



Community
MENTAL HEALTH
CLINTON • EATON • INGHAM

FINANCE COMMITTEE

Meeting Minutes

Wednesday, November 14th, 2018

5:30 p.m.

812 E. Jolly Rd, Conference Room G11-C

Lansing, MI 48910

Committee Members Present:

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

Committee Members Absent:

Chris Swope, Carol Koenig

Staff Present:

Stacia Chick, Darby Vermeulen, Joanne Holland, Sharon Blizzard, Shana Badgley, Gwenda Summers, Ericanne Spence, Sara Lurie

Public Present:

None

Other Board Members Present:

Dianne Holman, Paul Palmer

Call to Order:

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

Previous Meeting Minutes:

MOVED by Raul Gonzales and SUPPORTED by Diane Holmann to approve the meeting minutes of October 10th, 2018.

MOTION CARRIED unanimously.

Adoption of Agenda:

MOVED by Raul Gonzales and SUPPORTED by Kam Washburn to adopt the amended agenda with the addition of Action Item #17, JP Morgan Chase Tax Exempt Borrowing and Tax Qualifications for Renewal of 4233 Appletree Lane Home Loan, presented by Stacia Chick.

Kay Randolph-Back entered the meeting at 5:31 p.m.

MOTION CARRIED unanimously.

Public Comment on Agenda Items:

None.

BUSINESS ITEMS:

Revenue Contract Renewal - Amended Funding: Wayne State University (funded by MDHHS)

Gwenda Summers presented an amendment to receive more funds from MDHHS for the implementation of TFCO. The contract was amended to include administrative costs. Gwenda clarified that about \$13,000 was added to the contract.

ACTION:

MOVED by Kay Randolph-Back and SUPPORTED by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize CMHA-CEI to enter into a contract with Wayne State University to provide TFCO for the period of October 1, 2018 through September 30, 2019 and receive \$378,995 for those services provided.

MOTION CARRIED unanimously.

Veterans Navigator Grant Renewal: Michigan Department of Health and Human Services

Shana Badgley presented the veterans navigator grant renewal. She reminded the committee that the grant provides services to local veterans and their families. Kay Randolph-Back asked why this grant is not a part of the FY19 budget; Stacia clarified that this is an error, and that the grant is part of the budget.

ACTION:

MOVED by Kam Washburn and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize CMHA-CEI to enter into a contract renewal with the Michigan Department of Health and Human Services to provide clinical group therapy and peer support services to Veterans under the Veterans Navigator Grant to MDHHS for the period of October 1, 2018 through September 30, 2019 and receive \$142,426 for FY 2019.

MOTION CARRIED unanimously.

Revenue Contract Renewal: McLaren-Lansing

Shana Badgley presented a renewal for Crisis Services. The renewal included an addendum for additional Mental Health Therapist Staffing hours. Kay asked if some of the clients seen at McLaren become CEI clients, and Shana clarified that they do. Shana stated that the Board will see data on these services in Sara's Board Report in a few weeks. She went on to clarify that CEI is also providing these services to those with commercial insurance, as well. Kay Randolph-Back also asked why this is not in the FY19 budget; Stacia clarified that likely the increased contract amount is not in the current budget but will be modified at the next budget amend.

ACTION:

MOVED by Kay Randolph-Back and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize CMHA-CEI to renew the contract with McLaren-Lansing to provide Mental Health Therapist Staffing in the Emergency Department for the contract term January 1, 2019 through September 30, 2020 and receive \$623,977 for the initial 1 year and 9 months. Following that, CMHA-CEI will then receive \$356,558 annually beginning in October 1, 2020.

MOTION CARRIED unanimously.

Expense Contract Amendment: Lansing-Mercy Ambulance Services

Shana Badgley presented the amendment with Mercy to add a code to the contract. Mercy has said they have figured out a wait time code to add when transporting a consumer if extra time is needed.

ACTION:

MOVED by Raul Gonzales and **SUPPORTED** by Diane Holmann that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize CMHA-CEI to amend the current contract with Lansing-Mercy Ambulance to add code A0420 at \$30 per unit based on wait time, retroactive to October 1, 2017 through September 30, 2020.

MOTION CARRIED unanimously.

Contract Renewals

Sara Lurie presented two CLS and respite service contract renewals to the committee for CSDD in Karla Block's absence.

ACTION:

MOVED by Kay Randolph-Back and **SUPPORTED** by Dianne Holman that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize CMHA-CEI to enter into the following contract renewals based on the fact that the information has been reviewed and the proposals are in line with agency responsibilities:

Expense Contract Renewal: Ultimate Healthlink

Kay noted the redundancy of Medicaid and State Plan in the fact sheets, and Sara said the duplicate language was unnecessary. Kay asked what centers are being referred to when "center environment" is mentioned. Sara said she would follow up on that inquiry.

Expense Contract Renewal: People Working

Contract renewal with People Working to purchase CLS and respite services for the period of October 1, 2018 through September 30, 2020.

MOTION CARRIED unanimously.

New Expense Contract: Dell Computer

Joanne Holland presented a contract for the regular replacement cycle laptops. She noted that new docking stations need to be purchased as older docking stations do not

work with the new computers. Joanne went on to say CEI is moving to a 4-year replacement cycle, instead of the 8-year cycle previously used.

ACTION:

MOVED by Kam Washburn and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize CMHA-CEI to purchase laptop computers from Dell Computer and pay \$116,991.77.

MOTION CARRIED unanimously.

Expense Contract: CG Financial Services – Fiduciary Services

Stacia Chick presented a contract regarding the RFP sent out by CEI for co-fiduciary services. She noted that CG Financial is the only organization that responded to the RFP, but the Deferred Compensation Committee agrees that CG is suitable for the job. Joe mentioned that Kay Pray could not attend tonight's meeting, but sent her support for this contract through text message.

ACTION:

MOVED by Kay Randolph-Back and **SUPPORTED** by Kam Washburn that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize CMHA-CEI to enter into a new contract with CG Financial Services and pay \$43,841 to purchase fiduciary services to advise and assist the Deferred Compensation Committee with oversight and management of the 457(b) and Roth IRA Contribution accounts from CG Financial Services for \$43,841 for the period of January 1, 2019 through December 31, 2019

MOTION CARRIED unanimously.

New Expense Contract: Rehmann Robson Consultation Services for Finance Department Structural Development

Stacia Chick presented a contract with Rehmann Robson to provide consultation services for the Finance Department. She noted that Rehmann Robson currently contracts with several CMHSPs and PIHPs. Stacia said RR will be assisting in the revamping the current chart of accounts to allow for more accurate reporting and that chart of accounts will be mapped in the Electronic Health Record as well once the new

software has been implemented. Sara said this was strategically timed to occur during the new software implementation. Kam asked if there is a time limit on this contract, and Stacia said most of the hours of service will take place during FY19, while any remaining may take place during the following year.

Kay asked if Finance is reviewing provider relationships to other systems in looking towards the future to connecting all existing EHRs statewide and beyond. Joanne said the connections aren't on the financial side, but through the EHR. CEI is already connected through Great Lakes Health Connect, as well as Ingham County. She went on to say that there will never be one standard EHR system, but there will eventually be standards on how to share information through EHR. The State also provides CEI with the Medicaid claims data including the data from the Medicaid Health Plans.

ACTION:

MOVED by Kam Washburn and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize CMHA-CEI to enter into a new contract with Rehmann Robson to purchase consultation services for the Finance Department from Rehmann Robson and pay up to \$150,000 for up to 400 hours of services plus actual out of pocket expenses for those services.

MOTION CARRIED unanimously.

1st Amend Program Proposals to Balance FY 2019 Budget

Stacia Chick brought back proposals to utilize CEI's \$8 Million surplus that she noted at last month's Finance Committee meeting. About \$3 Million is being used for Agency Wide or Above the Line items, including increases to AMHS and Families Forward's hospitalization budgets. She noted that these figures are based on about half of the actual budget deficit from FY18 for hospitalization. Stacia went on to discuss Finance/HR's Above the Line cost for the implementation, maintenance and upgrades for the new ERP Software. Kay noted that she was concerned that there was a big jump in costs from when the software was first presented, and Stacia said she and Sharon were surprised as well, because they were not aware of the high implementation costs previously, either. She stated that Joanne also reviewed the cost estimates that were provided by GFOA and said that the original estimate provided by former staff must have only been for the software and none of the related implementation, maintenance and ongoing upgrade costs. Joe said without the surplus money CEI has come into, this wouldn't have been an option. Kam said at the time, he felt \$250,000 for the contract seemed very low for the software, and he's hoping the costs are closer to \$500,000 a year.

Stacia moved on to HR's increased funding for recruitment initiatives, focusing on physicians and other difficult to fill positions. Kam asked if the current student loan payment was capped, and Stacia said yes, it is \$50,000 a year in total for all current physicians. Stacia stated that research is being done on what HR can offer to potential physicians, including what Medicaid dollars can be used for. Kam asked for Stacia to bring this research back to the committee so they can adjust this funding if necessary.

Shana reviewed the increases in AMHS' budget, including the increased hospitalization budget and several additional FTE positions. These positions include a residential tech, a Mental Health Therapist for the ACT program, a Recovery Coach specifically for AMHS, and an Outreach Case Management mental health therapist. Joe asked if some of these positions will be filled by Transitions employees; Sara said her understanding was that CSDD positions will be available for the Transitions employees. Kay asked about the new CCBHC positions, and Sara said those positions are not included in the proposals because they are grant funded. One additional item Shana mentioned was increased options for Transitional Housing, Behavioral Treatment Plans and AFC Housing, etc. Kay asked if any of the housing units mentioned here were under heightened scrutiny, and Shana said she hadn't received feedback yet.

Sara reviewed CSDD's proposals. They included additional positions (Hab. Support Coordinator, Developmental Disabilities Clinician, Developmental Disabilities Specialist, and a Behavioral Psychologist), and funding to offset shortages to CSDD's existing A-Home budgets. Sara noted that there is currently a waitlist for ADOS screenings, with which the Behavioral Psychologist will help. There are current shortages in the Alternative Supports budget and directly-operated residential supports, which will both receive additional funding under the new proposals. Sara also mentioned a funding increase for HCBS transportation needs. Kam asked how transportation is tracked, and Sara said there may still be use of Dean Transportation and other opportunities once the transition has been completed.

Gwenda reviewed Families Forward's budget proposals, including the aforementioned increase in the hospitalization budget, an increase in psychiatry hours, and additional beds for Crisis Respite/Residential services in Families Forward.

Sara went over the General Admin budget proposals. She started with organization-wide events such as the Day at the Zoo, Community Breakfast, and Walk-a-Mile. Raul noted that employees with longevity no longer receive presents for their anniversaries, and he appreciates that money is being put towards employee

appreciation events. Stacia said there are strict guidelines as to how Medicaid funds can be used, which may be related. Sara said HR is also working on employee retention plans. There will also be an additional \$5,000 added to consumables for board meetings, planning events, etc.

Sharon Blizzard went over QCSRR's budget proposals, which are two positions to be added for evaluation and quality improvement.

Sharon then reviewed Human Resource's proposals. HR is adding an HR specialist and increasing legal fees and the recruitment line within the department.

She went on to discuss the Deferred Compensation committee budget (increased legal fees), the special projects committee budget, (increased winter-spring recognition fund), and the Diversity Committee budget, (increased admin non-contracted services).

Stacia reviewed Finance's proposals, which include adding a new Finance Manager and a new Contracts employee. Kam asked if an internal employee would be hired as the new manager, and Stacia said that is a possibility if there are any interested internal candidates.

Sara went over the Facility Admin budget, noting an increase to the cell phone budget as well as an increase to the training budget. She also mentioned adding a part-time security officer to the Safety and Security budget. Sara went on to discuss adding a Safety and Security Coordinator position, and an increase to the Safety and Security Training budget. Sara said the choice in removing the open position of a Carpenter was decided in anticipation of the HCBS transition and less help needed with those locations as they are closed. She mentioned that many B-home providers are expected to do work on their own homes, as well.

Stacia reviewed the Clinical Excellence Committee budget increase for Dr. Stanley.

Joanne went over IS's budget increases, which included additional positions and an increased equipment line for new program staff. Wireless access points will be upgraded at Jolly Rd, as well.

Stacia informed the committee that the Finance Outreach budget will be increased to promote an existing eligibility assistant to the Senior level, and to add portable scanners to be used by the eligibility staff offsite. Consumable supplies will be increased for Finance Outreach, as well as transportation for Outreach efforts. Stacia

discussed QCSRR's Access Outreach increased consumables budget line, as well. Stacia said AMHS will be growing their consumables and mileage budgets, and Families Forward will increase their outreach budget for the Children's Mental Health Awareness Day event.

Sara went on to mention that the Facilities/Maintenance and Grounds Maintenance budgets will be increased for vehicle expenses, repair and maintenance of vehicles, upgrades to equipment, etc.

Kay asked why there are no funds going toward MERS, and Stacia said that CEI is funding what is required. Kay said in the past the committee discussed doing more than the minimum; Stacia said she is looking into what CEI can do with Medicaid funds, but there are a few hoops to jump through. She believes CEI would have to gain approval to pay MERS more than the minimum annual contribution that is required.

Kam asked if CEI has purchased any vehicles this year, and Stacia said CEI is hoping to purchase in 2019. She went on to say that some of the vehicles returned by B-home providers are in better shape than vehicles used by the agency currently, and John is reassessing need.

ACTION:

MOVED by Kam Washburn and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties approve the CMHA-CEI 1st Amend Program Proposals to Balance FY 2019 Budget in the amount of \$8,093,292.

MOTION CARRIED unanimously.

Michigan Department of Treasury Form 5598: Protecting Local Government Retirement and Benefits Act, Corrective Action Plan: Defined Benefit Pension Retirement Systems

Stacia said Public Act 202 requires CEI to report on the Defined Benefit Plan. CEI's report was late because of the late 2017 audit, and CEI was automatically deemed underfunded because of this. This is the corrective action plan that is being sent to the Department of Treasury.

ACTION:

MOVED by Kam Washburn and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties approve CMHA-CEI to submit the Michigan Department of Treasury Form 5598 as provided, that this governing body is aware of CMHA-CEI's late submittal of the Michigan Department of Treasury Form 5572, and that this Board of Directors will continue to monitor the local unit for compliance per PA202 of 2017 and the implementation of the corrective action plan.

MOTION CARRIED unanimously.

Revised Deficit Elimination Plan Fiscal Year Ending 2017- Supportive Housing Fund

Stacia Chick presented the revision to the deficit elimination plan discussed at the last Finance Committee meeting in October. Stacia clarified that CEI had five years from when the fund was in deficit, which began in 2014, so she had to revise the plan.

The only way to close the deficit by the end of FY19 was to use additional local revenue. This plan has to be submitted to the State by the end of the month. The program is still going to move forward with the previous plan over the next five years, however. Stacia noted that one of the supportive housing sites is being repurposed; any savings that reduces that deficit will reduce the amount of local funds that have to be used.

ACTION:

MOVED by Kam Washburn and **SUPPORTED** by Kay Randolph-Back that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize the following resolution:

WHEREAS Community Mental Health Authority of Clinton, Eaton, Ingham Counties' Supportive Housing Fund has a \$451,545 deficit fund balance on September 30, 2017; and

WHEREAS, 1971 PA 140 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury;

NOW THEREFORE, IT IS RESOLVED that the Community Mental Health Authority of Clinton, Eaton, Ingham Counties' Board of Directors adopts the following as the Community Mental Health Authority of Clinton, Eaton, Ingham Counties' Supportive Housing Fund Revised Deficit Elimination Plan:

	2018	2019
Unrestricted Net Position (Deficit) Oct. 1	(451,545)	(199,982)
Revenue		
Rent Revenue	115,111	103,714
Proceeds from Sale of Assets	136,191	-
Local Revenue	225,500	225,500
Total Revenue	476,802	329,214
Expenditures		
Depreciation	32,064	28,720
Housing	216,095	116,426
Interest Expense	9,144	8,520
Total Expenditures	257,303	153,666
Add Back Depreciation (Net Investment in Capital Assets Net Position)	32,064	28,720
Unrestricted Net Position (Deficit) Sep. 30	(199,982)	4,286

	2018	2019
Current Assets - Current Liabilities (Deficit) Oct. 1	(455,393)	(203,830)
Revenues	476,802	329,214
Expenditures	(257,303)	(153,666)

Add Back Depreciation	32,064	28,720
Current Assets - Current Liabilities (Deficit) Sep. 30	(203,830)	438

Explanation: Proceeds from Sale of Assets in 2018 due to sale of two properties in 2018; addition of Local Revenue in 2018 and 2019 due to the Board's approval of this plan to utilize existing local funding sources for Supportive Housing; decrease in Rent Revenue in 2018 due to sale of property in 2017 and 2018; decrease of Rent Revenue and Housing Expenditures in 2019 due to closure of one property as a Supportive Housing Unit.

BE IT FURTHER RESOLVED that the Community Mental Health Authority of Clinton, Eaton, Ingham Counties' Chief Financial Officer submits the Deficit Elimination Plan to the Michigan Department of Treasury for certification.

IN WITNESS WHEREOF, we have hereunto set our hands and the Authority's seal effective the 29th day of November 2018.

The undersigned, Secretary of the Board of the Community Mental Health Authority of Clinton, Eaton, Ingham Counties, certifies that the foregoing is a true, correct and complete transcript of resolutions and the preamble thereto duly adopted on November 29, 2018 by the Board members at a duly convened meeting of the Board at which a quorum was present and voting, and the same have never been rescinded or modified and are in full force and effect at the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and the Board's seal effective November 29, 2018.

(Seal)

Paul Palmer, Secretary

JP Morgan Chase Tax Exempt Borrowing and Tax Qualifications for Renewal of 4233 Appletree Lane Home Loan

Stacia noted that Appletree loan is coming up for renewal. CEI won't know the fixed interest rate until closing. The loan will likely be renewed for another 10 years. Kay said she has never had to renew a mortgage, and Stacia said this is the JP Morgan Chase process. Stacia went on to say this is probably because the CEI property is a commercial entity.

ACTION:

MOVED by Kam Washburn and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties approve CMHA-CEI to adopt the JP Morgan Chase Bank certified resolution regarding borrowing and tax qualifications for the renewal of the 4233 Appletree Lane Home loan.

MOTION CARRIED unanimously.

Old Business:

None.

New Business:

None.

Public Comment:

None.

Adjournment:

The meeting was adjourned at 7:30 p.m. The next regularly scheduled Finance Committee meeting is December 12th, 2018, 5:30 p.m., 812 E. Jolly Rd, Lansing, Conference Room G11-C.

Minutes Submitted by:

Darby Vermeulen
Finance Secretary