



Community
MENTAL HEALTH
CLINTON • EATON • INGHAM

FINANCE COMMITTEE

Meeting Minutes

Wednesday, January 10, 2018, 5:30 p.m.

812 E. Jolly Road, Conference Room G11-C

Lansing, MI 48910

Committee Members Present:

Joe Brehler, Kam Washburn, Kay Randolph-Back, Chris Swope, Raul Gonzales

Committee Members Absent:

Carol Koenig

Staff Present:

Stacia Chick, Darby Vermeulen, Joanne Holland, Sara Lurie, Karla Block, Sharon Blizzard

Public Present:

Chad Schafer - Plante Moran

Other Board Members Present:

Kay Pray

Call to Order:

The meeting was called to order by Chairperson Joe Brehler at 5:30 p.m.

Previous Meeting Minutes:

MOVED by Kay Randolph-Back and SUPPORTED by Kam Washburn to approve the meeting minutes of December 13, 2017, with the addition of Carol Koenig under "Committee Members Present".

MOTION CARRIED unanimously.

Adoption of Agenda:

MOVED by Kam Washburn and SUPPORTED by Kay Pray to adopt the agenda.

MOTION CARRIED unanimously.

Public Comment on Agenda Items:

None.

BUSINESS ITEMS:

Expense Contract Amendment: Therapeutic Activities/Exercise (Massage Therapy)

Karla Block presented a contract amendment with two providers. She noted the contracted rate exceeds the fee for service, although there are only four children using the services currently.

ACTION:

MOVED by Chris Swope and SUPPORTED by Kam Washburn that the Finance Committee recommends that the Community Mental Health Authority of Clinton, Eaton, and Ingham Counties Board of Directors authorize CMHA-CEI to amend the contract to add all necessary service codes, and purchase the services listed from the following contractors for the periods and rates listed below:

Contractor Name	Address	Service	Start Date	Expire Date
Gail Grace	121 Germany Rd. Williamston, MI 48895	Children's Waiver	10/1/17	09/30/18
Maryann Lefevre Hancock	812 Clark St. Lansing, MI 48906	Children's Waiver	10/1/17	09/30/18

Rates:

Name of Service	Code	15 Minute Rate	Hourly Rate
Therapeutic Activities Exercise (CHUM/Massage Therapy)	97530	\$21.10	\$84.40
Therapeutic Exercise (CHUM/Massage Therapy)	97110	\$19.59	\$78.36

Therapeutic Activity	97124	\$16.15	\$64.60
----------------------	-------	---------	---------

MOTION CARRIED unanimously.

Expense Contract Renewal: Network 180 COFR Agreement

Sara Lurie presented a renewal with a provider to allow services to move forward when the COFR is CEI. The amount that CEI will pay is Network 180's rate compared to the state's average rate. Kay Randolph-Back asked why this COFR is coming to the Finance Committee when other COFR's have not come in the past. Stacia Chick explained that CEI has not had an umbrella-like contract such as this in the past.

ACTION:

MOVED by Chris Swope and **SUPPORTED** by Kam Washburn that the Finance Committee recommends that the Board of Directors of the Community Mental Health Authority of Clinton, Eaton, Ingham Counties authorize CMHA-CEI to enter into a contract with Network 180 to provide, for the period of October 1, 2017 through September 30, 2018, services in circumstances in which CMHA-CEI is the county of financial responsibility (COFR) and has authorized services for one or more individuals in need of mental health and/or substance abuse services (services) in Kent County, Michigan.

MOTION CARRIED unanimously.

New Expense Contract: Government Finance Officers Association Enterprise Resource Planning Advisory Services

Sharon Blizzard and Stacia Chick presented a contract for GFOA to provide advisory services. Stacia explained that IS/Finance/HR do not have the staff capacity for this kind of undertaking.

ACTION:

MOVED by Chris Swope and **SUPPORTED** by Kay Pray that the Finance Committee recommends that the Community Mental Health Authority of Clinton, Eaton, Ingham Counties Board of Directors authorize CMHA-CEI to enter into a new contract with Government Finance Officers Association (GFOA) to purchase Enterprise Resource Planning (ERP) Advisory Services from Government Finance Officers Association

(GFOA) for the duration of the ERP replacement project implementation and pay up to \$131,525 for those services.

MOTION CARRIED unanimously.

Financial Audit of Fiscal Year 2016

Chad Schafer from Plante Moran presented a PowerPoint on the FY16 audit. Chad discussed the scope of the audit, including the Financial Statements, the single audit and the compliance audit. He reviewed the required communications used by Plante Moran while conducting the audit. He stated that Internal Service Funds (ISF) transferred to the General Fund (GF).

Raul Gonzales joined the meeting at 5:37 pm.

Kam Washburn asked about MERS assumptions as far as the defined benefit pension plan is concerned, and Chad confirmed the assumptions are audited as well. Chad discussed the delay of the 2016 audit, partially due to the delay in the submission of the draft of the 2016 financial statements.

Chad then reviewed the Single Audit of Federal Awards. He noted one material weakness related to not filing the basic financial statements by the deadline of March 31, 2017. He noted one instance of noncompliance related to not filing the single audit report to the federal clearinghouse by the June 30, 2017 deadline.

Chad then reviewed the Compliance Examination. He again noted the instance of noncompliance of not filing the compliance exam by June 30, 2017. Chad then noted a material weakness in there being a significant deficiency related to written plans of services provisions. He said this is not an uncommon scenario. Kam Washburn asked if Chad foresees the audit being delayed and deadlines missed again this year. Chad said he does not foresee that being the case at this time.

Chad discussed Financial Statement highlights. Cash was down about \$5 million from 2015. Pension related activity shows a net liability up \$20 million from 2015 to 2016. Net deficit increased by \$2.3 million, and program expenditures were down \$7.3 million. General revenues were down \$5.8 million.

Chad reviewed the timeline of the FY17 audit. He then spoke about the Engagement Scope and Approach; he noted there will be no change in scope from 2016 engagement. He asked how the Finance Committee wanted to receive communications from Plante Moran; Joe Brehler said that as long as the audit is going as planned, communication with management will be enough. Chad went on

to describe what year-end testing will be compromised of, and how it will be completed.

Chad spoke to the new accounting standards as far as fiduciary activities and leases are concerned.

Old Business:

None.

New Business:

Stacia asked the committee for suggestions on what to present at the full board meeting in March. The committee wanted to hear about how the audit was coming along at that point, and anything else Stacia deemed necessary.

Public Comment:

None.

Adjournment:

The meeting was adjourned at 6:33 p.m. The next regularly scheduled Finance Committee meeting is February 14, 2018, 5:30 p.m., 812 E. Jolly Rd, Lansing, Conference Room G11-C.

Minutes Submitted by:

**Darby Vermeulen
Finance Secretary**