

Board of Directors Meeting Minutes

May 15, 2025

1:00 p.m.

Board Members Present: Ruth Pilon, Shawn Kraycs, Penny Morris, Tom Bratton, Dave Freedman, Ben Townsend, Mary Marois, Ty Wessell, Dean Smallegan, Al Cambridge, Kim Morley, Mark Nyman, Greg McMorrow, Lynn Pope, Vince Cornellier

Absent: Christal Frost Anderson

Others Present: Brian Martinus, Stacy Maiville, Kim Silbor, Allie Coon, Brian Newcomb, Darryl Washington, Erica Longstreet, Jeremiah Williams, Kevin Hartley, Candance Kauska-Dietrich, Christina Hasty, Amy Kotulski, Hannah Driver, April Weinrick, Mike Corby

Virtual Attendees: 11 Unknown, Alexis Alexander, Alyssa Heider, Alyssa Withun, Amanda Link, Andrea Weiss, Angela Taylor, Ann Ketchum, Ann Puruleski, Amanda Clark, Becky Brown, Caleb Gomez, Carrie Hubbell, Cassie Garland, Chelsea Fenlon, Courtney Spence, Cindy Petersen, Cynthia OConnel, Daniel Mauk, Dean Baldwin, Donna St. Germain, Dylan (Sheali) Thayer, Erica Smith, Erin Barbus, Heather Maguire, Jennifer Hemmes, Jennifer Edwards, Jennifer Lewis, Jennifer Shultz, Jeremiah Williams, Jerica B., Jessica Riddle, Jacqueline (Jackie) Paulosky, Jessica Williams, Jill Rountree, Jillian Smithingell, Judi Crane, Jilian Smithingell, Jordyn Byington, Josette Hoch, Linnzi Hubble, Kaitlin Merritt, Kari Barker, Karen Cass, Kasie, Katharene, Kiley Fields, Katherine Cutright, Kayla Sklener, Kellee Hoag, Kendall Sidnam, Kenneth Watson, Kevin Hartley, Kristina Miller, Lauren Barnard (Lori), Laurie Steere, Linnzi (Bailor) Hubble, Lisa Holmes, Lisa Jones, Lisa Wiesemann, Lisa Woodcox, Lori Stendel, Mark Draeger, Martha Falk, Mats Andtbacka, Matthew McRoberts, Melanie Schopieray, Melissa Trout, Michelle Ingersoll, Michelle Mendelsohn, Neil Rojas, Nicole Leemaster, Olivia Scott, Pamela, Rob Palmer, Ron Morton, Sarah Majerczyk, Season Longoria, Somer Quinlan, Sophorn Klingelsmith, Suzanne Hamel, Taylor Momsen, Terri Henderson, Tiffany Fewins, Tina Burgess, Tracy Brown, Trapper Merz, Treasa Cooper, Victoria McDonald

Call to Order: 1:00 p.m.

Conflict of Interest: None.

Timekeeper: D. Smallegan

Approval of Agenda: Yes

MOTION: Approve the Consent Agenda (Minutes)

RESULT: ADOPTED [UNANIMOUS]

MOVER: T. Wessell

SECONDER: M. Marois

The consent agenda included the April 17, 2025, minutes which were approved.

Mr. McMorrow welcomed the new Board member, Ben Townsend of Wexford County, to the Board.

Public Comment: Hannah Driver of Traverse House Clubhouse and Amy Kotulski of Club Cadillac spoke about their upcoming presentation to the Board in June and asked if the Board had recommendations regarding items that should be in their report. Ms. Kotulski invited the Board to tour Club Cadillac. Ms. Driver informed the Board that Traverse House will be holding an advocacy walk this upcoming Monday, May 19. Additionally, Friday, May 23, they will be offering tours of the Traverse House to the community.

Celebrate Northern Lakes: The Northern Lakes Board of Directors recognized the Houghton Lake front office staff, Christina Hasty and Candance Kauska-Dietrich. The front office staff is recognized as the backbone of the Houghton Lake office; they are team players, wear many hats, are hard workers, and dedicated to improving the community and supporting the staff at the Houghton Lake location. Mr. Wessell commented on the warmth the front office staff had when he walked in for the meeting today.

Report of Officers:

Recipient Rights Report: Brian Newcomb, Director of the Office of Recipient Rights, gave his report to the Board. Mr. Newcomb's report included the number of complaints, complaint sources, five-year trends, and complaints per provider. The Office of recipient rights remains 100% in compliance and the department is on track to meet their goals. Currently there are 29 open investigations. Per policy 105.107, Mr. Newcomb mentioned an investigation that involves harassment of his staff. The tri-annual review will be in August. The department plans to go to their annual training in the fall.

Ms. Pope suggested to the Board that they take the Recipient Rights Refresher training course. The Board chair and the ORR director each agreed that the training would be good for the Board.

Interim Chief Executive Officer's Report: Brian Martinus, Interim Chief Executive Officer, presented the CEO Report to the Board. The entire CEO report is included in the packet. Mr. Martinus' report included a financial oversight update, dates of note, KPIS information, recent email blast items, and recent media coverage. Mr. Martinus mentioned the upcoming "Hope Begins Here" grand opening event; the details are included in the packet. Mr. Martinus was asked about the dispute resolution meeting that the administrators held, which he attended. He responded that the county administrators asked about the misallocation of funds and wondered how much they would be on the hook for. Mr. Martinus referred to the 12- to 18-month plan that was presented to the Board at the last meeting. He mentioned that the Board would need to vote on the plan for him to move forward.

Mr. Wessell asked Mr. Martinus about the cost containment plan and said that he would like to be more informed, with possible weekly updates. Mr. Martinus reminded the Board that he provided a cost containment plan at the April Board meeting. He also mentioned that in their packet there is a PowerPoint presentation which also displays the numbers presented in April. He commented that other CMHs across the state have also provided similar plans, yet not as detailed, to their Boards and the NMRE. Mr. Martinus mentioned that the Board is "going to have to make some tough decisions". He emphasized that the agency does not wish to cut any necessary services to consumers, and that the agency is looking at several options to help with the cost containment issue, including the possibility of laying off 30 staff members. There was discussion as to how the agency got so far in the negative. Mr. Kraycs commented that the CEO has his support to make necessary changes. Mr. Kraycs reminded the Board that it is the commissioners' responsibility to report NLCMHA updates back to their counties. Mr. Kraycs stated that he trusts the current Interim CEO and the staff to make the best decisions.

Mr. Cambridge reviewed some of the history of the flow of money to the agency.

Chief Financial Officer's Report: Kevin Hartley, Chief Financial Officer, gave the CFO Report. His report included a summary of variances and fluctuations, operating expenses, budget updates, and statements of net position and revenue. Mr. Hartley also included a PowerPoint presentation that gave a general overview of a potential cost containment plan. The entire report is in the packet.

The Finance Committee: Mr. Cambridge gave an update on the Finance Committee. The committee recently met and would like the financial audits to be presented at the June Board meeting. The RFP will go out today for auditors for 2025, that should be ready for the Board to vote on in July 2025. The Finance Committee would like to recommend the Board terminate the Rehmann contract as soon as practical. The Finance Committee would also like to discuss a finance policy each month. They would like to look at the insurance policy next month.

Mr. Wessell made a motion to terminate the Rehmann Contract as soon as practical. After discussion the Board agreed to change the motion. (See below).

MOTION: Terminate the Rehmann Contract immediately and make provisions for an ongoing consulting contract for an as needed basis.

RESULT: Roll call vote, Unanimous, Adopted

MOVER: T. Wessell

SECONDER: D. Smallegan

Mr. Cambridge acknowledged the handout he passed around to the Board regarding the contract changes for the past month and requested that the Board make a motion to accept the changes. Moving forward, contract changes will be included in the packet for the Board to vote on each month.

MOTION: Approve the contract changes and amendments

RESULT: Unanimous, Adopted

MOVER: A. Cambridge

SECONDER: T. Wessell

Committee Reports:

Accommodation: No accommodations were requested.

Personnel Committee: Ms. Pilon mentioned that the Personnel Committee meetings met last week. The committee discussed exit interviews. The HR team is hoping exiting employees will use an electronic survey in addition to a face-to-face exit interview. There is a survey that goes out to employees a month after they start at the agency to gauge how the employee feels about their new role. Additionally, there is a Pulse survey which goes out to staff members to help communicate issues to their supervisors. The goal of this is to provide information and recognition of the staff members' work. The committee will meet again in August and start reviewing policies.

NMRE: Ms. Ruth Pilon gave an update of the recent NMRE meeting. The NMRE discussed rate adjustments and its impact on the community. The MDHHS awarded the NMRE its yearly performance bonus pool. The NMRE decided to split the money in half and give half (1.6 million) to the NMRE, and the other half split up

among the 5 CMHAs in the region. If the NMRE ends up not needing that money, they will give it to the CMHAs. The issue of the lawsuit with the state was also discussed at the NMRE meeting.

CEO Search Committee: Mr. Tom Bratton gave an update on the CEO Search. The committee met last week. They would like to interview candidates in July. The committee received input on a recent hiring process document that was sent out to the Board, which will need a few changes. Mr. Bratton emphasized that the Search Committee would like to be as candidate-friendly as possible. The committee tentatively hopes to have a special meeting for interviews on July 11, 2025. Mr. Bratton will provide more details on the potential special meeting and an updated hiring process document at the June Board meeting.

Policy Committee: Mr. Dave Freedman gave an update regarding the policies. The committee discussed that the policies will be moving to a new platform. Mr. Freedman mentioned that the Policy Committee hopes to sign off on the agencies' policies. He also stated that there needs to be a bid policy created.

Executive Committee: Ms. Penny Morris commented that Grand Traverse County would like someone from NLCMHA to present to the county commissioners about the current financial situation at Northern Lakes. She stated that the public needs to know this information, so they do not assume the worst-case scenario. Ms. Morris also mentioned that a Board member who represents Grand Traverse County is currently on a leave of absence from the Board due to health issues.

Mr. McMorrow commented that he would like clarification of the relationships between the Board and other entities. No action is needed on this at the moment but would like the Board to think about this topic.

RRAC Committee: RRAC Chairperson, Mr. Al Cambridge, commented that Breana was recently interviewed for the vacant position on the RRAC. The Executive Committee and RRAC Chairperson would like to recommend that the Board approve Breana's appointment to the RRAC.

MOTION: Approve the motion of appointing Breana to the RRAC Committee

RESULT: Unanimous, Adopted

MOVER: S. Kraycs

SECONDER: D. Smallegan

Mr. Kraycs asked Mr. Martinus what the Board can do to further support the agency with the cost containment plan. Mr. Martinus replied that the Board could support the team that is working on it and provide clear guidance as to what the Board would like to see happen.

Unfinished Business:

MOTION: Give the CEO & Staff the Board's approval with the cost reduction plan and report back to the board with specifics, but without names. With emphasis of cutting the low hanging fruit first to not disturb staff morale.

RESULT: Discussion by Board, motion withdrawn

MOVER : S. Kracys

SECONDER: M. Nyman

The Board discussed the motion; Ms. Marois, Mr. Wessell, Ms. Morley, Mr. Kracys, Mr. Nyman, Ms. Morris, Mr. McMorrow, and Mr. Bratton expressed their opinion about the motion. Some members expressed their desire for more data and a more concise plan before voting, others were in support of the motion.

Mr. Dave Freedman discussed moving certain consumers back into the catchment area.

MOTION: Bring the high-cost residential consumers back into lower cost catchment.

RESULT: ADOPTED,

MOVER: D. Freedman

SECONDER: D. Smallegan

Public Comment:

Marsha Brown, NLCMHA - Current home manager of Jones Lake. She would like to invite the board members to visit the Jones Lake home. She stated that she is proud of her home and that her consumers are happy and healthy and would like the board to see for themselves.

Kari Barker, Director of Quality and Compliance, NLCMHA – Expressed that the Leadership team is dedicated to finding solutions for cost containment. All mandated services will continue for those who need them. Having staff that are worried about their jobs is not good for consumer care or morale. A lot of the issues have come down from the state and the funds they provide. Ms. Barker requested that the Board have confidence in the staff and leadership team that they will do their best and the team can have confidence in the board.

Announcements/Board Member Reports/Board Association:

Ms. Pilon visited Seneca Place House and was very pleased with what she saw. She praised the board-operated homes. Mr. Cambridge encouraged the Board to visit Club Cadillac. He also encouraged the Board to read a recent article in *Detroit News* about the privatization of mental health. He would like to encourage politicians to read the article as well. Mr. McMorrow expressed his appreciation to the Board that they have been civil and professional while discussing very complex issues.

Next Meeting: June 20, 2025 – Cadillac

Adjournment: 3:15 p.m.

Respectfully submitted,

Stacy Maiville, Executive Administrator

Greg McMorrow, Board Chairperson

Lynn Pope, Secretary
