

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD EXECUTIVE COMMITTEE MEETING
9:30AM – JUNE 23, 2023
NMRE OFFICE**

ATTENDEES:	Eric Lawson, Don Tanner
VIRTUAL ATTENDEES:	Ruth Pilon, Karla Sherman
ABSENT:	Gary Klacking
NMRE STAFF:	Eric Kurtz, Brian Martinus, Deanna Yockey, Carol Balousek

Mr. Kurtz explained that the meeting was called to discuss issues pertaining to Northern Lakes CMHA.

Mr. Kurtz sent communication to NLCMHA Board Chair, Greg McMorrow, indicating that Brian Martinus' term as Interim CEO would end on June 30, 2025. Mr. McMorrow requested that Mr. Martinus remain Interim CEO through July 31, 2025, as a permanent CEO was expected to be in place by August 1, 2025. Mr. Kurtz agreed to the extension provided that: 1) the Northern Lakes CMHA Board move forward with the cost containment plan, and 2) Mr. Martinus not be required to present the cost containment plan to the six County Boards of Commissioners in his time remaining. Mr. McMorrow indicated that both issues would be clarified at the NLCMHA Board meeting on June 20, 2025. Unfortunately, only the issue of Mr. Martinus presenting to the six county Boards of Commissioners was addressed and the NLCMHA Board is still seeking more information and did not approve the cost containment plan.

Mr. Kurtz recently received communication from Rehmann regarding the cost allocation lookback. The payback due to the NMRE is estimated at \$3M per year but is not yet finalized. It was noted that FY20 data wasn't readily accessible due to a software conversion, but stored copies may be obtainable.

Earlier in June, the NLCMHA CFO requested cash advance based on the 2023-2024 cost settlement. It is likely, however, that whatever is owed to NLCMHA would be offset by what is owed to the NMRE for the cost allocation payback. It was noted that long-term investments were cashed out several months ago (totaling \$5M). Options for Northern Lakes to address cash flow issues include: 1) a loan, 2) the sale of buildings and/or other assets, and/or 3) a request to the counties. The current projected year-end overspend for Northern Lakes is at least \$9M. County Administrators are ready to push the button on the dispute resolution process.

Ms. Sherman asked how the County Boards of Commissioners are kept informed about issues at Northern Lake and whether the Chairs been copied on any correspondence. Mr. Kurtz responded that a commissioner from each of the six counties is represented on the Northern Lakes CMHA Board and it is normally the responsibility of those members (which is why they are there) to communicate with their respective counties.

Ms. Sherman suggested that a succinct and straightforward letter/executive summary be written to the six County Boards of Commissioners.

The region's options regarding Northern Lakes included:

- 1) Questioning the agreement to have Mr. Martinus remain as Interim CEO though July as the agreed upon contingencies weren't met.
- 2) Removing Northern Lakes CMHA from the NMRE governance structure.
- 3) Deciding what Medicaid functions the NMRE prepared to take over.

Ongoing financial oversight (by the six Counties) was recommended.

A special meeting of the Northern Lakes CMHA Board is scheduled for July 11th to interview CEO candidates. Voting on a permanent CEO is expected to take place on July 17th.

A recommendation to end Mr. Martinus' term effective June 30th will be made to the full NMRE Board on June 25th.