



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

## Board of Directors Meeting Minutes

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August 18, 2022

2:15 p.m.

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Leelanau Governmental Center, 8527 E Government Center Dr, Suttons Bay, MI and Microsoft Teams Meeting (Virtual) Called to order at 2:15 pm

Board Members Present Tony Lentych, Dan Dekorse, Penny Morris, Ben Townsend, Rose Denny, Barb Selesky, Ty Wessell, Al Cambridge, Lynn Pope, Greg McMorrow, Tom Bratton, Kate Dahlstrom, Mary Marios

Virtual: Angela Griffis, Pam Babcock

Absent: Sherry Powers (advance notice)

Others Present: In person - Joanie Blamer, Interim Chief Executive Officer; Lauri Fischer, Chief Financial Officer; Matt Leiter, Director of Human Resources; Tracy Andrews, Director of Integrated and Managed Health Services; Brian Newcomb, Director of Recipient Rights; Carrie Gray, Chief Population Officer for Individuals with Developmental Disabilities; Heather Sleight, Administrative Specialist; Deb Lavender, Executive Secretary; Stacy Maiville, Executive Secretary; Jeremiah Williams, Information Technology Supervisor; Dan Mauk, Chief Information Officer, Curt Cummins, Medical Director; Jeremiah Williams, Information Technology Supervisor; Carrie Gray, Chief Population Officer; Dan Mauk, Chief Information Officer, Harold Meeuwes, Building/Grounds Coordinator; Doug Nielson, Maintenance Worker

Virtual – Ann Ketchum, Programmer Analyst II; Jessica Williams, Performance Improvement Specialist; Kari Barker, QI Compliance Director; Deb Freed, Public Relations; Aimee Horton Johnson, Office Administrator; Brie Molaison, Customer Service Specialist; Aaron Fader, Human Resource Specialist; Alyssa Hansen, Human Resources Supervisor; Chris Biggar, Finance Manager; Dean Baldwin, Network Administrator; Jessica Whetstone, Jail Diversion Clinical Specialist; Jennifer Wiesnewski, RN – Psychiatric Services; Kasi Morse, Customer Service Provider; Kellee Hoag, Administrative Specialist – Finance; Lisa Jones, Recipient Rights Advisor; Melissa Bentgen, Accounts Payable Team Lead; Michelle Dosch, Compliance Secretary; Amy Kotulski, Clubhouse Director; Michelle Michalski, Human Resources Specialist; Sheryl Dey, OPT/ACT Operations Manager; Erika Solomonson, Child and Family Manager; Hilary Rappuhn, Project Coordinator; Jan Pytlowany, Customer Service Provider; Amy McPhail, RN – Psychiatric Services; Bobbi Hudson, Transcriptionist; Tiffany Fewins, Administrative Assistant; April Weinrick, Home Supervisor

Confirmation of a Quorum – Yes

Timekeeper – Greg McMorrow

### 1. CALL TO ORDER:

The meeting was called to order at 2:15 p.m. by Dan Dekorse

### 2. CONSIDERATION OF AGENDA

Additions to the Agenda - letter dated 8/11/22 from the NMRE for discussion and action under ownership communication; cost of governance to agenda added to Governance Process Ownership Linkage; closed session at 3:45 p.m.

**MOTION:** Approve the Board Agenda for August 18, 2022 with additions  
**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Kate Dahlstrom  
**SECONDER:** Ty Wessell

### 3. CONFLICT OF INTEREST DECLARATION:

Dan has recused himself from discussing the NMRE letter due to confidential information he has received.

### 4. CONSENT AGENDA

Consideration of the Consent Agenda –

Board Members discussed moving the financial statements from the consent agenda and making it a point to discuss the financial statements at every Board meeting.

**MOTION:** Approve the Consent Agenda with the Removal of the Board of Directors Minutes and Financial reports  
**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Rose Denny  
**SECONDER:** Ty Wessell

### 5. OWNERSHIP LINKAGE:

Citizen Comment - Justin Reed made a comment speaking on behalf of his colleague who had to leave earlier, Betsy Z. Justin said that she felt the Clubhouse should be mentioned more often.

Dan identified that he would like the June minutes to reflect that Mary was present as discussed at the July Board Meeting.

**MOTION:** Accept the June 16, 2022, minutes as corrected  
**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Al Cambridge  
**SECONDER:** Ty Wessell

Board Members discussed their concern regarding the content of the minutes. The Board had discussed the minutes previously and wanted to have additional discussion on how they would like the minutes to look.

**MOTION:** Have a valid discussion how the Board would like the minutes to be presented  
**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Penny Morris  
**SECONDER:** Barb Selesky

Board members expressed their thoughts regarding how they would like the minutes to be written moving forward. They need to be more condensed, a record of the transactions, and shorter. However, the staff should allow some detail and content.

The Ad Hoc Finance Committee developed a finance survey and requested the Board complete.

### 6. FINANCIAL STATEMENTS

The Chief Financial Officer and Board Members discussed the financial statements and contracts entered into. There was an inquiry about NLCMHA's legal fees and if those bills follow the \$15,000 policy. The policy was reviewed which states that the \$15,000 limit is only for contracts. NLCMHA does not have a contract or retainer with its lawyers, the lawyers only bill for services provided. It was mentioned that this topic should be discussed at the Ad Hoc Finance Committee meeting.

<b>MOTION:</b>	<b>Approve the Financial Statements</b>
<b>RESULT:</b>	<b>ADOPTED. [UNANIMOUS]</b>
<b>MOVER:</b>	<b>Ty Wessell</b>
<b>SECONDER:</b>	<b>Al Cambridge</b>

## 7. OWNERSHIP COMMUNICATION

NMRE communication - August 11, 2022. Several Board members expressed their support for the contents of the letter, specifically paragraphs four and five. Concerns were expressed that that they should accept help, but not necessarily from the NMRE, additionally, if they accepted help, NMRE's CEO would not be working for the NLCMHA Board, but NMRE.

<b>MOTION:</b>	<b><del>Accept offer of help in paragraph four and five of NMRE letter dated August 11, 2022.</del> Allow the NMRE through its CEO to fill and appoint the interim CEO and the NMRE provide administrative support for the CEO search process (motion changed on 9/15/22)</b>
<b>RESULT:</b>	<b>Roll Call Vote- 8 Yes, McMorrow, Morris, Dahlstrom, Bratton, Cambridge, Marois, Wessell, Denny 4 No, Townsend, Pope, Lentych, Selesky Abstain - Dekorse</b>
<b>MOVER:</b>	<b>Ty Wessell</b>
<b>SECONDER:</b>	<b>Mary Marios</b>

Letter referenced from the NMRE attached to these minutes.

## 8. CEO REPORT:

Joanie noted the Board voted to accept help from the NMRE to allow their CEO to fill and/or appoint an interim CEO. The agency cannot have two interim CEOs. As a result, Joanie thanked the Board for the opportunity to serve as NLCMHA's Interim CEO and removed herself from her seat.

There was discussion about the Human Resource information in the CEO Report between Board Members and the Human Resource Director. There was a question regarding specialized residential homes, Kari Barker was able to clarify.

There was a motion and supported although not acted on regarding developing an advisory group for a residence hall for individuals with IDD.

## 9. ORR REPORT

The ORR Director asked the Board for clarification as to who should approve the summary reports now that there is no longer an interim CEO. Several members of the Board spoke up and stated that the interim CEO has not been removed from her position. Brian gave his ORR Report and noted that the Triennial review is still being completed.

## 10. CHIEF FINANCIAL OFFICER'S REPORT

Lauri presented the FY 2022 budget amendment, initial FY 2023 budget, and 2023 Capitalization Plan.

**MOTION:** Approve FY 2022 Budget Amendment  
**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** AL Cambridge  
**SECONDER:** Dan Dekorse

**MOTION:** Approve Initial FY 2023 Budget  
**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Al Cambridge  
**SECONDER:** Lynn Pope

**MOTION:** Approve the 2023 Capitalization Plan  
**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Al Cambridge  
**SECONDER:** Mary Marois

## 11. NORTHERN MICHIGAN REGIONAL ENTITY REPORT:

Reference was made to the minutes and no comments were identified.

## 12. ASSURANCE OF ORGANIZATIONAL PERFORMANCE:

- A. Receipt of CEO Response to Monitoring Report – 2.4 Financial Management (Internal Inspection)

**MOTION:** The Board finds the organization 83% in compliance with Policy 2.4 Financial Management (internal inspection)  
**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Rose Denny  
**SECONDER:** Barb Selesky

- B. New Operational Worries –  
Ty made a comment that it bothered him that there is distrust among the staff towards the Board.
- C. August Monitoring Assignment - 2.1 Consumer Services (Internal Inspection) Please complete and turn in.

## 13. BOARD MEANS SELF-ASSESSMENT

Receipt CEO Response to Monitoring Report 4.1 Unity of Control (Direct Inspection)

**MOTION:** The Board finds the organization 83% in compliance with Policy 4.1 Unity of Control (Direct Inspection)  
**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Rose Denny  
**SECONDER:** Penny Morris

August Monitoring Assignment- 4.2 Accountability (Direct Inspection). Please complete and turn in as soon as you are able.

## 14. GOVERNANCE POLICIES DISCUSSION AND ASSESSMENT:

- A. Ends – None  
B. Executive Limitations - None  
C. Governance Process/Ownership Linkages  
a. RRAC Minutes – August 15, 2022 – Review and Approve.  
There was a motion to approve the RRAC Minutes and supported, but not voted on.

- b. Ad Hoc Governance Committee – No report.
- c. Ad Hoc Finance Committee – Dan mentioned that he attended the meeting, and he really appreciated the work being done.
- d. Ad Hoc Governance Policy Committee - Penny noted that she has sent Dan questions.
- e. Board By-laws Committee

**MOTION: Table the Board By-laws Committee until CEO Search is complete**  
**RESULT: ADOPTED [UNANIMOUS]**  
**MOVER: AI Cambridge**  
**SECONDER: Barb Selesky**

- f. Report on Special Meeting- September 23, 2022. Special meeting will be held in Traverse City from 1:00pm-3:30pm
- g. Board Retreat/Agenda Planning – Postponed

**MOTION: Postpone Board Retreat**  
**RESULT: ADOPTED [UNANIMOUS]**  
**MOVER: Barb Selesky**  
**SECONDER: Lynn Pope**

- h. Hire CEO Search Firm  
 Chair to speak with NMRE about this. Lauri reminded the Board of the policy that requires 3 bids. A Board Member suggested that the Board does not proceed with this topic until after the Board speaks with the NMRE. It was also suggested that the Board should get bids for search firms and explore all options.

**MOTION: Authorize the Chair to proceed with a search firm and coordinate with Eric Kurtz, NMRE**  
**RESULT: ADOPTED [UNANIMOUS]**  
**MOVER: AI Cambridge**  
**SECONDER: Ty Wessell**

Motion passed to move into closed session to consult with an Attorney

**MOTION: Move into a closed session**  
**RESULT: ADOPTED [UNANIMOUS]**  
**MOVER: Rose Denny**  
**SECONDER: Ty Wessell**

Went into closed session at 4:38 p.m.  
 Closed session ended at 5:30 p.m.  
 The Board Chair has the closed session minutes.

## 15. OWNERSHIP LINKAGE

### A. Citizen Comment –

Kari Barker asked for clarification on the current interim CEO. Dan responded that Joanie Blamer is the current interim CEO.

Jessica W. commented that there is a disconnect between the staff and the Board. “The Board does not treat people with respect or integrity, Joanie Blamer is on the ground doing what we are doing and feeling what we are feeling. Not one person from the Board has been to Cadillac or see what the agency does.”

Joanie Blamer asked for clarification as to who the interim CEO is and what that timeline looks like. Dan responded that Joanie is still the interim CEO and does not have an answer as to how much longer she will be in that position. Joanie responded that she would remain as acting interim CEO until the Board appoints a new one.

Justin Reed Invited the Board to look at the Clubhouse and take a tour.

**16. ANNOUNCEMENTS/BOARD MEMBER REPORTS:**

Special Meeting is scheduled for September 23, 2022 in Traverse City.

**17. SEPTEMBER 15, 2022, AGENDA PLANNING:**

Completed.

**18. MEETING EVALUATION:**

#1 – We spent our time on the most important governance topics – Poor

#2 – We encouraged diversity of viewpoints – Satisfactory

#3 – Our decisions were made collectively – Fair

#4 – The Board used it's time effectively – Poor

**19. ADJOURNMENT:**

The meeting adjourned at 5:45 p.m.

Respectfully Submitted,

Dan Dekorse, Chairperson

Sherry Powers, Board Secretary

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Stacy Maiville, Recording Secretary

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DATE: 8-11-22

TO: Dan DeKorse, Northern Lakes CMHA Board Chair

FROM: Eric Kurtz, CEO Northern Michigan Regional Entity (NMRE) on Behalf of the NMRE Board

RE: Enhanced Contractual Oversight by the NMRE

As already outlined in the May 4, 2022, Record Eagle article and in subsequent communications regarding the Grand Traverse County Commission vote to remove itself from the 2003 Enabling Agreement that created Northern Lakes Community Mental Health Authority (NLCMHA), and along with the numerous unsuccessful efforts to secure a permanent CEO, the NMRE Board's Executive Committee met on 8-9-22 to discuss NMRE contractual oversight and leadership options to ensure NLCMHA remains viable and that services are delivered as contractually required.

The NMRE also wants to convey it is strongly encouraging that the NLCMHA remain intact. Although it is under the prevue of counties to either directly operate a Community Mental Health Services Program (CMHSP) as a county department, authority, or contract with another county for those services, this doesn't mean that the newly formed CMHSP (which is primarily for General fund purposes) would meet the requirements as a Comprehensive Specialty Services Network (CSSN) to receive Medicaid funding for the entire array of Medicaid services and supports. In this scenario, 80 to 90 percent of the funding would be managed by the NMRE or through another CSSN/CMHSP. The NMRE is more than willing to discuss this process with the NLCMHA Board and/or preferably with the six county commission chairs and administrators at their request.

Given that the NMRE Board and its respective 21 counties that formed the NMRE as the Prepaid Inpatient Health Plan (PIHP), hold the ultimate responsibility to ensure Medicaid services are provided for Behavioral Health and Substance Use Disorder Services (SUD) through its five CMHSPs (including Northern Lakes), the NMRE is going to take the following steps to ensure that Medicaid contractual obligations are met or exceeded by NLCMHA. This is not to say that they are not being met now but until the governance issues are resolved heightened oversight is required.

With the most recent NLCMHA Board's decisions to rescind the permanent offer to the current interim CEO (which is clearly under your prevue), the NMRE Board is requesting that NLCMHA allow the NMRE, through its CEO, to fill and/or appoint an interim NLCMHA CEO under the NMRE CEO's direction; that interim CEO would report to the NLCMHA Board and the NMRE CEO.

Additionally, the NMRE will be providing the administrative support related to the CEO search process. This administrative oversight will not include the vetting of applicants but rather be the point of contact either via managing the advertising and search process or working with an external search firm to receive ALL applications for the NLCMHA CEO position. These applications will be logged, archived, and given to



the NLCMHA full board or a board appointed search committee responsible for vetting applications. This will include providing support to the NLCMHA Board or search committee in the review of those applications. It is also strongly our recommendation that no current NLCMHA staff should be involved in this process.

As indicated above, the NMRE is responsible for all Medicaid contractual functions, whether some of those functions are also contractual obligations carried out currently by NLCMHA. Given the recent governance issues and the fact that NLCMHA has not had a permanent CEO over the past year (or more), the NMRE Board feels obligated to ensure that any functions carried out by NLCMHA on behalf of the NMRE is again reviewed and that temporary oversight is directly provided by the NMRE. This could also include a re-review of recent audits where plans of correction (POC) were identified through federal site reviews, state audits, or NMRE site reviews. At minimum, these will include customer services, quality management and reporting, and grievance/appeals processes. Major programmatic changes or finance decisions that may require ongoing Medicaid support will be vetted through the NMRE CEO if he is not already included in the process. This is to primarily ensure sustainability of those services in the future.

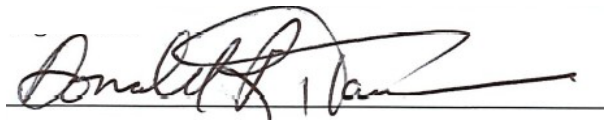
Finally, it has become clear through interactions with the NLCMHA Board and at the NMRE Board that board governance models and the use of the Carver Model of Policy Governance have been an area of tension. Whatever type of board governance model is used by the NLCMHA in the future, it needs to be a decision of its Board. Given the number of board member changes that have taken place and the lack of a permanent CEO, the NMRE Board believes moving forward with any immediate change in a board governance model is premature. With some of the management oversight provided by the NMRE, it is the hope that the NLCMHA Board could move through this process more slowly and take its time to consider how it wants to operate in the future.

In conclusion, the NMRE Board wants to make it clear that the goal of this oversight is not to take over NLCMHA functions in any way. Although that can come from the request of the counties that formed the NLCMHA, we hope this oversight and assistance will allow the counties who created the NLCMHA, and who have the ultimate authority over the Enabling Agreement that established NLCMHA, to reengage themselves and really gain an understanding of what each community desires (potentially done through an external community needs assessment) and recodify those desires within a revised Enabling Agreement. We also want to convey that the NMRE Board is also willing to provide any assistance through itself and/or any of the other four CMHSPs that comprise the NMRE.

Sincerely,



Eric Kurtz, NMRE CEO



Don Tanner, NMRE Board Chair

cc: Paul Compo  
Nate Alger  
Chet Janik  
Liz Vogel

Jodi Valentino  
Joe Porterfield  
Shelly Pinkelman  
Rob Hentschel

Ty Wessell  
Frank Vanderwal  
Bob Schneider  
Gary Taylor