

Board of Directors Meeting Minutes

June 20, 2025

1:00 p.m.

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

Absent: Christal Frost Anderson, Shawn Kraycs, Kim Morley, Dave Freedman

Others Present: Brian Martinus, Darryl Washington, Erica Longstreet, Curt Cummins, Kevin Hartley, Marsha Brown, April Weinrick, Joe Robinson, Dayna Ryan, Breana Demaray, Jayna Emerson, Joshua Emery, Ashley Cross, Jennifer Colvin, Melissa Bentgen, Dave Simpson, Hannah Driver, Sammy Pace, Mike Lowry, Hunter Dietrich, Jacquelynn Reyhl, Christina Schaub, Derek Miller, Rick Charmoli, Tom Welsh, Mike Goslan, Sam Carpenter, Rebecca Wing, Cheryl Askwith, Rene Guajard, Ryan Hannon, Jay Gross, Karla Eisner, Ana Ance, Elizabeth White.

Virtual Attendees: 16 unknown, Alexis Alexander, Alyssa Heider, Alyssa Withun, Amanda Clark, Amanda Link, Andrea Weiss, Ann Ketchum, Ann Puruleski, Becky Brown, Caleb Gomez, Carrie Hubbell, Cassie Garland, Chelsea Fenlon, Christina Hasty, Cindy Petersen, Courtney Spence, Cynthia OConnel, Daniel Mauk, Dean Baldwin, Donna St. Germain, Dylan Thayer, Erica Smith, Erin Barbus, Heather Maquire, Jaqueline Paulosky, Jennifer Edwards, Jennifer Hemmes, Jennifer Lewis, Jennifer Schultz, Jeremiah Williams, Jerica Brown, Jess Riddle, Jessica Williams, Jill Roundtree, Jilian Smithingell, Jordan Byington, Josette Hoch, Judi Crane, Kaitlin Merritt, Karen Cass, Kari Barker, Katherine Cutright, Kayla Sklener, Kellee Hoag, Kendall Sidnam, Kenneth Watson, Kevin Hartley, Kevin Tyler, Kiley Fields, Kristina Miller, Lauren Barnard, Laurie Steere, Linzi 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, Rob Palmer, Ron Morton, Sarah Majerczyk, Season Longoria, Somer Quinlan, Sophorn Klingelsmith, Stacy Maiville, 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: P. Morris

Approval of Agenda: Yes

MOTION: Approve the Consent Agenda (Minutes)

RESULT: ADOPTED [UNANIMOUS]

MOVER: T. Wessell

SECONDER: R. Pilon

The consent agenda included May 15th, 2025, minutes and the special meeting minutes on June 9th, 2025; both were approved.

Public Comment: Marsha Brown, Current Home Supervisor of Jones Lake Home – discussed budget issues and the financial challenges faced by the unit. She highlighted the significant Medicaid payments received and the importance of maintaining high-quality care for residents. She stated that Jones Lake Home brings in \$526 per day per client. She refuted the idea that selling board-operated homes could generate significant revenue.

April Weinrick, Current Home Supervisor of an AFC home – Brought up concern that the existing AFC employees would potentially lose their benefits, seniority and have a gap in health insurance if we contract out our board operated homes. There is concern that hiring is happening predominantly in Traverse City, leaving out the other counties we serve.

Betsy Zyreep – Brought up concern that if we cut Peer Support Specialists and Therapist positions that consumers will lose that connection and hope they were receiving. Betsy warned that cutting services would lead to the loss of these crucial support systems, negatively affecting individuals who rely on them for managing their emotions and mental health.

Dave Simpson, former residential services administrator – Expressed concerns about misinformation and the impact of executive leadership decisions on board-operated homes. He highlighted the importance of verifying information and observing operations firsthand. Dave clarified that Northern Lakes does not own six board-operated homes, but only one. He shared the challenges we will face with AFC licenses which are not transferrable; it is a 6- to 12-month process.

Dana Ryan, Director of Ops at Grand Traverse Industries – Discussed the importance of programs and services offered by GTI, emphasizing their role in providing opportunities for people with disabilities to thrive and develop relationships.

Austin Darga, who works for GTI – Spoke about how the services at GTI are important to the community. Austin was able to learn public speaking and how to integrate into the workforce. Working for GTI has helped him create connections and he worries that there won't be the same amount of support if the board follows through with budget cuts.

Report of Officers:

Chief Financial Officer's Report: Kevin Hartley, the CFO of Northern Lakes, presented the preliminary financial report through April, highlighting deficits in Medicaid, Healthy Michigan and the General Fund. Mr. Hartley also discussed the total assets, liabilities and net position. Mr. Hartley reported on the financial deficits, noting an overspend deficit of \$2.9 million in Medicaid, \$2.3 Million in Health Michigan and around \$3 Million in the General Fund. We have a pending net position of \$18 Million. Mr. Hartley projected that if the current trend continues, the deficit could reach around \$9 - \$10 million by the end of FY, emphasizing the need for cost-cutting measures to be implemented.

Recipient Rights Report: None

Interim Chief Executive Officer's Report: Brian Martinus, the Interim CEO for Northern Lakes, highlighted that his last day as Interim CEO was going to be June 30th, 2025, but has been extended to the end of July. The NMRE has agreed to this so that Mr. Martinus may help with the transition of a new CEO. During this transition, the board

members will be responsible for informing their own county commissions as best they can, as opposed to Mr. Martinus traveling to each county for them, which was the previous plan.

Clubhouse Services: Amy Kotulski and Hannah Driver, Cadillac and Traverse City Clubhouse Directors, presented on the Traverse House and Club Cadillac, highlighting their services, community engagement and accomplishments. They emphasized the importance of clubhouse services and their impact on members.

Committee Reports:

Accommodation: No accommodation was requested.

NMRE: Ms. Ruth Pilon shared that the state of Michigan DHHS has determined that PIHPs will now be vetted out. They must be a payer with Medicaid dollars and be fully independent of the provider (CMHs), they will have a nonprofit structure, there will be a national committee for quality assurance accreditation and the bidders must submit a proposal. There will be 3 regions, we have 10 right now. The CMHs are concerned about this as it might threaten to dismantle the local governance structure as well as higher overhead costs.

Personnel Committee: Ms. Ruth Pilon introduced the new member of the personnel committee, Mr. Ben Townsend.

CEO Search Committee: Mr. Tom Bratton provided an update on the CEO search process, including the timeline for reviewing and evaluating candidates. The board approved the proposed process and delegated authority to the search committee to recommend finalists. The search committee will receive 5-7 candidate resumes; there will be an open meeting on Friday to evaluate the candidates. The committee will propose 2-3 candidates to the board. The open meeting will be Friday, June 27 at 10:00 a.m in the Traverse City Office. There will be a special meeting in Traverse City on July 11 at 9:00 a.m. to interview the final 2-3 candidates.

MOTION: Delegate authority from our board to the CEO Search Committee to evaluate and select 2-3 candidates to present to this board.

RESULT: Roll call vote, Unanimous, Adopted

MOVER: T. Bratton

SECONDER: M. Marois

Executive Committee: Mr. Greg McMorrow shared that the executive committee did get together to create the agenda for this board meeting.

The Finance Committee: Mr. Al Cambridge shared that the committee minutes were approved. The finance committee wants more time to review the FY 23 audit as it was sent to them last night. Presumably we will have the FY 24 audit available next month. Mr. Kevin Hartley presented the cost containment plan, outlining revenue and expense reduction strategies. The board discussed the need for more detailed information on staff reductions.

MOTION: The Finance Committee recommends that the Board endorse the cost containment plan subject to the Board being given a list, to approve or deny, of the proposed positions to be eliminated, with reasoning attached to each, before staff adjustments are enacted.

RESULT: Roll call vote, Unanimous, Adopted

MOVER: A. Cambridge

SECONDER: V. Cornellier

MOTION: Issue a 30-day written notice to terminate the contract with TM Group Inc.

RESULT: ADOPTED [UNANIMOUS]

MOVER: D. Smallegan

SECONDER: T. Wessell

RRAC Committee: Mr. Al Cambridge reported for the RRAC committee. The committee met on June 5th where Mr. Brian Newcomb presented the annual report. Those present were given recipient rights training. He highlighted the need for board training on recipient rights and informed the board that Mr. Brian Martinus will conduct an investigation of retaliation against an RR staff member.

Policy Committee: Ms. Mary Marois spoke on behalf of the policy committee. On the last page of the board's governance policies there must be 30 days' notice given to the board to approve any policy. There are two policies that need approving to meet CARF requirements, the 30-day notice starts today.

MOTION: Give notice to the Board of Directors of Northern Lakes that we are amending these two policies that are outlined in the governance policies.

RESULT: ADOPTED [UNANIMOUS]

MOVER: M. Marois

SECONDER: T. Bratton

Unfinished Business:

NLCMHA Board Consumer Component – Mr. Greg McMorrow shared that the Board is currently out of compliance. There must be no less than 3 direct consumers on the Board, County commissioners must appoint consumers. There was a discussion about Board family members who are consumers, if they could count towards becoming complaint. Ms. Penny Morris suggested that the dispute committee take this on and possibly amend the current enabling agreement.

Public Comment:

River Welock, a member of Club Cadillac – wants the Board to think about how budget cuts will directly impact consumers. They shared it may lead to more people needing inpatient services.

Mylene, clubhouse member – would like the Board to consider another way to make budget cuts as opposed to cutting services to consumers. Shared how valuable each member of staff is and what great work they have done.

Breanna Demary, clubhouse member and RRAC committee member – would like the Board to put themselves in the shoes of the consumers and to realize that those who are let go may become the next consumers.

Janna Emerson, clubhouse member – clubhouses save lives, for the first time in 30 years they are on top of their mental health. They would like the Board to really take to heart and consider cutting positions that will create the least amount of pain.

Announcements/Board Member Reports/Board Association:

Mr. McMorrow shared that he believes the new committee structure is working as it was intended and looks forward to continued success under this structure.

Next Meeting: July 17, 2025 – Grayling

Adjournment: 3:30 p.m.

Respectfully submitted,

Alexandra Coon, Deputy Executive Administrator

Greg McMorrow, Board Chairperson

Lynn Pope, Secretary
