

Board of Directors Meeting Minutes

February 20, 2025

1:00 p.m.

Board Members Present: Kim Morley, Dave Freedman, Mark Nyman, Dean Smallegan, Lynn Pope, Penny Morris, Tom Bratton, Mary Marois, Al Cambridge, Greg McMorrow.

Absent: Ty Wessell, Tony Lentych, Ruth Pilon, Christal Frost Anderson, Shawn Kraycs

Others Present: Vickie McDonald, Brian Martinus, Neil Rojas, Kevin Hartley, Mark Crane, Kim Silbor, Allie Coon, Brian Newcomb, Jeremiah Williams, Melissa Trout, 2 unknown guests.

Others Virtual: Daniel Mauk, Ann Ketchum, Terri Henderson, Mats Andtbacka, Dean Baldwin, Darryl Washington, Aimee Horton Johnson, Becky Brown, Erica Smith, Caleb Gomez, Melissa Bentgen, Joseph Barkman, Josette Hoch, Amanda Richie, Mark Draeger, Erin Brotherton, Lori Stendel, Somer Quinlan, Jordan Byington, Erin Barbus, Amy Kotulski, Curtis Cummins, Laura Argyle, Rachel Plum, Jim Coffia, Jillian Smithingell, Tiffany Fewins, Kellee Hoag, Peter Kobs, Kristine Rigling, Kristin Page, Jessica Williams, April Weinrick, Cindy Evans, Rob Palmer, Lisa Jones, Trapper Merz, Dave Simpson, Jess Riddle, 14 Unknown.

Call to Order: Greg McMorrow called the meeting to order at 1:00 p.m.

Confirm Quorum: Confirmed.

Conflict of Interest: None.

Approval of Agenda:

Amendment:

- Secondary closed session for discussion about current litigation.

MOTION:	Approve the agenda with amendment
RESULT:	ADOPTED. [UNANIMOUS]
MOVER:	D. Smallegan
SECONDER:	D. Freedman

Amendment to Minutes: None.

MOTION: Approve the Consent Agenda (Minutes) with amendment

RESULT: ADOPTED [UNANIMOUS]

MOVER: M. Marois

SECONDER: M. Nyman

Consent agenda included the January 16, 2025, minutes which were approved.

Appointment of Timekeeper: Penny Morris

Public Comment:

Ben Townsend, Former Board Member; Wexford County: Ben thanks the board for 6 years of service. He appreciates where the board is now and what direction it is headed in. Ben thanks everyone for their kindness and friendship. Ben thanks staff members. He says that we should always lift up the staff because they are the key to the whole operation. Ben thanks Brian for his patience and for appointing Mr. McMorrow as the board chair. He added blessings to Stacy and thanks Heider. Ben thanks Mr. Cambridge for his guidance. Ben mentioned that he grew so much being a part of this board, more than any board he has ever been on. Mr. McMorrow praises Ben Townsend for his service on the Board.

Patricia Fuller, Given Hope AFC: Expressed frustration with the Board. She is a small business owner of an AFC home. She spoke of a review in early 2024 where there were many discrepancies found. She was only allowed to view part of the report and would like to see all the discrepancies and the full report. She cannot get in touch with anyone to resolve this issue. The small business closed. She mentioned that there are signatures that were not accepted and would like to know why. She admits that some progress notes were missing. She would like to know why we would take \$8,000 away from a small business.

Celebrate Northern Lakes: Erica Longstreet presents Melissa Trout a certificate for 22 years of excellent service. Melissa started here right out of school as a home-based therapist. She worked her way through outpatient, clinical, supervisory and managerial roles. She looks forward to the next 22 years and has learned so much. Mary Marois spoke about how much of a pleasure it was working with Melissa; out of all the people she worked with, she was the star. Melissa always had ideas and a plan. Melissa gave a warm shout out to her hard-working team.

***Current Board Member seat vacancy allows 10 votes to move this forward**

MOTION: Closed Session

RESULT: ADOPTED

MOVER: G. McMorrow

SECONDER: P. Morris

Closed Session, Roll Call Vote:

In Favor – K. Morley, D. Freedman, M. Nyman, D. Smallegan, L. Pope, P. Morris, T. Bratton, M. Marois, A. Cambridge, G. McMorrow

Opposed: none

Result: Closed Session was approved

MOTION: Secondary Closed Session

RESULT: ADOPTED. (ADDED TO AGENDA)

MOVER: G. McMorrow

SECONDER: L. Pope

Secondary Closed Session, Roll Call Vote:

In Favor – K. Morley, D. Freedman, M. Nyman, D. Smallegan, L. Pope, P. Morris, T. Bratton, M. Marois, A. Cambridge, G. McMorrow

Opposed: none

Result: Secondary Closed Session was approved and added to the agenda

Report of Officers:

Recipient Rights Report: Brian Newcomb, Director of the Office of Recipient Rights, updated the board with recent data from the ORR department. We are still compliant. From the standard report we have had a total of 195 complaints, 65 are currently open. From the annual report we have had 596 total allegations. Neglect 3 is one of the highest complaints we receive, this typically stems from staff falling asleep. Seven individuals were let go due to recipient rights actions. 51.75 hours of training was received, this number was lower due to sickness. We are right in line with the state in our substantiation rate. This year is our Triennial Review. There were no questions for Brian.

RRAC Update: Al Cambridge spoke in the place of Tony Lentych. The team does a great job of finding coverage for each other. They feel supported and protected by the board. The committee meets every other month on the first Thursday in Cadillac.

Interim Chief Executive Officer's Report: Brian Martinus shared that Dr. Darryl Washington has published his second book and that it is available on Amazon for purchase. Brian will be in Liberia, Africa, March 21-

30. Darryl Washington and Dr. Curtis Cummins will be in charge while he is away. This follows the protocol set in place by the Board of Directors previously.

Chief Financial Officer's Report: Kevin Hartley, Chief Financial Officer, went over the finance report with the Board. The full report was included in the desk packet. Balance Sheet amounts presented represent the amounts rolled forward from FY 24. However, neither a financial close nor audit has been conducted at this time. Therefore, amounts should be considered preliminary and subject to adjustment. Cash and investments on the balance sheet show a -\$10.8 million decrease from the prior year and liquid cash remains stable. Medicaid Capitation - Estimated Medicaid expenses are approximately \$1.6M MORE than the capitated payments received from NMRE resulting in a current OVERSPEND. Medicaid capitation was about \$750k lower than expected through December. Estimated Healthy Michigan expenses are approximately \$787k GREATER than the capitated payments received from NMRE resulting in an OVERSPEND. Healthy Michigan capitation was about \$200k higher than expected through December. General Fund Capitation estimated expenses are approximately \$800k MORE than the capitated payments received resulting in an OVERSPEND. Grant revenues and expenses are tracking as expected. Salaries, wages and fringes: Salaries and fringes are approximately \$1M under budget. Total directly operated expenses are about \$1M under budget through December. CMH Provider Network Contractual Services are about \$1.2M over budget through December, mostly driven by residential contracts.

Committee Reports:

Finance Committee: Mr. Cambridge gave an update on the most recent finance committee meeting. The financial audit for 2023 is in progress, the 2024 audit is ready to start soon after. They want to finalize the 2023 audit first. We should be back on schedule with our audits by April or May of this year. The finance committee is requesting to temporarily hold off sharing our balance sheet until we have settled with the NMRE; this was accepted. There will be a proposal with a list of firms sent out in May to choose which company we use for our 2025, 2026, and 2027 audits. As we move into our 2025 audit, we will be looking for an additional procedure to implement to make sure that our cost allocation is in line with state regulations.

NMRE: Mary Marois spoke in Ruth Pilon's absence. There was a discussion about providers being paid a higher rate in Oakland County, DHHS and the NMRE are in conflict regarding some issues, and Grand Traverse County and Leelanau County have been reclassified as urban. These counties are no longer considered rural. We will need to discuss what changes this may bring.

Ad Hoc CEO Search: Tom Bratton spoke about the CEO search. The committee met last week. One of the committee members was Ben Townsend who is no longer on the board, they will seek a replacement for him. The committee worked with Deb Freed on marketing. One proposal was able to be reviewed, and they are expecting three more proposals by their next meeting. The next board packet should include the top company with which the committee would like to work. They would like to invite the firm to give a 10-minute overview and receive a recommendation from the board. It should be decided in the next board meeting if we want to move forward with said firm.

Executive: Met to put the BOD Agenda together.

Policy: Ms. Marois spoke about the policy committee. The magnitude of the work for the policy committee has shown that they need to meet more often. There will be an all-day meeting in April. The committee would like all finance and personnel policies to be passed through the committee to review them. These policies will not be changed by the committees, only reviewed.

Community Engagement and Services: This committee will be meeting next week.

Personnel: No members of this committee were present.

Unfinished Business: Committee Assignments - Mark Nyman will be emailed a list of committees he may join. There are spots open that need to be filled.

Public Comment: Peter Kobs, a reporter for the *Traverse City Record-Eagle*. What is the justification for going into closed session #2 this afternoon to discuss the recent Rehmann report? What is the exact exception to the Michigan Open Meetings Act that would justify this second closed session? Finally, will this closed session include discussions of the Rehmann report that would normally be held in open session?

Announcements/ Board comments/ Presentations:

Ms. Marois would like to address the grievance of the woman who spoke today during public comment.

Mr. McMorrow will put together a new board member orientation.

Ms. Morris shared that we should reiterate that board members are not allowed to individually comment (answer emails); it is against our process. The correspondence must be attached to the board member packet. There should be a report by the CEO or Board Chair.

MOTION: To Adjourn

RESULT: ADOPTED [UNANIMOUS]

MOVER: M. Morris

SECONDER: L. Pope

Next Meeting: March 20, 2025, 105 Hall Street, Traverse City 49684

Adjournment: The meeting adjourned at 4:13 p.m.

Respectfully submitted,

Alexandra Coon, Deputy Administrative Assistant

Victoria McDonald, Administrative Specialist

Greg McMorrow, Chairperson

Lynn Pope, Secretary
