



COMMUNITY MENTAL HEALTH AUTHORITY  
CLINTON • EATON • INGHAM

## FINANCE COMMITTEE

### Meeting Minutes

Wednesday, June 12, 2013

5:30 p.m.

812 E. Jolly Rd., Conference Rm. G11-C  
Lansing, MI 48910

**Committee Members Present:** Joseph Brehler, Sara Clark Pierson, Raul Gonzales, Kay Randolph-Back, Chris Swope, Kam Washburn

**Committee Members Absent:** Deb De Leon (notified staff), Stephen Manchester (notified staff)

**Board Members Present:** None

**Staff Present:** Toby Bayless, Sharon Blizzard, Judi Cates, Andrew Hewat, Jackie Mitchell, John Peiffer, Robert Sheehan, Scott Struck, Kim Zimmerman

**Public Present:** None

#### **Call to Order:**

The meeting was called to order by Vice Chairperson Kam Washburn at 5:33 p.m.

#### **Previous Meeting Minutes:**

MOVED by Raul Gonzales and SUPPORTED by Kay Randolph-Back to approve the meeting minutes of May 8, 2013. MOTION CARRIED unanimously.

#### **Adoption of Agenda:**

MOVED by Raul Gonzales and SUPPORTED by Kay Randolph-Back to adopt the agenda as presented. MOTION CARRIED unanimously.

No comment on agenda items.

Chris Swope joined the meeting at 5:35 p.m.

#### **BUSINESS ITEMS:**

##### **Expense Contract Renewal: Relias Learning (CMHA-CEI)**

Sharon Blizzard presented a contract renewal with Relias Learning, formerly known as Essential Learning, for approval. The contract covers the cost of 1,000 licenses for staff to access online training. Ms. Blizzard commented that licenses have been purchased slowly over the past few years, and not at an amount that has required board approval. Staff are now requesting to renew all licenses at once for a five-year period.

#### **ACTION**

MOVED by Raul Gonzales and SUPPORTED by Kay Randolph-Back that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties authorize CMHA-CEI to renew its contract with Relias Learning (formerly Essential Learning) to purchase web-based online training services for CMHA-CEI staff for the period August 1, 2013 through July 31, 2018 at an annual membership fee of \$47,647.12.

**MOTION CARRIED unanimously.**

**Lease Expense Renewal: 551 Courthouse Drive, Charlotte, MI (CMHA-CEI)**

John Peiffer presented a contract renewal request for the space utilized by the Eaton County Counseling Center at 551 Courthouse Drive in Charlotte, MI.

**ACTION**

**MOVED** by Chris Swope and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties authorize CMHA-CEI to renew the lease for the property at 551 Courthouse Drive, Eaton County, Charlotte Michigan, from Eaton County 1045 Independence Blvd., Charlotte, Michigan for the period of July 1, 2013 through June 30, 2018 and pay as follows:

CMH-CEI shall pay to the Lessor for the demised premises during the following five year lease period:

July 1, 2013 thru June 30, 2018 Fifty Two Thousand Eight Hundred Thirty Three dollars (\$52,833.00) --per annum and payable in installments of Four Thousand Four Hundred Two dollars and Seventy Five Cents (\$4402.75) --per month.

**MOTION CARRIED unanimously.**

Sara Clark Pierson joined the meeting at 5:50 p.m.

**Lease Expense Renewal: 4902 South Cedar St, Lansing, MI (CMHA-CEI)**

John Peiffer presented a renewal request for space at 4902 S Cedar St in Lansing, MI, which currently houses the House of Commons Aftercare program. Staff are looking to move into CMHA-CEI-owned space, so the lease includes a 90-day termination clause.

**ACTION**

**MOVED** by Chris Swope and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties authorize CMHA-CEI to lease 455 square feet of office space at the property of 4902 South Cedar Street, Ingham County, Lansing Michigan from Susan McClees owner of Victory Clinical Services Inc which resides at 4902 South Cedar Street Lansing Michigan in Ingham County, for the period of July 1, 2013 through June 30, 2014 and pay as follows:

CMHA-CEI shall pay to the Lessor for the demised premises: the sum of Ten Dollars and Eighteen Cents per square foot (\$10.18), or the sum of Four Thousand Six Hundred Thirty One Dollars and Ninety Cents (\$4631.90) per annum and payable in installments of Three Hundred Eighty Five Dollars and Ninety Nine Cents (\$385.99) per month. Installment, payments shall be made during the month for which the installment is applicable.

**MOTION CARRIED unanimously.**

**New Lease Expense: Galewood Elementary, Classrooms 101 and 103, 512 Lovett St, Charlotte, MI (CMHA-CEI)**

The Transitions Charlotte program has requested additional program space. They currently share space at 551 Courthouse Drive in Charlotte with the Eaton County

Counseling Center. The two classrooms in Galewood Elementary will provide more space for the program at less than half the rent of current space.

**ACTION**

**MOVED** by Kay Randolph-Back and **SUPPORTED** by Chris Swope that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties authorize CMHA-CEI to lease the property at Galewood Elementary School, Classrooms 101 and 103 at 512 Lovette Street, Eaton County, Charlotte Michigan 48813 from Eaton Intermediate School District, 1790 East Packard Highway, Eaton County, Charlotte, Michigan 48813 for the period of July 1, 2013 through June 30, 2018 and pay as follows:

**CMH-CEI shall pay to the Lessor for the demised premises during the following five year lease period:**

**July 1, 2013 thru June 30, 2018 Ten Thousand dollars (\$10,000.00) --per annum and payable in installments of Eight Hundred Thirty Three dollars and Thirty Three Cents (\$833.33) --per month. Installment, payments shall be made during the month for which the installment is applicable.**

**MOTION CARRIED unanimously.**

**Amendment #2 of CMHA-CA SUD Provider Contracts (CMHA-CA)**

**Toby Bayless presented an amendment to the Coordinating Agency (CA) budget after a 6-month financial and performance review of CA providers. PA2 dollars are being increased to support growing substance abuse services. Staff are re-focusing dollars toward increasing case management and other less expensive prevention services, rather than more expensive residential treatment services.**

**Staff will report to the Program & Planning Committee how substance abuse services are changing and the results of increasing prevention services over the next year.**

**ACTION**

**MOVED** by Sara Clark Pierson and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties, in its role as Board of Directors of the Substance Abuse Coordinating Agency (CA), approve Amendment #2 for the SUD Providers to purchase SUD services for the period of October 1, 2012 through September 30, 2013.

**MOTION CARRIED unanimously.**

**New Expense Contract: Edge Partnerships and Appointees to the Branding Work Group (CMHA-CEI)**

**Robert Sheehan presented a request to contract with Edge Partnerships for the branding work CMHA-CEI has been working toward. He also requested the formation of a Branding Work Group and the appointment of 4 board members to the work group.**

**ACTION**

**MOVED** by Sara Clark Pierson and **SUPPORTED** by Chris Swope that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties authorize CMHA-CEI to enter into a contract

with Edge Partnerships, to purchase marketing and branding services from Edge Partnerships for work to start no sooner than July 1, 2013 and pay no more than \$30,000 for a negotiated set of services and deliverables.

**MOTION CARRIED unanimously.**

**MOVED** by Sara Clark Pierson and **SUPPORTED** by Chris Swope that the Finance Committee recommends that the Chairperson of the Community Mental Health Authority of Clinton, Eaton, Ingham Counties Board of Directors appoint up to four members of the CMHA-CEI Board of Directors, to be named at the June 2013 meeting of the CMHA-CEI Board of Directors, to serve on the Branding Work Group. The duties of this group include: the determination the stakeholder groups from which guidance will be sought in the identification of key brand components; the review and approval, or at the direction of the Board of Directors, recommend to the Board, the marketing position statement and/or creative brief which will provide the foundation for the development of the organization's brand; the review, and subsequent to review, the development of recommendations to the Board of Directors, on the name and logo to be adopted.

**MOTION CARRIED unanimously.**

**Midstate Health Network – Conflict of Interest and Board Appointment Resolutions (CMHA-CEI)**

Robert Sheehan presented the Conflict of Interest policy for the appointees to the Midstate Health Network Board of Directors, as well as for himself as Executive Director and a member of the Operations Council.

**ACTION**

**MOVED** by Chris Swope and **SUPPORTED** by Sara Clark Pierson that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties pass:

- the resolution approving the Conflict of Interest Policy related to the appointment of representatives from the Community Mental Health Authority of Clinton, Eaton, and Ingham Counties to the Board of Directors of the Midstate Health Network
- the resolution appointing representatives from the Community Mental Health Authority of Clinton, Eaton, and Ingham Counties to the Board of Directors of the Midstate Health Network and approving the Conflict of Interest Waiver for these appointments
- the resolution approving the Conflict of Interest Waiver for the role that the Executive Director of the Community Mental Health Authority of Clinton, Eaton, and Ingham Counties will play on the Operations Council of the Midstate Health Network.

**MOTION CARRIED unanimously.**

**New Revenue Contract: Fiduciary for Pre-Award Start-Up Costs for Midstate Health Network (CMHA-CEI)**

CMHA-CEI will serve as fiduciary for pre-award start up costs for Midstate Health Network. The start up costs will be incurred for certain regional and/or PIHP-related

functions prior to the date of official award by Michigan Department of Community Health. CMHA-CEI will be responsible for the initial payment of authorized and budgeted expenses, and be reimbursed in one of three ways: either through the use of current year Medicaid funds lapsed by the CMHSPs in the region, by the region after January 1, 2014, or by contracting with each of the CMHSPs for 1/12 of the cost.

#### **ACTION**

**MOVED** by Sara Clark Pierson and **SUPPORTED** by Kay Randolph-Back that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties authorize CMHA-CEI to enter into agreements with the CMHs that make up Midstate Health Network for a period of July 1, 2013 through December 31, 2013, under which CMHA-CEI will, serving as the fiduciary, pay up to \$1.82 million for Pre-Award Start-Up cost for Midstate Health Network and be reimbursed for the costs according to one of three options listed below in order of preference/priority.

**Option 1:** Midstate Health Network will seek approval from MDCH to allow reimbursement to CMHA-CEI for authorized pre-award start-up expenses in 2013 using current year Medicaid funds projected to be lapsed by Midstate Health Network affiliate CMHSPs if available.

**Option 2:** CMHA-CEI shall seek reimbursement from Midstate Health Network, subsequent to January 1, 2014, for all pre-award start-up costs incurred.

**Option 3:** If neither Option 1 nor Option 2 are permissible, CMHA-CEI shall furnish an invoice to each CMHSP on or about January 1, 2014 for one twelfth (1/12) of the total amount of authorized. It is the intent of the staff of CMHA-CEI and the other eleven CMHs which make up Midstate Health Network to have the cost of this contract borne equally by all twelve CMHs forming Midstate Health Network. The cost to CMHA-CEI, and to the other eleven CMH partners, is estimated to be no greater than (\$1.82 million/12) \$151,667.

The CMHs with which CMHA-CEI will make these agreements include: Bay-Arenac Behavioral Health, Huron County Community Mental Health Authority, Montcalm County Community Mental Health Authority, Newaygo County Community Mental Health Authority, Community Mental Health for Central Michigan, Gratiot County Community Mental Health Authority, Lifeways Community Mental Health Authority, Ionia County Community Mental Health Authority, Saginaw County Community Mental Health Authority, Shiawassee County Community Mental Health Authority, and Tuscola County Community Mental Health Authority.

**MOTION CARRIED** unanimously.

#### **Acceptance of Steady State Budget Projections for Fiscal Year 2013-2014 (CMHA-CEI)**

The Fiscal Year 2014 Steady State Budget project a preliminary excess of revenue over expense of \$138,620. The balancing of program specific grant/contract deficits of \$204,603, above the line proposals of \$1,157,432 for the continuation of CEI Emerging Markets initiatives, and the reservation of 1/3 of positive budget variance for wage increase negotiations leaves a budget deficit of \$928,617. At this time, staff are not preparing proposals to balance the budget due to the many unknown factors related to the formation of the new PIHP.

**ACTION**

**MOVED** by Chris Swope and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of the Community Mental Health Authority of Clinton, Eaton, Ingham Counties accepts the Steady State Budget Projections for Fiscal Year 2013/2014.

**MOTION CARRIED** unanimously.

**Old Business:**

**Fiscal Year 2014 MDCH Budget Details**

Robert Sheehan presented information from Michigan Department of Community Health. MDCH did not include Medicaid expansion in their projections, but they do include a 1.25% rate increase for Medicaid, and a number of grant opportunities that CMHA-CEI will apply for as they become available.

**New Business:**

**Adoption of Meeting Place and Time**

**MOVED** by Sara Clark Pierson and **SUPPORTED** by Chris Swope that the Finance Committee meet on the 2<sup>nd</sup> Wednesday of the month at 5:30 p.m.

**MOTION CARRIED** unanimously.

**Public Comment:**

No comment.

**Adjournment:**

The meeting was adjourned at 7:04 p.m. The next regularly scheduled Finance Committee meeting will be July 10 at 5:30 pm at the Community Mental Health Building, 812 E. Jolly Rd, Lansing, MI.

**Minutes submitted by:**

Jacqueline Mitchell  
Finance Secretary