



Administrative Office, 105 Hall Street, Suite A, Traverse City, MI 49684

Board of Director's Meeting Minutes

October 21, 2010

6:30 PM

1. CALL TO ORDER:

ROOC, Inc., 11051 N. Cut Road, Pioneer Hills, Roscommon, Michigan. Called to order at 6:55 p.m. by Melissa Fournier.

Board Members Present: Dave Stephenson, Jack Mahank, Pat McLaughlin, Melissa Fournier, Mary Lee Pakieser, Frank Tosiello, Nina Zamora, Juanita Farr, Don Halvorsen, Bill Ancel, Al Cambridge, and Jane Whitney.

Board Members Absent: Helen Stimson (advance notice), Les Barnes (advance notice), David Marshall (advance notice), and Beth Friend (advance notice).

Others Present: Greg Paffhouse, Chief Executive Officer; Deb Lavender, Executive Secretary; Mary Hubbard, Chief Operations Officer for Children and Families; Dave Branding, Chief Managed Care Officer; Jon Bennett, Recipient Rights Officer; Harold Meeuwes, Lead Maintenance Worker; Frank T with aide; and Bruce Rendon.

The Pledge of Allegiance was spoken. Confirmation of a Quorum.

2. APPROVAL OF AGENDA: Agenda item - Candidate for elected office will be moved prior to 6:35 p.m.

MOTION:	Approve the Agenda of October 21, 2010 as presented.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Don Halvorsen

3. CONFLICT OF INTEREST DECLARATION:

No Board members declared a conflict of interest for tonight's business.

4. CANDIDATE FOR ELECTED OFFICE:

Introduced Bruce Rendon Candidate for the 103rd House District. Bruce thanked the Board for allowing him to address the organization. He provided background information about his family and his businesses. Bruce identified that he has personally knocked on about 5,000 doors during this election. The overwhelming statement is that people are hurting for work. He noted until this is addressed we won't see a lot changes in Michigan to make revenue. He identified that he can help the situation; as a small business owner for 28 years making a payroll he knows what it takes to create jobs. Jobs are created in the business community. Bruce referenced his pamphlet that refers to a five point JOBS Plan. He noted that we have to start getting Michigan business friendly. We have a tax structure that is not fair. It picks winners and losers. We all agree that jobs is the root of our problem. We have businesses, in Michigan, that would like to expand and businesses outside the state would like to come here because they realize the capability of the workforce we have here. The whole pretense to create jobs is to make a profit. With the tax structures, such as Michigan Business Tax, and the 22% surcharge they can't know their cost. Until it is done where they know their cost they don't see that as an option.

What can I do in Lansing? Here is what I have to offer. I am not a politician. I have the desire to get this position to help our state. Here is what I can do. I have been a licensed builder for 32 years and most people's largest expenditure in their life is the American dream - their home. Putting partisanship aside I have my construction business that has been built upon my reputation. Most of my work is from referral. I have clients that I have worked for three or four times. I have to listen. I have to be able to communicate. I have to be a professional. That is the promise he can make to the people of the 103rd District. Those are values I will take to the community. I don't have all the answers but I do know how to balance a budget. You will find a lot of endorsements identified in the pamphlet. In the past six years it has been a struggle and he knows that we have experienced the same struggles. He knows what that sacrifice is all about. During that period of time he offered benefits to his employees yet to this day they receive health insurance from his small company. That is what he can do to help this district and the state to get back to work.

We have been on the top of the wrong list. We educate our children here and they could not find the proper job that suits them to what they have been educated for. We lose them to another community or another state and they get married and it just balloons. They want to be part of their community and then they have kids and pretty soon the next generation is gone. He would appreciate our support come November 2. It is time we put people in there that have business experience to help make the tough decisions. He noted that he would let prayer be his guide in making those tough decisions. He has been doing it most of his life. He asked for our vote.

Responded to questions. Question – What makes you the better candidate over your competitor? Response – Bruce identified that the fact that he has talked about his experience, family values, experience as a businessman, married 38 years to the same woman, have raised children in the district in the school system. He noted in the last six years we have been doing all we can and during that time have been talking about benefits. Just to make a living let alone have any retirement you invest what you can but most of the time they put back into the company. He noted between him and his wife she has had up to 23 employees and is down to six. He has had as many as 19 employees and has three now. They worked six months last year. This year is not a lot better. We have folks down there that have not balanced their own checkbook. We have to quit spending money we don't have. We have to prioritize what we really need in this state -education and good roads. It is ludicrous that it is costing us \$34,000 a year to incarcerate a criminal. When we are struggling every year on education for our kids and providing funding for programs such as CMH. Competition has kept him in business. 44% of Michigan residents are on some form of assistance. Our largest employer is the State of Michigan. If we have 44% of our population on assistance and our largest employer is the state who have we got making all of those payrolls? It is people in this room that are paying taxes. When you have people that have been established and they have lost their jobs, lost their homes they don't feel good about themselves. They will go somewhere to make a living. That is what qualifies him. It is those experiences and values that qualifies him. He has not been in government. He has been very involved in two of the largest segments of our state economy and that is the building and farming industry and still involved in both.

Question – In your building business and his wife's business have you had a chance to work with disabled or mentally ill folks? Response – Bruce identified disabled yes. His wife employed a young woman that was legally blind and had the Association for the Blind come up and set up software for the collection agency. She worked for them until she was totally disabled. He noted they both have hired people from the Career Tech Center.

Question – You mentioned the high cost of the prison system in Michigan and jail system. Have you given any thought to jail diversion when it comes to instances of people with mental illness or developmental disabilities or do you have any experience with the Mental

Health Court System that has been experimented with across the state? Response – Bruce noted that he does not have that experience. His thoughts of tapping that \$34,000 per inmate he has a thought on that. The state looked into it several years back to outsourcing our prisons. Most prisoners have been incarcerated have plea bargained down to the minimum sentence. He is not in favor of early release. He thinks we could outsource the prisons. In the Southern United States the prisoners are out on the road working and they do it with about half the cost than we do it here. People that are incarcerated are getting benefits better than other people or taxpayers. We can't afford it. In some cases they get the benefits before we do. Their rights are greater than ours. He would love to hear some education about the mental end of that. Jack suggested that we provide information to Bruce about jail diversion and mental health courts. Jack also shared that when you get to Lansing it might be a win win situation for you to save the state money and to treat people more humane.

Question – Every candidate that is running for office talks about the Small Business Tax. Everybody says that we have to repeal it why did both parties vote it in? Response – Bruce noted that the Single Business Tax was given to us as a sunset. That was a tax that everybody knew what your costs were and it was working fine. They played politics with it in his opinion. They came up with a grandiose idea to update the tax and then came up with a 22% surcharge on top of that. Provided an example of how that worked for the small business owner. It is a way to keep taxing unfairly and allowed big corporations from having to do this. It was merely political. You are right both ways you have to look at who was in the majority at the time.

Question – Your in the NLCMH catchment area? What type of job do you think Northern Lakes is doing in our community? Response – Bruce noted that he met Greg six years ago and was the candidate for this seat and toured our facility in Cadillac. He confessed he does not know exactly but he does know we are doing an excellent job. He has not been involved directly in what we do but does feel it is important. He has relatives that are in this situation where they need help and he depends on what we do. The Board thanked Mr. Rendon for attending.

5. CONSENT AGENDAS – MANAGEMENT AND BOARD:

A. Consideration of Management Consent Agenda.

MOTION:	Approve the Management Consent Agenda of October 21, 2010.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mary Lee Pakieser
SECONDER:	Bill Ancel

B. Consideration of Board Consent Agenda-Removed item 6 CEO Report to discuss items 1 and 7.

MOTION:	Approve the Board Consent Agenda of October 21, 2010 items 2 – 5.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mary Lee Pakieser
SECONDER:	Jack Mahank

CEO Report – Greg referenced the CEO Report and provided a written correspondence that was received recently from the Department of Community Health regarding the budget specifically relating to the General Fund. The actual General Fund reduction for the state was \$5.4 million and of that \$3.8 million is targeted for reduction in administrative expenditures and \$1.6 million is targeted for general reduction to be spread across 46 CMHSPs. The communication from Mike Head was distributed identifying the funding factors and breakdown by CMH for the reduction. The administrative expenditures is based on our philosophy and benchmarks we place on administrative functions. Northern Lakes operates on the philosophy that we will put as many dollars into services as we can. Northern Lakes operates at 7.6% administrative costs as calculated by MDCH. Our administrative cost is

one of the very lowest in the State of Michigan. That also creates a risk as there are things we likely do not do as some others who put more dollars in administration. We will need to work with West Michigan to figure out how we can further combine some of our work together to meet our administrative responsibilities but also maximize services. Greg identified that Northern Lakes did not receive a reduction in General Funds. West Michigan received a total reduction of \$157,000 The Department is trying to find a way to equalize funding availability across the 46 CMHSPs. Board members applauded Greg and his staff for their accomplishments.

Reference was made to the statement about jail services at the bottom of the first page of the CEO Report. Greg identified that he would work with the jails to complete agreements.

In the CEO Report item 7 on page 28 and 29 there was mention made about Jon Bennett who received the Director's Award for advocacy on behalf of mental health recipients and MaryJane Toomey who received the Partners in Excellence Award.

MOTION:	Authorized the CEO on behalf of the Board to Craft a Letter to Jon Bennett and MaryJane Toomey to be signed by the Board Chairperson indicating their appreciation for their performance.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Don Halvorsen

Greg provided an update regarding a communication that was shared, by Melissa, with the Board at last month's meeting.

Greg informed the Board about the possibility of needing to develop alternatives regarding ownership for a residential home that we currently have a lease agreement with the property owner. We have been advised that the property is in the foreclosure process. We have secured an attorney to assist us in the process. We are looking at ways to preserve the living arrangement for the consumers in the home. He noted that we would need to bring to the Board possible changes to our capital budget should purchase be the preferred solution.

MOTION:	The Board approved the Chief Executive Officer's Report.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Mary Lee Pakieser

6. OWNERSHIP LINKAGE:

A. *Citizen Comment*
None.

B. *Ownership Communication*
None.

7. CONSIDERATION OF PIHP ITEMS:

MCAC Report – The Managed Care Advisory Committee met on October 12 and several Board members participated in the meeting. There was discussion about the Department of Community Health site review findings from the two-day follow-up visit and concern that the report seemed to be worded negatively. Briefly reviewed the MCAC discussion regarding the site review process. There was a lot of discussion about integrated health care.

Actuarial Rates and FY 11 Capitation Projections – Referenced the communication which looks at our projections for Medicaid dollars we will receive for the current fiscal year. Will bring back for further discussion on the funding formula.

8. ASSURANCE OF ORGANIZATIONAL PERFORMANCE:

A. Receipt of CEO Monitoring Report

Policy 1-1-01 Consumer and Community Ends

MOTION:	Approve to Receive and File the Policy 1-1-01 Consumer and Community Ends Showing the Board feels the Agency is in Full Compliance.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Mary Lee Pakieser

Policy 1-2-03 Compensation of the Employed Workforce

MOTION:	Approve to Receive and File the Policy 1-2-03 Compensation of the Employed Workforce Showing the Agency is in Full Compliance.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Don Halvorsen

B. New Operational Worries

None.

C. October Monitoring Assignment

Monitoring Report 1-2-04 Financial Management should be completed and turned in. Referenced page 44, fourth paragraph, language referencing internal controls and whether that satisfies the Board’s requirements. At the Board Association Conference there was a training that addressed that specifically. There was a question whether to add internal control to the bullet point. The Board Chairperson requested that the comments should be added into the monitoring report.

Monitoring Report 1-2-05 Asset Protection should be completed and turned in. Reference was made to page 67 calling attention to the average cost spent per consumer was \$2,000 less than the state. The Board Chairperson requested that the comments should be added into the monitoring report.

9. BOARD MEANS SELF-ASSESSMENT:

A. Receipt of Board Monitoring Report

None.

B. October Monitoring Assignment

Monitoring Report 1-3-00 Global Governance Process/Ownership Linkage should be completed and turned in.

Monitoring Report 1-4-00 Global Governance - Board/CEO Linkage should be completed and turned in.

10. GOVERNANCE POLICIES DISCUSSION AND ASSESSMENT:

A. Ends

None.

B. Executive Limitations

None.

C. Board/CEO Linkage

None.

D. Governance Process/Ownership Linkages

NLD Report/Minutes – Several Board member terms will end on March 31, 2011 and were highlighted on the form. Board members are to notify the CEO of interest in remaining on the Board or inability to remain on the Board. The CEO will write letters to the appropriate county commissions.

Board Education and Work Plan for October 1, 2010 through September 30, 2011. The draft was reviewed at the Nominating & Leadership Development Committee meeting on October 11 and input was added to the plan as was received at the September Board meeting. Recommended adding to the plan as a future planning topic Jail Diversion/Mental Health Court/Law Enforcement. Will add to the plan Jail Issues – Mental Health.

MOTION:	Approve the Board Education and Board Work Plan for the period October 1, 2010 – September 30, 2011 as amended.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Dave Stephenson

Board Meeting Schedule for 2011 – Recommended changes from the committee were to change the Committee of the Whole meeting times to consistently begin at 3:30 p.m. and Board meetings at 6:00 p.m. There was also discussion about meeting location and that the schedule was drafted based on previous schedules. A suggestion was made that we meet at ROOC in September rather than October. Will bring back next month with the suggested changes.

Recipient Rights Advisory Committee Report – The Recipient Rights Advisory Committee met on October 11. Agenda topics discussed were: staff changes, finalized 2011 meeting schedule with agenda topics, reviewed plan of correction for the Recipient Rights Assessment, reviewed funding for the Recipient Rights Office. Next meeting is scheduled for December 7, 2010.

Referenced the Letters of Engagement included in the packet for the Compliance Audit and the Financial Audit by Rehmann.

MOTION:	Approve authorizing the Board Chairperson to sign the Letter of Engagement for the Compliance Audit with Rehmann.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Don Halvorsen
SECONDER:	Mary Lee Pakieser

MOTION:	Approve authorizing the Board Chairperson to sign the Letter of Engagement for the Financial Audit with Rehmann.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mary Lee Pakieser
SECONDER:	Pat McLaughlin

AI referenced the language on page 103 regarding internal controls noting that we may have to change one of our policies and may be a management response. He identified that he would review the language and would bring back any recommended changes.

11. OWNERSHIP LINKAGE:

A. Citizen Comment: Mary Hubbard referenced the handout in the Committee of the Whole packet for the Trauma Training scheduled for November 10. She encouraged Board members to attend if they were interested.

Bruce Rendon added additional comments in response to a question that was asked earlier about whether he had hired any employees that were mentally or physically disabled. He had responded and wanted to add that he had a person on his payroll, at the farm, who was

disabled. Bruce identified he became a friend. He noted that he has left employment and left the area. He noted he didn't know that he had a speech problem. Bruce indicated that he didn't judge him and didn't know that he had a disability. He wouldn't tell Bruce and when he left the area his sister made him a resume and he tried to get a job on another farm. He wasn't able to get another job. He is hoping that someone else would give him a chance.

Dave Branding thanked the Board for providing him with an opportunity to present on Self-Determination and Person Centered Planning last month and over the years. He introduced Frank T who lives in Roscommon and is a self-determination pioneer. Frank manages an individualized budget identifying goals and services that he purchases and also lives in the community.

12. ANNOUNCEMENTS/BOARD MEMBER REPORTS:

- Board members provided a report on the workshops they attended at the Board Association Conference that was held on October 17-19 at the Grand Traverse Resort in Traverse City. Workshops attended were as follows: St. Clair CMH on Suicide Prevention; St. Clair CMH on Mental Health Courts; Program by Rehmann about addressing internal controls; Mental Health System Changes over the last 50 years; Health Care Reform
- Member Services Committee did a fantastic job on the Fall Conference.
- In order to continue discussion with newly elected senators and representatives it was suggested that we allow time on each of our meeting agendas.

13. MEETING EVALUATION:

- #1- We spent our time on the most important governance topics: majority was satisfactory.
- #2- We encouraged diversity of viewpoints: majority was satisfactory.
- #3- Our decisions were made collectively: majority was satisfactory.
- #4- The Board used its time effectively: majority was satisfactory.
- #5- What is the most important thing the Board could do to improve our function as a Board? Not discussed.

14. NEXT MEETING AGENDA:

Agenda items for the November 18, 2010 meeting to be held at the Cadillac Office: noted that we have not planned on having dinner at Club Cadillac and had discussed changing to a different time of the year, but had not finalized.

15. ADJOURNMENT:

MOTION:	Adjourn the meeting.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Nina Zamora
SECONDER:	Frank Tosiello

The meeting adjourned at 8:24 p.m.

Respectfully Submitted,

Melissa Fournier, Chairperson

Dave Stephenson, Board Secretary

Debra Lavender, Recording Secretary