



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

## Board of Directors Meeting Minutes

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September 18, 2025

1:00 p.m.

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**Board Members Present:** Vince Cornellier, Christal Frost Anderson, Ruth Pilon, Mark Nyman, Dean Smallegan, Ben Townsend, Penny Morris, Ty Wessell, Dave Freedman, Tony Lentych, Mary Marois, Al Cambridge, Greg McMorrow, Kim Morley, Lynn Pope, Shawn Kraves

**Others Present:** Stacy Maiville, Kim Silbor, Curt Cummins, Jeremiah Williams, Erica Longstreet, Kevin Myers, Neil Rojas, Kevin Hartley, Ashley Cross, Marsha Brown, April Weinrick

**Virtual Attendees:** Ann Ketchum, Dan Mauk, 7 unknown, Abby Schonfeld, Andrew Wiess, April Weinrick, Beckie Wing, Bobbi Hudson, Caleb Gomez, Beth Milligan, Candace Kauska-Dietrich, Christa Vasicek, Christina Hasty, Danielle Oswald, Dawn Galbraith-Kantz, Sue Hamel, Liz Totten, Erin Barbus, Gina Schlegel, Heather Sleight, Heidi Neider, Hilary Rappuhn, Jacki Paulosky, Jessica Williams, Jodi Schwind, Kari Barker, Kayla Sklener, Keelee Hoag, Kiley Fields, Kristen Stillwell, Lisa Woodcox, Lori Stendel, Mats Andtabacka, Melanie Schopieray, Melissa Bentgen, Melissa Trout, Mercedes Emard, Meryah Martin, Michael Corby, Rob Palmer, Rob Veale, Shawn E., Shawn F. , Megan Smith, Somer Quinlan, Sophorn Klingelsmith, Teri Dougherty, Tiffany Fewins, Trapper Merz, Beth Milligan, Cindy, Olivia Scott, Victoria McDonald, Ron Morton, Anon,

**Call to Order:** 1:00 p.m.

**Conflict of Interest:** None

**Timekeeper:** Ben Townsend

**Approval of Agenda:** Yes, see change below.

**MOTION:** Move CEO Discussion after officer report

**RESULT:** ADOPTED [UNANIMOUS]

**MOVER:** T. Lentych

**SECONDER:** K. Morely

**MOTION: Approve the Consent Agenda**

**RESULT: ADOPTED [UNANIMOUS]**

**MOVER:** K. Morely

**SECONDER:** G. McMorrow

**Public Comment:** None.

Let the record show that the Board of Directors have read the comments posted in the online “chat” area from the prior Special Meeting.

**Report of Officers:**

**Recipient Rights Report:** Brian Newcomb, Director of the Office of Recipient Rights has prepared a report. The report is presented in the packet. Ms. Marois passed along congratulations to the ORR team for their recent success.

**Interim Chief Executive Officer’s Report:** Dr. Curtis Cummins, Chief Medical Director & Interim CEO, presented his report to the Board. The full report is included in the packet. The report included the KPI report, upcoming meetings, agency updates, media, and more. Dr. Cummins discussed with the Board, the recent Public Hearing and cost containment. Board member, Ms. Frost-Anderson asked about the agency marketing and community engagement with the recent Public Hearing. The Board asked about the recent job postings, Kevin Hartley, the CFO, clarified that any jobs that are posted are not new positions, but required positions and are in the budget.

**Chief Financial Officer’s Report:** Kevin Hartley, the Chief Financial Officer of Northern Lakes, presented the financial report. His report included a summary of variances and fluctuations, which highlighted the operating revenues, such as the Medicaid capitations, Healthy Michigan capitation, and general fund capitations. The report also reviewed the operating expenses, such as salaries and fringes, and CMH provider network contractual services. Mr. Hartley’s report included a statement of net position and statement of revenue.

Hartley stated that there could possibly be a net surplus at the end of next fiscal year of \$4 million. The Finance Committee has suggested setting that money aside for a contingency fund.

**Discussion CEO Candidates**

The Board discussed the candidates. They reviewed the differences and expressed their opinions between the two candidates. Both candidates had very positive feedback from the Board and showed great potential as a CEO.

Kevin Myers, of the Myers Group hiring firm, clarified that the company does verify their resumes and references, but did not run background checks.

**Roll Call Vote for CEO Selection:**

**For Lynda Zeller:** G. McMorrow, V. Cornellier, K. Morley, C. Frost-Anderson, R. Pilon, D. Smallegan, B. Townsend, L. Pope, P. Morris, S. Kraycs, T. Wessell, D. Freedman, M. Marois, A. Cambridge

**For Phillip Hunter:** M. Nyman, T. Lentych

**MOTION: Authorize the Board Chairperson to negotiate a contract with Lynda Zeller**

**RESULT: ADOPTED [UNANIMOUS]**

**MOVER:** T. Wessell

**SECONDER:** S. Kraycs

**Committee Reports:****NMRE:**

Ms. Pilon reviewed updates regarding NMRE and CMHA. The recent meeting discussed MDHHS's RFPs for PIHPS. CMHA has information on its website regarding their concerns of possible privatization. They are asking the agency to support them by contacting legislators in opposition to this.

Mr. Ty Wessell brought copies of the letter his Board of Commissioners drafted regarding this topic. The letter is attached to these minutes.

**MOTION: Draft a letter to the Governor and Attorney General in opposition of the privation of the PIHPs and send a copy to DHHS.**

**RESULT: ADOPTED [UNANIMOUS]**

**MOVER:** S. Kraycs

**SECONDER:** T. Wessell

**Executive:**

The Chairperson of the Board, Mr. Greg McMorrow congratulated the staff for the agency's recent three-year accreditation from CARF. Mr. McMorrow also thanked the staff for putting together both meetings today. Mr. McMorrow stated that there was a productive discussion between the Board Chair and NMRE regarding the funds owed. No conclusion was made. Mr. Eric Kurtz will take that topic to his board.

**Finance:**

The committee recently met. During which, the budget was discussed and purchasing policy. Mr. Cambridge reviewed the fiscal year 2026 budget.

The proposed 2026 Fiscal Year budget was discussed with the Board and voted on. The budget is attached to these minutes.

**MOTION:** Pass the budget, with the opportunity to re-review it once state funds are known and once the Board knows any other contract information.

**RESULT:** ADOPTED [UNANIMOUS]

**MOVER:** A. Cambridge

**SECONDER:** T. Wessell

The Finance Committee also discussed the “look back” of the finances during years 2020, 2021, and 2022, these years will need to be reviewed. It was stated that the agency is entitled to the \$3 million owed by NMRE.

**Policy:** Mr. Dave Freedman gave a brief update.

**Personnel:** The Personnel Committee met recently. During their meeting, the committee discussed policies, hiring processes, surveys, and exit interview results. Ms. Pilon briefly reviewed some of the exit survey results.

**Community Engagement:** The committee has not met formally, but they have been emailing and did attend the Public Hearing. They plan to meet in October.

**Unfinished Business:** None.

**Public Comment:** None.

**Announcements/ Board Member Reports/ Board Association:** None.

**Next Meeting:** October 16, 2025 – Traverse City

**Adjournment:** 3:10 p.m.

Respectfully submitted,

Stacy Maiville, Executive Administrator

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Greg McMorrow, Board Chairperson

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Lynn Pope, Secretary

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# Northern Lakes CMH

Fiscal Year 2026

Proposed  
Budget



## Proposed Fiscal Year 2026 Budget

October 1, 2025 - September 30, 2026

	Proposed Budget 2026	Budget 2025	Change
<b>Revenues</b>			
Medicaid Sources			
Medicaid	\$ 70,610,990	\$ 64,774,941	\$ 5,836,049
Medicaid - Settlement		\$ -	\$ -
	<u>\$ 70,610,990</u>	<u>\$ 64,774,941</u>	<u>\$ 5,836,049</u>
Healthy Michigan	\$ 5,799,560	\$ 4,107,083	\$ 1,692,477
Healthy Michigan - Settlement		\$ -	\$ -
	<u>\$ 5,799,560</u>	<u>\$ 4,107,083</u>	<u>\$ 1,692,477</u>
State General Fund	\$ 2,905,488	\$ 2,905,487	\$ 1
Grants	\$ 1,002,389	\$ 2,246,656	\$ (1,244,267)
County appropriations	\$ 1,026,741	\$ 1,026,740	\$ 1
Other revenue	\$ 2,882,682	\$ 3,225,443	\$ (342,761)
Total operating revenue	<u>\$ 84,227,850</u>	<u>\$ 78,286,350</u>	<u>\$ 5,941,500</u>
<b>Employed Workforce and Agency Expenditures</b>			
Personnel	\$ 25,945,480	\$ 29,995,007	\$ (4,049,527)
Admin Contracts	\$ 847,256	\$ 1,572,159	\$ (724,903)
Direct Operations	\$ 2,290,181	\$ 3,213,739	\$ (923,558)
Contractual Servcies	\$ 1,966,210	\$ 957,694	\$ 1,008,516
Transportation	\$ 528,023	\$ 1,041,654	\$ (513,631)
Occupied Space	\$ 1,551,185	\$ 1,417,505	\$ 133,680
Total Directly Provided & Agency Oversight	<u>\$ 33,128,336</u>	<u>\$ 38,197,758</u>	<u>\$ (5,069,422)</u>
<b>Contracted Provider Expenditures</b>			
Autism Services Providers	\$ 4,066,329	\$ 4,058,253	\$ 8,076
Clinical Contract Providers	\$ 394,131	\$ 2,302,438	\$ (1,908,307)
Daytime Activities Contract Providers	\$ 6,432,042	\$ 5,993,573	\$ 438,469
FI Provided Self Determination	\$ 1,881,322	\$ 1,965,276	\$ (83,954)
Inpatient Services	\$ 5,696,042	\$ 7,155,999	\$ (1,459,957)
Theraputic Contract Providers	\$ 399,474	\$ 429,266	\$ (29,792)
Residential Contracts	\$ 22,768,691	\$ 21,097,968	\$ 1,670,723
CLS Providers	\$ 4,462,455	\$ 3,247,291	\$ 1,215,164
Client Transportation Providers	\$ 596,976	\$ 641,026	\$ (44,050)
Contingency Expenses	\$ 4,402,051	\$ -	\$ 4,402,051
Total Contracted Provider Expenditures	<u>\$ 51,099,514</u>	<u>\$ 46,891,090</u>	<u>\$ 4,208,424</u>
Total operating expenses	<u>\$ 84,227,849</u>	<u>\$ 85,088,848</u>	<u>\$ (860,999)</u>
Change in net position	0	(6,802,498)	6,802,498



## **Proposed Fiscal Year 2026 Budget**

October 1, 2025 - September 30, 2026

### **Budget Assumptions**

#### **Revenues:**

- \*Medicaid: Based on estimates by the NMRE region.
- \*Healthy Michigan: Based on estimates by the NMRE region.
- \*General Funds: Actual based on contract signed with MDHHS.
- \*County appropriations remain constant each year.
- \*Grants continue to be limited for this fiscal year.
- \*Other revenue based on assumption that it will trend the same as FY25.

#### **Expenses:**

##### **Employed Workforce and Agency Expenditures:**

###### **Personnel:**

- \*No COLA for FY26.
- \*No staff step increases for FY26.
- \*Personnel budget calculated at zero vacancies.
- \*Eliminated 32 positions in FY25.
- \*Restructured Leadership in FY25.

###### **Administrative Contracts:**

- \*Information Technology regular software subscriptions included, some hardware projects on hold.
  - Required IT firewall replacement included.
- \*Rehmann contract terminated in FY25.

###### **Direct Operations:**

- \*All building projects on hold for FY26.
- \*Supplies evaluated for necessity.

###### **Contractual Services:**

- \*Contracts for clinical providers continue to be evaluated and lower rates negotiated with providers.

##### **Contracted Provider Expenditures:**

- \*Contract negotiations continue with efforts to reduce current contract provider rates.
- \*Zero contract rate increases.

**LEELANAU COUNTY BOARD OF COMMISSIONERS**

**RESOLUTION #2025-017**

**A RESOLUTION OPPOSING THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES' PLAN TO IMPLEMENT A COMPETITIVE PROCUREMENT PROCESS FOR PREPAID INPATIENT HEALTH PLAN**

**WHEREAS**, the State of Michigan currently operates a publicly managed and community-based system for the delivery of specialty behavioral health services through 10 Prepaid Inpatient Health Plans ("PIHPs"), which are responsible for managing Medicaid mental health, developmental disability, and substance use disorder services; and

**WHEREAS**, the current PIHP system has consistently demonstrated value, local accountability, and community engagement, while successfully managing costs and improving health outcomes for vulnerable populations; and

**WHEREAS**, the Michigan Department of Health and Human Services ("MDHHS") recently announced plans to initiate a competitive procurement process for the management of PIHP functions, which may open the door to private, non-profit health plans or managed care organizations ("MCOs") assuming control over behavioral health services; and

**WHEREAS**, such privatization could disrupt longstanding relationships between local mental health authorities, providers, and the communities they serve, and jeopardize the person-centered, recovery-oriented approach that has been cultivated under the public system; and

**WHEREAS**, many stakeholders, including individuals receiving services, advocates, local officials, and providers have expressed significant concerns about the potential impact of a competitive procurement process on care quality, access, local control, and transparency; and

**WHEREAS**, counties across Michigan have historically played a vital role in the governance, funding, and oversight of the public behavioral health system, and any change to that structure without meaningful county input undermines the principle of local governance; and

**WHEREAS**, maintaining a publicly accountable and locally governed behavioral health system is essential to ensuring that individuals with mental health and substance use needs receive timely, appropriate, and high-quality care. NOW, THEREFORE, BE IT

**RESOLVED**, that the Leelanau County Board of Commissioners formally opposes the Michigan Department of Health and Human Services' (MDHHS) plan to implement a competitive procurement process for Prepaid Inpatient Health Plans (PIHPs); and BE IT FURTHER

**RESOLVED**, that the Board urges Governor Whitmer, the Michigan Department of Health and Human Services, and the Michigan Legislature to halt any plans for privatization and instead



work collaboratively with counties, PIHPs, Community Mental Health Services Programs, service users, and other stakeholders to strengthen and improve the public behavioral health system, by only allowing public organizations with experience in managing Michigan's public mental health system to be part of any bid process should one occur; and BE IT FINALLY

**RESOLVED**, that Leelanau County Board of Commissioners directs the County Clerk to send a copy of this resolution to the Leelanau County delegation of both the Michigan Senate and House of Representatives; Governor Gretchen Whitmer; and as a communication to other Michigan Counties.

**Adopted: September 16, 2025**

**Moved: Commissioner Wessell**

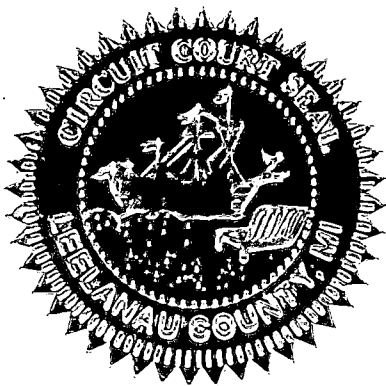
**Seconded: Commissioner Allgaier**

**Roll Call Vote: Wessell – YES; Yoder – YES; Allgaier – YES; Bunek – NO; Campbell – NO; Robbins – YES; Walter – YES.**

**AYES – 5            NO – 2**

**MOTION CARRIED.**

**State of Michigan  
County of Leelanau**



I, Michelle L. Crocker, Clerk of said County and Clerk of the Circuit Court for said County, the same being a Court of record having a seal, do hereby certify that the above is a true copy of the Record now remaining in my office and of the whole thereof. In Testimony whereof, I have hereto set my hand affixed the seal of the Circuit Court the 16<sup>th</sup> day of September, 2025.

  
Michelle L. Crocker, Leelanau County Clerk