

## Board of Directors Meeting Minutes

January 16, 2025

1:00 p.m.

**Board Members Present:** Ruth Pilon, Shawn Kraycs, Christal Frost Anderson, Penny Morris, Tom Bratton, Dave Freedman, Tony Lentych, Mary Marois, Ty Wessell, Lynn Pope, Dean Smallegan, Eric Ostergren, Al Cambridge, Kim Morley, Ben Townsend, Mark Nyman

**Absent:** Greg McMorrow, Carol Blake

**Others Present:** Vickie McDonald, Brian Martinus, Neil Rojas, Kevin Hartley, Mark Crane, Kim Silbor, Allie Coon, Brian Newcomb, Lisa Jones, Erica Smith, Cassie Beard, Caleb Gomez, Erica Longstreet, 2 unknown guests.

**Others Virtual:** Ann Ketchum, Jeremiah Williams, Dean Baldwin, Daniel Mauk, Sara Houchin, NLCMHA Mobile Conference Unit, Joseph Barkman, Lori Stendel, Aimee Horton Johnson, Kari Barker, Melissa Bentgen, Curtis Cummins M.D., Stacy Maiville, Melanie Schopieray, Amanda Clark, Erin Barbus, Cynthia Oconnel, Jill Rountree, Laura Argyle, Abby Schonfeld, Carrie Hubbell, Terri Henderson, Tiffany Fewins, Chad Koehn, Jillian Smithingell, Teri Dougherty, Lena Bellemore, Becky Brown, Janet Graham, Alexis Alexander, Brooke Clarke, Carlton Ketchum, Jessica Williams, Sophorn Klingelsmith, Catherine Edwards, Angie Schroeder, Mariah Kyro, Katharene, Season Longoria, Pamella, Chelsea Fenlon, Martha Falk, Somer Quinlan, Cassie Garland, Jonah Cameron, Gina Schlegel, Hilary Rappuhn, Melissa Trout, Michael Corby, Peter Kobs, Kristina Woodworth, Josette Hoch, Cadillac ACT Team, Trapper Merz, Kellee Hoag, Manda Clements, Alexander Zeits, Jennifer Hemmes, Erika Solomonson, Sara Majerczyk, Cindy Petersen, Mats Andtbacka, Jacqueline Paulosky, Lisa Woodcox, Justin Reed, 13 Unknown

**Call to Order:** 1:00 p.m.

**Conflict of Interest:** None.

### **Approval of Agenda:**

<b>MOTION:</b>	<b>Approve the agenda with amendment</b>
<b>RESULT:</b>	<b>ADOPTED. [UNANIMOUS]</b>
<b>MOVER:</b>	<b>D. Smallegan</b>
<b>SECONDER :</b>	<b>S. Kraycs</b>

### **Amendment to Minutes:**

Page 6 Motion to read: To table decision until January

**MOTION: Approve the Consent Agenda (Minutes) with amendment**

**RESULT: ADOPTED [UNANIMOUS]**

**MOVER: L. Pope**

**SECONDER: D. Freedman**

Consent agenda included the December 19, 2024, minutes which were approved.

**Public Comment:** None

**Celebrate Northern Lakes:** The board recognized the Cadillac Access Team, Chad Koehn and Cassandra Beard. Chad has been with the agency for 11 ½ years while Cassie has recently returned to the agency as an access clinician. Erica Longstreet, CCO, referred to the Access team as the Gatekeepers of the agency as they determine initial eligibility of consumers through the daily intake screening of qualifications. Each team member sees different ages and categories of consumers based on their certifications and qualifications. Chad is qualified to see all ages and categories. The team helps determine necessary services providing an interim plan of care which tells the consumer their next step and who their next appointment is with if they are eligible. Chad referred to his team as the Ambassadors for NLCMH. Cassie added that they help find outside services if they are not opened to services through our CMH and have 24-hour access through the crisis line. Their goal is to make sure every consumer knows they are going to be helped.

Vickie McDonald has been with the agency for one year and was thanked for stepping up for the past three months covering the Executive Administrative position along with continuing to do her own job. Brian thanked Vickie for going above and beyond trying to help in any area that she could during the gap until Stacy's return.

Welcome to our two new County Commissioner board members. Kim Morley from District 2 in Roscommon County is a business owner, has been on the school board for 9 years and heavily involved in politics. Mark Nyman from District 3 in Wexford County is retired from law enforcement after 18 years of service and has also worked for the CMH and State Hospital in Traverse City.

**Report of Officers:**

**Recipient Rights Report:** Brian Newcomb has returned from medical leave after 7 weeks and thanked Erica Smith and Lisa Jones for covering his duties while holding a full case load. Brian also thanked Erica for preparing the board report. He stated that they had 158 complaints, 73 still open, 35 of those cases coming in on one day, and still maintaining 100 percent compliance. Brian will be making sure all policies for the Tri-County review in August are up to date.

**Interim Chief Executive Officer's Report:** Brian Martinus updated the board of the official opening of the Grand Traverse Mental Health Crisis and Access Center located on the Munson Campus with 11 consumers in the first week. They are currently open Sunday through Thursday from 8 am to 8 pm completing phase 1. Phase 2 will be to open psychiatric urgent care through Munson in July and 24-hour services in August. The center is currently fully staffed and is researching joint billing of Medicaid and Private insurances, shared documentation between the two separate Electronic Medical Record programs, and shared staffing with Munson as they move forward. Data is also being accumulated to track categories of care, services

used and referrals to continue to meet needs. The board would like to invite Mike Corby, Grand Traverse Mental Health Crisis and Access Center Director, to present on the Center's behalf.

Brian will be on military orders in Washington DC February 10-13 and Liberia, Africa, March 21-29. Darryl Washington and Dr. Curt Cummins will be covering for Brian while he is away.

The Board questioned why we are not billing private insurance along with Medicaid to open additional income sources. They were informed that current staffing would need to be tripled to be able to cover complete coverage of all members of the community for all core programs if opened to private Insurance in addition to Medicaid. Board member suggested researching the effectiveness of this option.

The Board was informed that prior public comments have been addressed.

**Chief Financial Officer's Report:** Kevin Hartley, Chief Financial Officer, reports that balance sheet amounts presented represent the amounts rolled forward from FY 24. Neither a financial close nor audit has been conducted at this time and amounts should be considered preliminary. Cash and investments on the balance sheet show a \$5.5 million dollar decrease from the prior year and liquid cash remains stable compared to previous fiscal year. Estimated Medicaid expenses are approximately \$1 million dollars more than capitated payments received from NMRE resulting in a current overspend. Healthy Michigan expenses and General fund expenditures were also more than payments received also resulting in an overspend. Grant revenues and expenses are tracking as expected. Salaries and fringes are approximately \$860,000 under and direct operating expenses are about \$700,00 under budget. Kevin also reported contractual services being over budget which is driven mostly by residential contracts. Cost settlements will be determined partially by the results of the forensic audit and reconciliation. The budget has been set with a deficit from Healthy Michigan and Medicaid presumed. The Board also requested a budget from the Grand Traverse Mental Health Crisis and Access Center.

#### **Committee Reports:**

**NMRE:** Ruth Pilon reported that the NMRE has received The Rehman Group's audit report. This report has not been approved as they do not have a meeting until next week. Five major points of the audit report are:

1. Fiscal year 2023 overtime claim of \$47,732.39 made without authorization and proper cost allocation.
2. Stipend payments which were approved by the board until another CEO was named were received after the placement of Interim CEO was put in place in the amount \$56,700 and an additional one-time payment of \$7,200 which was unexplained.
3. Purchase orders procured by the maintenance department did not comply with board policy contributing to higher costs.
4. Credit Card policy and transactions were reviewed showing transactions were correct. The credit card use policy was not followed as a sixth credit card was issued, account closed, and points earned were not retained by NLCMH.
5. Expense misallocation with neither standard cost allocation method nor Federal regulations being properly applied.

Eric Kurtz, NMRE CEO, is obligated to continue the forensic audit for five to seven years due to the misallocation of funds and will try to recoup the money. A special meeting will be held with The Rehman Group, Legal representation and the Board to discuss what steps will be taken because of this audit.

**MOTION: To schedule a meeting to include a representative from The Rehman Group, legal counsel and The Board of Directors to discuss the results of the Fiscal Year 23 audit and appropriate actions to be taken.**

**RESULT: ADOPTED [UNANIMOUS]**

**MOVER: D. Freedman**

**SECONDER: M. Marois**

**RRAC:** Tony Lentych reported that the next meeting is scheduled February 9, 2025.

**CEO Search Committee:** Tom Bratton reported that their Thursday meeting of five attendees was very productive. They revised a Request For Quotes from Executive Search Firms using a NMRE template and enclosed it in the board packet. They would like the Request For Quotes to go directly to himself as chair and/or Deam Smallegan, vice-chair, as specified in the request.

**MOTION: The CEO Search committee recommends to the Board, approval of the immediate use and distribution of the proposed RFQ and that Tom Bratton and Dean Smallegan work with the Northern Lakes Marketing team to publish it in various media platforms with a budget up to \$2500.**

**RESULT: ADOPTED [UNANIMOUS]**

**MOVER: T. Wessel**

**SECONDER: L. Pope**

**Executive Committee:** None

**Finance:** Al Cambridge reported that the finance committee adopted a standard agenda and items discussed have been reported to the board by Kevin Hartley's financial report. The Open Issues discussed were Medicaid Status/Forensic Audit, 2023 Audit, 2024 Audit starting next week, 2025 auditor selection, and 2025 Final Contract Approval. New Issues discussed were the current financial Report from FY25 October/November financials, contract amendments, and a policy topic of Overtime. The committee stated that understanding the compliance audit and researching the findings is necessary and the overtime policy which only speaks to exempt employees except in special circumstances like the Covid pandemic should be reviewed. A list of Contracts and Agreements was handed out to the board showing Vendors for Specialized Residential Services and Community Living Supports. It also listed contracts for Inpatient and hospital services including Single Case Agreements. The amendments to the contracts include individual placements of high needs outside of our catchment area. The process of approving contract amendments is to be done by the board.

**MOTION: For the board to approve the two amendments presented to the board.**

**RESULT: ADOPTED [UNANIMOUS]**

**MOVER: A. Cambridge**

**SECONDER: M. Marois**

**Policy Committee:** The committee looked at several items that have already been discussed by other committees such as the overtime policy. Additional items discussed were board policy and expectations of items to be included in the CEO report. They suggest the reorganization of the agenda to have the appropriate committee follow the Officer's reports to allow the Board of Directors meeting to move forward smoother. There is a need for additional members to their committee. Shawn Kryacs volunteered to join the policy committee.

**Community Engagement and Services Committee:** Crystal Frost Anderson reported this committee met today and are also looking for additional members as the current members are all from Grand Traverse County. Darryl Washington sent the committee an outline of an incident report which could establish a way for the CEO to report incidents to the board. The committee will request Darryl Washington to invite Deb Freed to participate in this committee and will reach out to local community collaboratives to ensure we are engaging with the proper stakeholders.

**Personnel Committee:** No report

**Unfinished Business:**

**Wage Study:** Discussion was made to table the wage study due to financial uncertainty brought forward by the Financial Audit. Questions were brought forward regarding the financial ability to make changes if they are needed. Members suggested to delay the wage study until there is more financial certainty and the organizational chart is updated. The two options for the study are The Municipal Consulting Services and The Rehmann Group with MCP being the preferred and lesser cost but has a service request deadline which will expire within a couple of months.

**MOTION: To revisit doing a wage study in 6 months.**

**RESULT: ADOPTED [MAJORITY VOTE]**

**MOVER: M. Marois**

**SECONDER: D. Freedman**

**ROLL CALL VOTE: 11 Y 4 N**

**Public Comment:**

**Comments placed in Chat:**

Bill Barnes – Grand Traverse County. Why would you consider paying for a salary study when you have to pay millions of dollars back to the NMRE as a result of the audit? Also, if the salary study tells you that people need to be paid more, would you have money to do that? If not, that will really kill employee morale.

Carlton Ketchum – Has NMRE or NLCMH referred this case to their case to their fidelity bonding company? How this process be expedited? Good point on why not caught in audit. Has the accounting firm/firms been put on notice of any potential error or omission?

Lena Bellemore: I'd like to know if and how this will affect the employees who work for NLCMH going forward with the repayment and the finding being almost \$2M?

**Phone in comment:**

Justin Reed – Commented that the board should obtain the compliance audit and agrees consulting legal is necessary. He also stated the potential impact of the audit is on the consumers but does not affect the board as the only primary consumer on the board receives private services, not services through CMH thus the board should take this audit very seriously. He also suggested that the board visit one of the clubhouses to enhance the visibility in the community.

**Announcements/Board Member Reports/Board Association:**

Tony Lentych: With the addition of new members, he would like to state that he has taken a personal approach to this board and thinks the board can do two things at the same time: fix previous problems and move the agency forward.

Kim Morley: Is willing to join committees as needed.

Tom Bratton: Believes board is working together and moving forward.

**Next Meeting:** February 20, 2025, 204 Meadows Grayling MI, 49601

**Adjournment:** The meeting adjourned at 2:54 p.m.

Respectfully submitted,

Victoria McDonald, Administrative Specialist

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Penny Morris, Vice-Chairperson

Lynn Pope, Secretary

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