



Community
MENTAL HEALTH
CLINTON • EATON • INGHAM

FINANCE COMMITTEE

Meeting Minutes

Wednesday, May 8th, 2024

5:30 p.m.

812 E. Jolly Rd, Atrium

Lansing, MI 48910

Join Zoom Meeting

<https://zoom.us/j/98547470124>

Meeting ID: 985 4747 0124

Committee Members Present:

Tim Hanna

Joe Brehler

Raul Gonzales

Dwight Washington

Committee Members Excused:

Ryan Sebolt

Paula Yensen

Staff Present

Sara Lurie, Sue Panetta, Darby Vermeulen, John Peiffer, Morgan

McKittrick, Amy Rottman, Joanne Holland, Shana Badgley, Karla Block

Other Board Members Present:

Dianne Holman

Finance Committee Meeting (DV)

May 8th, 2024

Public Present:

Tyler Joldersma – Enterprise

Others Present

None

Call to Order:

The meeting was called to order by Chairperson Tim Hanna at 5:30 p.m.

Previous Meeting Minutes:

MOVED by Joe Brehler and SUPPORTED by Dwight Washington to approve the Finance Committee meeting minutes of April 10th, 2024.

MOTION CARRIED unanimously.

Adoption of Agenda:

MOVED by Dwight Washington and SUPPORTED by Raul Gonzales to adopt the amended agenda of May 8th, 2024 with the revision of moving action item #9, 'New Expense Contract: 2024 Vehicle Lease Program' to the beginning of the agenda.

MOTION CARRIED unanimously.

Public Comment on Agenda Items:

None

BUSINESS ITEMS:

New Expense Contract: 2024 Vehicle Lease Program

John Peiffer introduced Tyler Joldersma from Enterprise Fleet Management to the committee. John reviewed CEI's vehicle history from the last several years. He said there was a gap where we didn't purchase vehicles for five years. John's team has done the best job they can to keep the current fleet in shape, but it's time for new vehicles. Tyler introduced himself to the committee. He said Enterprise works with several CMHs in Michigan and is familiar with how they work. Tyler shared that Enterprise manages its own fleet of nearly 2 million vehicles.

Tyler then reviewed CEI's fleet synopsis. He said CEI currently has an aged fleet,

with 64% of vehicles being over 10 years old. The current fleet age is negatively impacting the overall budget and fleet operations. Tyler said CEI is looking at a savings of about \$900k over the next 10 years with leasing vehicles. He noted that new vehicles will require much less maintenance, saving CEI dollars over each month. Tyler said that Enterprise has a comprehensive maintenance program using businesses in the local community. John said we will likely lease 100-105 vehicles at any time.

Joe Brehler asked about terminating the contract if needed? Tyler said CEI would just have to pay off the leases for the cars in our inventory and that would be it. Discussion ensued about electric vehicles and what the cost would look like for CEI leasing electric vehicles. John said the plan was to include a couple of electric cars in the fleet.

ACTION:

MOVED by Raul Gonzales and **SUPPORTED** by Joe Brehler that the Finance Committee of the CMHA-CEI Board of Directors authorize CMHA-CEI to enter into a new expense contract for new leased vehicles with Enterprise Fleet Management Inc., 2720 28th Street SE Grand Rapids, Michigan 49512-1621, where CMHA-CEI will lease its new replacement fleet vehicles used to transport consumers and staff and maintain an annual projected vehicle budget spend of no greater than \$727,624.00.

MOTION CARRIED unanimously.

Expense Contract Amendments: Residential Type B

Karla Block presented this item for CEI's B Homes. She is presenting this to the committee after the B-Home RFP process, which happens every three years. The homes below were selected through the RFP process.

ACTION:

MOVED by Joe Brehler and **SUPPORTED** by Raul Gonzales that the Finance Committee of the CMHA-CEI Board of Directors authorize CMHA-CEI to enter into contract amendments to purchase Type-B Residential Services, inclusive of Community Living Supports (H2016) and Personal Care (T1020), from the providers

listed below at the amended rates for the period of May 1, 2024 through September 30, 2024.

| Type-B Residential Service Rates | | | | | | | |
|---------------------------------------|-----------------|--------------------|--------------|-------|-------|----------------|-----------------------------|
| Provider | Location | Address | City | State | Zip | License Number | H2016 & T1020 Per Diem Rate |
| Hope Network New Passages | Coulson | 6430 Coulson Ct | Lansing | MI | 48911 | AM330092211 | \$184.06 |
| Hope Network New Passages | Eureka | 7808 Fremont St | Eureka | MI | 48833 | AM190095524 | \$185.79 |
| Hope Network New Passages | Holt | 5850 Holt Rd | Holt | MI | 48842 | AS330095304 | \$254.02 |
| Hope Network New Passages | Loretta | 6040 Loretta | Lansing | MI | 48911 | AM330080027 | \$213.71 |
| Alternative Services Inc. | Bradford | 7757 Chandler Rd | St Johns | MI | 48879 | AS190010545 | \$254.02 |
| Alternative Services Inc. | Oxford Mason | 3375 Harper Rd | Mason | MI | 48854 | AS330011145 | \$254.02 |
| Alternative Services Inc. | Van Atta | 4817 Van Atta Rd | Okemos | MI | 48864 | AS330011149 | \$254.02 |
| Alternative Services Inc. | Williamston | 3962 Vanetter Rd | Williamston | MI | 48895 | AS330011157 | \$254.02 |
| Alternative Services Inc. | Willoughby Road | 5343 Willoughby Rd | Lansing | MI | 48911 | AS330311852 | \$228.08 |
| Bay Human Services | Beech Street | 415 Beech St | Charlotte | MI | 48813 | AS230378862 | \$265.98 |
| Bay Human Services | Heritage | 4020 Aurelius Rd | Lansing | MI | 48910 | AM330378865 | \$187.64 |
| Central State Community Services Inc. | State | 7099 State Rd | East Lansing | MI | 48823 | AS190095475 | \$279.06 |
| Central State Community Services Inc. | Webb | 303 W Webb Dr. | Dewitt | MI | 48820 | AS190398354 | \$254.02 |
| McBride Quality Care Services, Inc | Grand Ledge | 803 W. Main St. | Grand Ledge | MI | 48837 | AS230417937 | \$254.02 |

| | | | | | | | |
|------------------------------------|-----------------------|----------------------|--------------|----|-------|-------------|----------|
| McBride Quality Care Services, Inc | Schavey | 1009 Schavey | Dewitt | MI | 48820 | AS190396495 | \$254.02 |
| McBride Quality Care Services, Inc | Turner | 14354 Turner Rd | DeWitt | MI | 48820 | AS190396493 | \$254.02 |
| Nova Vida | Bittersweet | 4535 Bittersweet Ln | Lansing | MI | 48917 | AS230010636 | \$279.06 |
| Nova Vida | Otto | 1693 N Otto Rd | Charlotte | MI | 48813 | AS230016074 | \$338.09 |
| Residential Options Inc. | DeWitt | 11262 Dewitt Rd | Dewitt | MI | 49264 | AM190015000 | \$187.64 |
| Residential Options Inc. | Green Meadows | 439 Green Meadows | Lansing | MI | 48917 | AS230079441 | \$228.08 |
| Residential Options Inc. | Kemler | 3138 Kemler Rd | Eaton Rapids | MI | 48827 | AS230010627 | \$254.02 |
| Residential Options Inc. | Thomas L. Parkway | 841 Thomas L Parkway | Lansing | MI | 48917 | AS230010623 | \$279.06 |
| Open Arms Link | Boichot | 14120 Boichot Rd | Lansing | MI | 48906 | AM190396226 | \$187.64 |
| Open Arms Link | Carlisle | 1369 Carlisle Rd | Charlotte | MI | 48813 | AS230396225 | \$228.08 |
| Open Arms Link | Open Arms New Horizon | 13768 Airport Rd | Lansing | MI | 48906 | AS190411912 | \$279.06 |
| Open Arms Link | Open Arms Stoll | 3285 W Stoll Rd | Lansing | MI | 48906 | AM190409578 | \$184.06 |
| Valley Residential Services Inc. | Greenfield | 12450 W Greenfield | Lansing | MI | 48917 | AS230068520 | \$254.02 |
| Valley Residential Services Inc. | Mulliken | 9120 E Eaton Hwy | Mulliken | MI | 48861 | AS230068521 | \$254.02 |
| Valley Residential Services Inc. | Santee | 138 E Santee | Charlotte | MI | 48813 | AS230010634 | \$254.02 |

MOTION CARRIED unanimously.

Revenue Contract Renewal: Michigan Department of Health and Humans Services, COVID-19 Comprehensive Services for Behavioral Health, ARPA/MHBG – ACT and Dual ACT/IDDT Financial Incentive Grant
Shana Badgley presented this item for a contract renewal with MDHHS.

ACTION:

MOVED by Raul Gonzales and **SUPPORTED** by Joe Brehler that the Finance Committee of the CMHA-CEI Board of Directors authorize CMHA-CEI to enter into a contract renewal with the Michigan Department of Health and Human Services (MDHHS) to provide funds to recruit, retain and reward ACT/IDDT staff members serving Clinton, Eaton and Ingham Counties for the period of May 1, 2024 through September 30, 2024 and receive \$59,901 for those efforts.

MOTION CARRIED unanimously.

Expense Contract Renewals

MOVED by Joe Brehler and **SUPPORTED** by Dwight Washington 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 expense contract renewals based on the fact that the information has been reviewed and the proposals are in line with agency responsibilities:

Expense Contract Renewal: ProAssurance Casualty Company (Professional Liability Insurance Renewal)

Under this contract renewal, ProAssurance Casualty will provide CMHA-CEI with professional liability (malpractice) insurance for the period of April 1, 2024 through April 1, 2025 and pay \$92,286.00 for this insurance coverage.

Expense Contract Renewal: The Accident Fund Insurance Company (Workers' Compensation Renewal)

With this contract renewal, The Accident Fund Insurance Company will provide workers' compensation insurance for the retroactive period of January 1, 2024 through December 31, 2024 and pay \$418,740.00 for this insurance coverage.

MOTION CARRIED unanimously.

Expense Contracts

MOVED by Joe Brehler 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 the following expense contracts based on the fact that the information has been reviewed and the proposals are in line with agency responsibilities:

812 East Jolly Road Electrical System Improvements and PDU Project

Under this new contract, CMHA-CEI will pay Summit Electrical Contractors P.O. Box 219 Haslett, Michigan 48840 for this project in the amount of \$42,100.00.

812 E Jolly Road: Parking Lot Asphalt Paving

John Peiffer noted that this item is being presented again because the last vendor was too busy in the Fall and not able to complete the work. This bid is lower than the last vendor, so things worked out in CEI's favor. CMHA-CEI will enter into an expense contract with Leavitt & Starck Excavating Inc., 16220 National Parkway Lansing, MI 48906 and pay \$216,666.00.

MOTION CARRIED unanimously.

Revenue Contract – New Lease: 4233 Appletree Lane Lansing, Michigan 48917

John said we used to have a contract with CBI for this location. CBI moved out and we renovated the home, and now McBride is taking over the home.

ACTION:

MOVED by Joe Brehler and SUPPORTED by Raul Gonzales that the Finance Committee of the CMHA-CEI Board of Directors authorize staff to enter into a new lease contract to lease 3,233 square feet of non-ambulatory residential space commonly known as 4233 Appletree Lane Lansing, Michigan 48917 directly to McBride Quality Care, whose address is P.O. Box 387, 209 East Chippewa St. Mt.

Pleasant, MI 48858, as Tenant, for the period of June 1, 2024 through May 31, 2027 and where McBride Quality Care will pay to CMHA-CEI as follows:

Tenant shall pay Landlord the sum of Thirty-One Thousand Five Hundred Twenty-One Dollars and 75/100 cents (\$31,521.75) at the monthly rate of Two Thousand Six Hundred Twenty-Six Dollars and 81/100 cents (\$2,626.81) per month to be received on or before the first of each month.

MOTION CARRIED unanimously.

Expense Contract – Lease Renewals

MOVED by Joe Brehler and SUPPORTED by Dwight Washington 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 lease renewals based on the fact that the information has been reviewed and the proposals are in line with agency responsibilities:

Expense Contract: Lease Renewal - 801 South Waverly Road Lansing, Michigan 48917 (Waverly Wellness)

Under this renewal addendum, CEI will lease an additional 1,653 square feet for suite 205 for the property located at 801 South Waverly Road, Ingham County, Lansing, Michigan 48917 from 801 S. Waverly LLC Inc., a corporation whose address is 801 S. Waverly Road Suite 301, Lansing, Michigan 48917-4200; for the period of June 1, 2024 through February 28, 2027 in accordance with the existing lease and pay as follows:

Eleven Thousand Fourteen and 46/100 Dollars (\$11,014.46) per month for Suites 202, 203, 204 and 205 beginning June 1, 2024 for a total amount of 7,998 square feet. The lease addendum includes an annual 3% increase for years beginning March 2025 and 2026 where the original lease expires on February 28, 2027.

Expense Contract - Lease Renewal: 1520 West Wieland DeWitt Township, Michigan

With this contract, CMHA-CEI will lease the property at 1520 West Wieland in DeWitt Township, Clinton County, Michigan from Sko (Roseanne) Schafer residing at 905 Glenwood Terrace Anniston, Alabama 36207, for the period of May 1, 2024

through April 30, 2027 and pay as follows:

CMHA CEI shall pay to the Lessor for the premises during the period of May 1, 2024 through April 30, 2027, the sum of Twenty-Three Thousand Eight Hundred Thirty dollars (\$23,830.00) --per annum and payable in installments of One Thousand Nine Hundred Eighty-Five dollars and 83/100 (\$1985.83) --per month.

MOTION CARRIED unanimously.

Unfinished Business

None

New Business

a. Q2 Financial Statement Review

Amy Rottman presented the financials through March 31st, 2024. She noted that CEI's current assets total \$68.1M. Liabilities as of 3/31 totaled \$116M. We currently have a negative balance in unrestricted net position, which is due to the pension liability.

Amy noted that year to date, we are tracking well as far as the operating revenues go. We are at \$98.7M as of March 31, which is about \$5M under budget. This is related to some vacancies in positions that were previously added to the budget.

The total operating expenses are at \$96M, which results in a difference in budget of about \$2M through March.

Amy then reviewed operating expenses by functional area. We are under budget in the claims and state inpatient budget line, which is likely because our projected increase in services is not as expected.

Amy wanted to note that another item on the report is Incurred but Not Reported (IBNR). This is an estimated number. We are currently expecting to spend less with the provider network than was expected when discussing the revised budget in December.

Then Amy reviewed the bucket report. This report is broken out by funding type. It is used to calculate what our return to MSHN may be at the end of the year. We are

projecting to lapse about \$14M by the end of FY24 at this point. Amy reminded the group that there are still several vacancies in positions where some of these dollars will be used. Sara wanted to emphasize that CEI has been hiring like crazy. Our job postings are down considerably.

Joe asked about additional Medicaid revenue from re-enrollments? Amy said we are still seeing additional dollars over what was projected.

When looking at the CCBHC column, we have total earned revenue of \$28.9M based on daily visits and the PPS-1 rate. Our cost to provide these services was \$25.2M, so we get to keep \$3.7M. This money is integral to keeping services afloat. When projecting this money out, our surplus will grow to about \$5.5M. Amy said the PPS-1 rate is dropping by about \$23. This is readjusted every year.

***b. Select Vice Chair for Finance Committee as of May 1, 2024**
Raul Gonzales nominated Joe Brehler.

ACTION:

MOVED by Raul Gonzales and **SUPPORTED** by Dwight Washington that Joe Brehler become Vice Chair for the Finance Committee.

MOTION CARRIED unanimously.

***c. Select Date and Time for Finance Committee as of May 1, 2024**

ACTION:

MOVED by Joe Brehler and **SUPPORTED** by Raul Gonzales to keep the current date and time of the Finance Committee meetings for the next year (second Wednesday of each month at 5:30 p.m.).

MOTION CARRIED unanimously.

Sara wanted to recognize the work that Sue and her Finance team have done to complete the B Home RFP. She went on to say that the fleet management idea was Sue's and she has been working alongside Sue and Sara to complete this project. Sue said she has gone through this process at a previous organization and it makes a lot of fiscal sense for CEI.

Public Comment:

None

The meeting was adjourned at 7:03 p.m. The next regularly scheduled Finance Committee meeting is Wednesday, June 12th, 2024 5:30pm, 812 E. Jolly Rd, Atrium.

Minutes Submitted by:

Darby Vermeulen

Finance Administrative Assistant