

Northeast Michigan Community Mental Health Authority Board

Board Meeting

April 13, 2017

I. Call to Order

Chair Gary Nowak called the meeting to order in the White Room at the Fletcher Street Office at 3:00 p.m.

II. Seating of Board Members

Bonnie Cornelius – Alcona County
Roger Frye – Montmorency County

Steve Dean – Alpena County
Gary Nowak – Presque Isle County

III. Roll Call and Determination of a Quorum

Present: Lester Buza, Bonnie Cornelius, Steve Dean, Roger Frye, Judy Hutchins, Judy Jones, Albert LaFleche, Terry Larson, Eric Lawson, Gary Nowak, Pat Przeslawski

Absent: Alan Fischer

Staff & Guests: Lisa Anderson, Carolyn Bruning, LeeAnn Bushey, Cheryl Jaworowski, Jim Kraenzlein, Cathy Meske

IV. Report of the Nomination's Committee

Gary Nowak reported the Nomination's Committee made their recommendations for officers at the March meeting. A copy of the minutes of their meeting was included in the mailing indicating the following recommendations for the Slate of Officers:

Gary Nowak, Chair
Pat Przeslawski, Vice Chair
Alan Fischer, Secretary
Roger Frye, Past Chair

V. Election of Officers

Moved by Lester Buza, supported by Steve Dean, to nominate the recommended Slate of Officers as noted above. Chair Gary Nowak called for other nominations from the floor three times for the Slate of Officers. No other nominations were made *Moved by Bonnie Cornelius, supported by Terry Larson, to declare nominations be closed and an unanimous ballot be cast for Gary Nowak as Chair, Pat Przeslawski as Vice Chair, Alan Fischer as Secretary; leaving Roger Frye as Past Chair.* Motion carried.

VI. Information and/or Comments from the Public

There was no comments made from the public.

VII. FY16 Audit Report (Straley, Lamp & Kraenzlein PC)

James Kraenzlein, auditor from the firm of Straley, Lamp & Kraenzlein PC, provided the Board with an overview of the FY16 Financial and Compliance Audit report. Jim noted management is responsible for internal controls. The internal controls are used to guide the audit process. He reports the Financial audit received a clean audit opinion which is the highest opinion attainable.

He reports the current assets for FY16 has dipped slightly. He also reports the liabilities have dipped as well. He notes the working capital has increased. Mr. Kraenzlein notes the unrestricted funds would run the agency 47.9 days which is a strong position on a balance sheet.

Mr. Kraenzlein reports there are no significant notes to address with Board members or material weaknesses. There also were no findings to address.

Steve Dean questioned the monitoring of banks and whose responsibility it is to monitor. Cheryl Jaworowski provided Board members with her protocol for monitoring. Steve Dean also inquired about the Purchase of Investments with Cheryl Jaworowski noting the Purchase of Investments addresses CDs purchased by the Agency.

Jim Kraenzlein also provided the report of the Compliance Audit noting it is in good standing and the Agency is compliant with the guidelines for the State of Michigan. He notes there were no adjustments necessary to correct the FSR. Mr. Kraenzlein also addressed the Corrective Action Plan prepared last year on the two findings and noted the auditors focused specifically on this area to assure the corrective Action Plan was implemented and corrected the problem. The Corrective Action Plan did not identify an recurring issues.

He reports the staff are well prepared for the audit and records are always in order. He reports letters are sent to Board members alerting them to the fact the audit is underway and should there be any concerns, members can contact the auditing firm directly.

Moved by Roger Frye, supported by Steve Dean, to accept and file the FY16 Financial and Compliance Audit Report. Motion carried.

Moved by Gary Nowak, supported by Eric Lawson, to notify staff of the Board's appreciation of the hard work of staff in assuring good records are kept and their diligent work to prepare for the audit process. Motion carried.

3:25 p.m. – Cheryl Jaworowski left the meeting to usher out the auditor.

VIII. Approval of Minutes

Moved by Terry Larson, supported by Lester Buza, to approve the minutes of the March 9, 2017 minutes as presented. Motion carried.

IX. Educational Session – Tour of Fletcher Street Office

The tour of the Fletcher Street Office will occur immediately following the meeting's adjournment.

X. Consent Agenda

1. The SpyGlass Group LLC – Snapshot Audit Agreement

Moved by Judy Hutchins, supported by Eric Lawson, to approve the Consent Agenda as presented. Motion carried.

XI. April Monitoring Reports

[Gary Nowak request the Budgeting and Asset Protection report be address upon Cheryl Jaworowski's return to the meeting.]

3. Communication and Counsel 01-009

Cathy Meske noted the requirements of presenting monitoring reports timely have been maintained with the exception of the Audit report presentation at last month's meeting due to a scheduling conflict by the auditing firm. She notes she does believe the Board members are kept informed of the issues at hand. She also notes policy governance has been adhered to well and works well with this Board.

XII. Board Policy Review and Self Evaluation

1. Financial Condition 01-005

Board members reviewed the policy. There were no recommended changes suggested.

2. Communication and Counsel 01-009

Board members reviewed the policy and there were no recommended revisions. Steve Dean noted the monitoring report did not address the last two numbered items. It was noted these two items are adhered to as well and possibly in the past have just been assumed. The report will be amended to add this information for next year.

3. Governing Style 02-002

Board members reviewed the policy. No concerns were raised.

4. Cost of Governance 02-013

This policy was updated to include the most current budget detail related to the cost of governance.

Moved by Pat Przeslawski, supported by Steve Dean, to approve the revision to Policy 02-013, Cost of Governance, as presented. Roll Call vote: Lester Buza, Bonnie Cornelius, Steve Dean, Roger Frye, Judy Hutchins, Judy Jones, Albert LaFleche, Terry Larson, Eric Lawson, Gary Nowak, Pat Przeslawski; Nays: None; Absent: Alan Fischer. Motion carried.

XIII. Linkage Reports

1. Northern Michigan Regional Entity (NMRE)

a. Regional Board Meetings

i. March 22, 2017

Gary Nowak reported the topic of discussion at this meeting was centered on W2s versus 1099s and the introduction of the new Director. Eric Kurtz was hired to replace Dave Schneider.

ii. February 22, 2017

The minutes of the February 22nd meeting were included in the mailing.

Cheryl Jaworowski returned to the meeting 3:40 p.m.

2. Board Association

a. Spring Conference – May 16 & 17 – Dearborn

Rooms have been reserved and the Early-Bird deadline for registration is April 21. Board members were requested to notify Diane Hayka before the 21st if they had a change in plans. Judy Jones noted she was uncertain if she would be able to attend and will notify Diane Hayka.

i. Proposed By-Laws Changes

This will be addressed later in the meeting.

3. Consumer Advisory Council

The minutes were distributed from Monday's meeting. The Council did not have a quorum.

XIV. April Monitoring Reports (continued)

1. Budgeting 01-004

Cheryl Jaworowski reviewed the Statement of Revenue and Expenses for month ending February 28, 2017. She noted the February statement provides a true picture of the variances since most holidays occur during the months of November, December and January. She

reviewed the various line items with variances. She reported the liability insurance distribution will not be as much as last year so there will need to be a budget adjustment in this line.

She noted Medicaid is underspent and General Funds are overspent. Healthy Michigan underspent. Autism is underfunded. She reports the autism program is paid six months in arrears. The Medicaid risk pool will be used to offset the autism expenses.

She reports a budget amendment will be presented at the May meeting, which will address some of the variances.

2. Asset Protection 01-007

The monitoring report for Asset Protection was included in the discussion above during the FY16 Audit presentation. Cheryl Jaworowski noted the CDs help to spread the risk of cash. She notes there have been no liability claims.

Moved by Pat Przeslawski, supported by Bonnie Cornelius, to accept the April monitoring reports as presented. Motion carried.

XV. Chair's Report

1. CMH PAC Final Call

Gary Nowak reported this is the last month to contribute to the PAC. A report will be presented at the Spring Conference held May 16 and 17.

2. Section 222 & Conflict of Interest

Gary Nowak reported this survey is an annual requirement and Board composition must be certified. This also addresses conflict of interest. Board members were requested to submit their paperwork to Diane Hayka so the certification can be finalized.

3. Strategic Planning Discussion

Cathy Meske reported Eric Kurtz will be providing Board members with an environmental scan at the June meeting. She noted Mr. Kurtz was instrumental in writing the 1115 Waiver, which we hope to have passed. She reported the Consumer Advisory Council has been invited to the Board's Strategic Planning session. She would like to begin with the lunch/dinner and then have the environmental scan. She noted after the scan we will focus on the needs identified in the public hearing. She suggested 12:30 lunch followed by Mr. Kurtz's presentation. Gary Nowak reports a facilitator helps in moving this process along as well. Pat Przeslawski suggested Carlene Przykucki and it was noted Tim Kuhnlien at ACC also does this type of work. Other facilitators include Bill Morford from Friends Together and Kathy Bilmore. The facilitator role will be explored.

XVI. Director's Report

1. Director's Report Items

A. Section 298

The 298 update was presented to the Legislature in March. The language presented to the Legislature may include HMOs in a pilot program. The Board Association has sent an urgent request to have the legislators contacted and information is included in the handouts tonight.

B. Home and Community Based Services

Phase 3 of the waiver survey is beginning in May. This will involve about 103 of individuals from our Agency.

C. Trauma Informed Care

Cathy Meske reports there is a kick off on May 17th at the ACC regarding Trauma Informed Care. Dr. Mark Sloan and Dr. Jim Henry will be presenting at 9:00 a.m. She reports it has been difficult in getting the AMA-ESD involved. Diane Hayka can send email with more details. She reports this grouping is geared toward Alpena and Montmorency Counties; however, the Thunder Bay Community Health Services will be attending as well as they are located in Montmorency county.

D. Emergency Management Local Planning meeting

The Mental Health Code mandates the CMH must participate in the planning of emergency plans within the community. Cathy Meske reports she is actively involved in the planning and she will be meeting with Mark Gurisko, Alpena’s 911 Coordinator.

E. MACMHB Dues Request

Cathy Meske reports the MACMHB Board had a workgroup look at the dues structure. There are five different options to consider for rates. This will address those Boards having budgets which have had no increase in quite some time.

Gary Nowak requested this be addressed at the May meeting with a staff recommendation.

2. QI Council Update

The minutes for the QI Council dated February 20, 2017 were included in the mailed Board packet.

XVII. Information and/or Comments from the Public

Bonnie Cornelius reported the “Handicapable Day” held during the Fair will be funded partially with funds from ticket sales at the Brown Trout Festival. Tickets will be available through Bonnie Cornelius. The Alpena Horse Club and the Fair Board are sponsoring the “Handicapable Day.”

XVIII. New Business

1. Establishment of Regular Meeting Date

The consensus was to keep the meeting date and time the same. The Board will continue to meet the second Thursday of the month at 3:00 p.m.

Moved by Bonnie Cornelius, supported by Terry Larson, to set the meeting date as the second Thursday of the month beginning at 3:00 p.m. Motion

2. Appointment of Standing Committees

Gary Nowak appointed the following members to the Board’s Standing Committees:

Recipient Rights Committee

- Pat Przeslawski , Board Representative
- Judy Jones, Board Representative
- Steve Dean, Alternate
- Tom Fredlund
- Renee Smart-Sheppler
- Lorell Whitscell
- Shirley Yates
- Ruth Hewett, Recipient Rights Officer

3. Appointment of Delegates

Gary Nowak reported he had appointed Eric Lawson and Judy Hutchins as the delegates to the Board Association for the Spring Conference meeting. It was noted the delegates will be required to be at the Spring Conference on May 15th by 5:30 p.m. as the Member Assembly meeting has been changed to be held the day before the conference.

XIX. Next Meeting

The next regularly scheduled meeting of Northeast Michigan Community Mental Health Authority Board will be held Thursday, May 11, 2017 at 3:00 p.m.

1. Set May Agenda

A budget amendment will be presented.

XX. Evaluation of Meeting

Judy Jones reported the meeting started timely. The audit report was a positive report showing staff are very efficient. She notes staff and Board were encouraged to interact more during the strategic planning session in June.

3. Closed Session

Moved by Terry Larson, supported by Pat Przeslawski to adjourn to closed session to discuss union negotiations. Motion carried.

Meeting adjourned to closed session at 4:10 p.m.

Meeting returned to open session at 4:30 p.m.

Present: Lester Buza, Bonnie Cornelius, Steve Dean, Alan Fischer, Roger Frye, Judy Hutchins, Judy Jones, Albert LaFleche, Terry Larson, Eric Lawson, Gary Nowak, Pat Przeslawski

Absent: Alan Fischer

Staff: Cheryl Jaworowski, Lisa Anderson, Cathy Meske

Moved by Roger Frye, supported by Pat Przeslawski, to authorized management staff to request \$775,000 in funds from the NMRE address potential salary adjustments and other budget deficits. Motion carried.

XXI. Adjournment

Moved by Albert LaFleche, supported by Pat Przeslawski, to adjourn the meeting.

Motion carried. This meeting adjourned at 4:35 p.m.

[Signed by Alan Fischer on May 11, 2017]

Alan Fischer, Secretary

[Signed by Gary Nowak on May 11, 2017]

Gary Nowak, Chair

Diane Hayka
Recorder