2:30 p.m.

**Southern Nevada Health District, 280 S. Decatur Blvd., Las Vegas, Nevada 89107
Red Rock Conference Room**

MEMBERS PRESENT

Nicole Brisson, Board of Health
Scott Nielson, Board of Health
Virginia Valentine, Nevada Resort Association
Brian Wursten, Board of Health

MEMBERS ABSENT

Erica Arthur, Ovation Properties
Chris Darling, A Track Out Solution
Brooke Egan, Lennar
Katherine Jacobi, Nevada Restaurant Association
Norberto Madrigal, Lunas Construction

ALSO PRESENT: (In Audience)

Sakena Alhassan, JRS Hospitality
She Brambleff, Hash House A Go Go
James Chachas, Hobbs, Ong & Associates
Dawn Christensen, Nevada Resort Association
Cara Evangelista, Impact Food Safety
Kay Furuts, Hash House A Go Go
Louise Kloeppel, Hash House A Go Go
Allison Moderson, Wynn
Jeff Seavey, Caesar's Entertainment
Brisa Stephani, Impact Food Safety

LEGAL COUNSEL:

Heather Anderson-Fintak, Associate General Counsel

EXECUTIVE SECRETARY:

Joseph Iser, MD, DrPH, MSc, Chief Health Officer

STAFF:

Ernest Blazzard, Tania Dawood, Regena Ellis, Heather Hanoff, Robert Newton, Larry Rogers, Christopher Saxton, Herb Sequera, Karla Shoup, and Christine Sylvis

I. CALL TO ORDER

Chair Nielson called the Southern Nevada District Board of Health Environmental Health Fee Committee meeting to order at 2:46 p.m. Staff preceded with the presentation even though there was not a quorum.

II. PUBLIC COMMENT:

Cara Evangelista, Impact Food Safety: She does not support any fees for a B Grades. When she was an inspector and her business partner was an inspector, everybody knew that any facility could get a B Downgrade. It only takes three violations. It is not based on being a bad performer or somebody who is not actively doing food safety. She questions that it takes four hours to do a B Grade inspection. The B Grades for her clients take 15 to 30 minutes for a reinspection.

Remember that the first inspection is covered by the permit fee the facility pays so it's not appropriate to put that time in the reinspection fees. Since permits are split in Las Vegas, the Industry already has high permit fees. One of her regular facilities on the Strip has about 300 seats and they are paying \$3,111 in permit fees. If you take the hourly fee for an inspector at \$118, that's 26 hours of inspector time that this facility is owed a year. She would say that it takes about five hours for the inspector to inspect that facility which means there are 21 hours leftover. If a major hotel pays \$150K in permit fees, that's about 1.5 to 2 inspectors assigned fulltime to that facility and there are not 1 or 2 inspectors there five days a week, eight hours a day. There are a number of places that are already paying more than the time that is actually spent in their facility. In 2010, there was a regulation change saying that if you have a repeat of a critical or major violation from the last inspection, an inspector can choose to do an automatic downgrade. She understands that there has been a high increase in under 10-point B Grades. That means that she could get a five-point or three-point violation on the inspection but if it happened last year, she could get an automatic B Grade. She requests that there is a breakdown of the number of B Grades and their points since 2010. She'd also like to request comparisons for the other jurisdictions. This has been discussed before. Remember that Las Vegas splits permits, so it is not an apples to apples comparison when you look at permits in other jurisdictions. One permit does not equal one restaurant because many restaurants here have multiple permits. She still feels like the financials have not really been provided, especially background data and line items. From what has been provided, she can see programs like childcare do look like they need fee increases. She would agree with charging Supervisory Conference fees because when a facility has multiple Supervisory Conferences that means that they are not controlling food safety. She would be fine with an increase in closure fees as long as it is one closure fee for the facility. For example, a facility with nine permits, would get one closure fee. That is the current policy. She requests that we have a line item for grants. She doesn't feel like she can see if staff are actually recording their time for the grants they are working on. Another solution is to discontinue the Swing Shift and give them regular work. Swing Shift staff are doing a lot of temporary permits which are being paid by unbudgeted temporary event fees which were created at a higher price to cover staff overtime. By having staff cover temporary events on regular work time, it's causing management to ask for an increase in staff to complete regular work. If Swing Shift staff is assigned regular work and overtime is given back for temporary events, there will be five more people to do regular work. She agrees that Plan Review needs more people. It's a 14 day or longer wait. If Swing Shift staff are doing regular work, you could assign more people to Food Plan Review. She doesn't deal with pools, but it looks like they need more people too. She would like to request expedited fees for field inspections, especially after-hours if staff volunteers. *(Five minutes was reached and called by Heather Hanoff.)* This was used for the baseball stadium and it worked. It was fine, and the client was willing to pay for it. She doesn't agree with any recommendations being given for the Board of Health (BOH) today. Thank you.

Seeing no one else, this portion of the meeting was closed.

III. ADOPTION OF THE MAY 29, 2019 AGENDA (for possible action)

This action item was not motioned because a quorum was not available.

IV. REPORT / DISCUSSION/ ACTION:

- 1. Approve Environmental Health Fee Committee Meeting Minutes – April 5, 2019, direct staff accordingly or take other action as deemed necessary (for possible action)**

This action item was not discussed and will be put on the next Environmental Health Fee Committee meeting agenda

2. **Approve Environmental Health Fee Committee Meeting Minutes** – May 7, 2019, direct staff accordingly or take other action as deemed necessary (*for possible action*)

This action item was not discussed and will be put on the next Environmental Health Fee Committee meeting agenda.

3. **Receive Staff Report and Recommendations Regarding Proposed Environmental Health Fee Schedule Changes:**

- a. **Discuss the Proposed Environmental Health Fee Schedule Changes**

Christopher Saxton, Environmental Health (EH) Director, presented the EH Presentation. The following staff were also present to answer questions: Ernest Blazzard (Finance), Larry Rogers (Food Operations), Robert Newton (EH Analyst), Karla Shoup (Consumer Health Programs), and Herbert Sequera (Solid Waste Programs).

Chair Nielson asked where the Food Operations revenue of \$10.4 million came from when looking at the Revenue and Expenses attachment from the previous meeting. Robert Newton said these were FY20 budget numbers. Mr. Blazzard said revenue and expenses were summarized at the major program level for a fair comparison.

Chair Nielson thinks people that are using services should pay for the services. In discussions since the meeting, SNHD management has determined that employees have not been tracking their time in a way that allows staff to accurately determine the amount of time spent on each service. The employees are tracking their time, but they may not be allocating it to a specific service. Mr. Blazzard said the numbers are as accurate as can be at this time.

Chair Nielson asked if staff was recommending a reduction in Pool Operations fees. Ms. Shoup said the point of the slide was to show the difference between revenues and expenses and what would need to be done to adjust each of the programs. Staff are not proposing anything; it's just the information requested by the Committee.

Member Brisson said that Food Plan Review is so backed up that it's to get reviews done in a timely manner. If SNHD were to hire more employees to get more reviews done, there would be more permits paid and that would give SNHD more revenue. Mr. Blazzard said that volume doesn't necessarily mean an increase in revenue. Chair Nielson said that you can increase the amount of revenue by increasing fees or having more permits. He thinks in Food and Pool Plan Review, if staff was added to handle the demand, more revenue would be generated, and staff would probably never catch up with the workload.

Chair Nielson said staff are not charging enough for childcare and schools to pay staff time for those services. We don't want to overcharge schools and we want childcare to be as affordable as possible, so the Committee needs to determine how much to increase fees in those sensitive areas. Ms. Shoup ran some calculations for the current fees versus what the Priority 1 adjustment would be. All schools are charged a permit fee of \$118. If the adjustment is done, the permit fee goes to \$220. Childcares go from \$354 to \$662. Body Art facilities would go from \$290 to \$542. School inspections take approximately two hours, so this increase would adequately cover that.

Chair Nielson asked why the revenue generated from Special Processes is \$30K and the cost for services is \$329K. Mr. Rogers said the Hazard Analysis and Critical Control Point (HACCP) team has been charging all of their work to Special Processes, but the bulk of their work is Food Operations so it's not a reliable number.

Member Brisson said that HACCP plans are backed up for years. Another person is needed because there are only two people reviewing plans now and a lot of chefs are deterred from doing any special processes because it takes so long to be approved. Mr. Rogers said he is hoping to address the backlog with the new Regulations which will exempt some of the simple HACCP plans. Facilities will be required to use them, but they won't need to be approved by SNHD.

Mr. Rogers said the numbers provided for the downgrades and closure rates are actual SNHD costs. Chair Nielson said the issue with B Downgrades is they are not created equal. If you have a small thing that causes a B Downgrade, that seems punitive to him. He would like tiered fees. He would also like a checks and balances system for the permit holders who disagree with their grades. Mr. Rogers said that anyone can call a supervisor if they think their downgrade isn't fair and the supervisors review all downgrades.

Chair Nielson asked how many points it takes to get a B and what the difference was between B and C Grades. Mr. Rogers said that 0-10 demerits is an A Grade and 11-20 demerits is a B Grade. Critical violations are the ones that are most egregious and that are most likely to lead to foodborne illness. Those are worth five points each. Those include food out of temperature, barehand contact with ready-to-eat food, and improper cooking temperatures. Major violations include cross-contamination and refrigeration not working properly. Those are worth three points each. A C Downgrade is 21 to 41 demerits and the fee is \$477.

Member Wursten was told that it takes as long to do a B reinspection as it takes to do a regular inspection, but the Committee just heard that it takes 15 to 30 minutes. Member Brisson said that it never takes four hours. Staff reschedule the inspection, so the kitchen is prepared, and everything is clean. Mr. Rogers said it's not just the reinspection; the number is from when the inspector does the inspection to when the A Grade is hung again.

Member Brisson asked if the four hours is covered by the permit fee. Mr. Rogers said the original inspection would be, but the law requires that staff inspect as much as necessary to ensure compliance. If there has been a downgrade, staff go back within the same calendar year, so those facilities get an additional inspection. Dr. Iser asked if it matters whether it's an 11-point B Downgrade or a 20-point B Downgrade. Mr. Rogers did a random sampling, so he can't answer that question. B Downgrades on repeat violations would be approximately ten percent based on a two-month sampling. Member Brisson thinks it would be very helpful to see the breakdown of B Downgrades.

Chair Nielson asked why the closure fee for Imminent Health Hazards (IHHs) was less expensive than a closure for demerits. Mr. Rogers said closures were the least expensive and he didn't think it was fair for a B Downgrade to cost more than a Closure. It costs less to do those Closures, but he does not recommend lowering the fee. Member Wursten said that IHH closures should be at least as high as demerit closures.

Chair Nielson proposed and Member Wursten agreed that B downgrades should be tiered (\$200, \$400, & \$600), C Downgrades \$1K, and all Closures at \$1,200. Mr. Rogers will determine the numbers for this. Chair Nielson would like the B Downgrades based on repeat violations in the \$200 tier.

Chair Nielson would like examples of costs similar to what Ms. Shoup provided for her programs if the proposed fees are charged. He would like to know how this would impact businesses and individual applicants. Mr. Sequera said that a landfill like Apex has the highest Solid Waste permit and pays several thousand dollars and Individual Sewage Disposal Systems are the lowest at \$350. Mr. Newton said that a compost facility's permit is currently \$800. If 21.92% is applied, the new cost would be \$975. Mr. Saxton said the

counterpoint would be that they have been getting a break on their permits for the last ten years.

Staff did not know what the Committee would propose for fee increases so the Administrative Modifications slides show only the current fee. Most of them are assignments of fees so revenue goes to the appropriate program. Mr. Newton said the fees would be adjusted based on whatever programmatic adjustments the Committee makes.

Chair Nielson asked how grants work in EH. Dr. Iser said that EH doesn't get a significant amount of grants compared to the other divisions. SNHD has a paid grant writer that started two weeks ago and works across all divisions. She's not a technical expert but she works on the writing and compiling. Staff with technical expertise, such as Christine Sylvis, would be asked to write the technical portions. Mr. Saxton said that EH grants are small and are used for staff training and Industry outreach. Chair Nielson asked if general inspector staff time is used for pursuing grants. Dr. Iser said SNHD can't charge time applying for a grant to the grant once received; staff can only charge time once we have received the grant. Member Valentine said it's not just the pursuing of the grants but also how much staff time is diverted away from inspections to do grant work.

Christine Sylvis is the supervisor of Training and Compliance in EH. She oversees the Food Operations grants. SNHD currently has one five-year grant for \$70K. We also have three FDA grants, administered by the Association of Food and Drug Officials, that are \$3K each. There is also the NACCHO Mentorship grant which is approximately \$18K per year. All of the grants are based on the FDA Program Standards. All the grant activities are to improve the food program and are things that should be done whether or not grant money is received. Christine Sylvis writes all these grants. The five-year grant pays 200 hours of her time. Most of Food Operations travel and conference attendance is paid for with these grants.

Chair Nielson wanted to verify that staff are not spending \$5K to get a \$3K grant. Ms. Sylvis said the \$3K grants only take a few hours to write. The projects performed are to better the community and the program. The Allergy Intervention program is increasing food operator awareness about allergens and their regulatory requirements. The primary lead person on each project does have grant time that should cover that project. They may and probably will put a team together for the project. The team members are not always covered by the grant. Those are volunteers and it is really a morale builder for staff. Dr. Iser said that SNHD is trying to put more resources into travel and training for our employees to help them advance their careers.

4. Discuss and Approve Recommendations of the Environmental Health Fee Schedule to the Southern Nevada District Board of Health on June 27, 2019

The Committee didn't vote on recommendations. Chair Nielson would like the members to think about Board of Health (BOH) recommendations and their thoughts on the recommendations from other Committee members. Another meeting will be scheduled to collect the recommendations, so staff can proceed with public workshops and ultimately going to the BOH.

Chair Nielson's Comments:

- a. He does not support an across the board fee increase of 8.7% or 19.6%. He supports adjusting fees to get payment from the people using services.
- b. He does not recommend reducing any fees.

- c. He recommends adopting policies and procedures that allow management to track hours in each department and for each function so that staff can accurately determine if fees are paying for services.
- d. He supports increasing Downgrade and Closure fees and adding tiered fees for B Downgrades.
- e. He suggests the Committee members recommend hiring people in specific areas. He supports additional staff in Food and Pool Plan Review.
- f. He supports changing the \$1 tire tax fee in the next Legislative session to receive more income for Illegal Dumping.
- g. He would like to see inspectors perform overtime and charge people accordingly so expedited inspections can be done.
- h. He supports fees for Seasonal and Temporary pools, but they need to be high enough that the fee is paying for the service.
- i. He supports fees being linked to a cost of living increase, maybe not to exceed some percentage, so that they continue to go up because expenses will continue to go up every year.

Member Valentine's Comments:

- a. She thinks there are things included in EH that are general fund activities.
- b. She thinks it's worth exploring the fees for the downgrades.
- c. She thinks it's difficult to determine fees with general reporting on time accounting. She would like a closer link between the type of activities and the fee revenue.
- d. She has reservations about automatic increases.
- e. She would like to see the documents mandating that EH be self-sufficient.
- f. She doesn't know that the case has been made that there is a financial problem considering that in the last CAFR, SNHD had something like 50% ending fund balance over expenses.
- g. She thanked staff for the acknowledgment that there is an interlocal on Vector Control. She doesn't see why that cost should be passed onto a specific group of permit holders.

Member Brisson's Comments:

- a. She sees a lot of discrepancies in the budget that concern her.
- b. She agrees that there should be accountability for services rendered.
- c. She does not want B Downgrades to have a fee.
- d. She agrees with Chair Nielson on his other points.

Chair Nielson wanted thoughts and recommendations from the other committee members. Heather Anderson-Fintak said that thoughts should be submitted directly to Heather Hanoff, not to each other.

5. Discuss and Approve Environmental Health Division to Schedule Next Steps for the Environmental Health Fee Schedule, Including Public Workshops (for possible action)

No action was taken on this item because a quorum was not available.

Chair Nielson wants to meet again soon. Mr. Rogers can email the downgrade scenarios to the Committee. Some potential meeting dates are Tuesday, June 11, from 2:00-4:00 p.m. or Wednesday, June 12, from 9:00-11:00 a.m. June 11 worked for the attending Committee members. Heather Hanoff will contact the other members to get a quorum for that date.

V. PUBLIC COMMENT:

Cara Evangelista, Impact Food Safety: She agreed with everything except the B Downgrades for the same reason Member Brisson discussed. It's hard to make decisions because the financial

information provided at each meeting is different. She doesn't understand that. Everything given after April does not match the BOH approved budget for 2019. Since it is so confusing, she doesn't know if she is right or not. It's hard to support anything for her clients because of this. She has been looking at other jurisdictions and it does look like we are high in Las Vegas for food permits. There are two HACCP inspectors, but they do not just do HACCP. They are doing inspections of makeup factories and training EHS Is so some of the backlog is because they are doing a lot of other things. It's hard to see this on the general revenue for Plan Review Special Process because she can't tell if that's just HACCP. There're also equipment waivers in Plan Review but that's not always HACCP. She doesn't know where that is; it might be in here, but she can't tell. She would really like a line item if possible. She wanted to say that the B Grade number is based on the 20% increase from the \$118 so staff are already using the \$143 for that number and they are including the first inspection. Remember that the first inspection is paid for by the permit fee. If she pays \$500 for her permit fee every year, that covers her first inspection, so you can't say it's four hours to do a B Grade because you are putting the first inspection time in there. Everybody gets a first inspection. From what she understands, the Nevada Revised Statute (NRS) requires an inspection once per year. Everything else is internal policy. Staff have recorded about \$800K in grants on the General Ledger. She thinks that's significant. In a \$20 million-dollar budget it's 5% or 10%. On the explanation of grants, she doesn't know if staff are recording their time because the time spent by service code which was provided at the last EH Fee Committee meeting did not show anything being recorded towards grants. It seemed really vague and we really need to know how much time is being spent. She appreciates it bettering staff, but if it's \$10K in staff time for a \$3K grant, that's not a good reason for a big fee raise. She said comp time is capped at 40 hours. Nobody can bank 800 hours of comp time to be paid out when they retire. There is a new fee requested for reinspection of childcares, tattoo facilities, and schools but she didn't see it in the presentation. Since this is a new fee, she was wondering how much money that might bring into the programs. It's a \$250 or \$300 reinspection fee for those areas. She looks forward to the public workshops where she can speak freely for longer periods of time.

Seeing no one else, the Chair closed this portion of the meeting.

VI. ADJOURNMENT

The Chair adjourned the meeting at 4:26 p.m.

Joseph P. Iser, MD, DrPH, MSc
Chief Health Officer/Executive Secretary

CDS/hh