

COPPER COUNTRY COMMUNITY MENTAL HEALTH SERVICES BOARD

Wednesday, September 24, 2025 | 5:00 PM

Rice Memorial Center - Boardroom
901 W. Memorial Drive
Houghton, MI 49931

MINUTES

PRESENT: Richard Bourdeau, Randy Eckloff, Gail Eilola, Richard Herrala, Mike Koskinen, Linda Pelli, and James Tervo.

OTHERS: Mike Bach, Christopher Gelety, Leslie Griffith, Susan Serafini, and Angela Cline.

ABSENT: Roy Britz, Barry Fink, Katherine Carlson-Lynch, and Pat Rozich.

CALL TO ORDER: The meeting was called to order at 5:00 pm.

Approval of Agenda

MOTION: by Mr. Koskinen, seconded by Mrs. Pelli, that the September 24, 2025 agenda be approved with no additions, deletions, or amendments, as presented. Motion carried unanimously.

Approval of Minutes of August 28, 2024 Meeting

MOTION: by Mr. Koskinen, seconded by Mrs. Pelli, that the Minutes of the August 27, 2025 meeting be approved with no additions, deletions, or amendments, as presented. Motion carried unanimously.

Treasurer's Report for August 2025

MOTION: by Mr. Herrala, seconded by Mr. Eilola, that checks numbered 75006 to 75272 in the amount of \$1,736,353.24 and Combined Cash Investments Report for August 31, 2025 totaling \$10,130,042.82 are accepted and placed on file. YES: Bourdeau, Eckloff, Eilola, Herrala, Koskinen, Pelli, and Tervo.

Comments from the Public

There was no public present and therefore no comments to note.

Chairperson's Report: James Tervo, Chairperson, presented the Chairperson's Report.

NorthCare Governing Board Meeting – September 10, 2025 – Mr. Tervo stated the NorthCare Network Board report was provided in the Board meeting packets.

CMHA Annual Fall Conference – October 27-28, 2025 – Mr. Tervo stated the CMHA Annual Fall Conference is being held October 27-28, 2025 in Traverse City and he will be attending the conference. If any other Board members are interested in attending, please contact Executive Assistant, Angela Cline.

Great Lakes Rural Mental Health Association (GLRMHA) Fall Conference Update – Mr. Tervo stated the GLRMHA Conference was held at the Island Resort and Casino in Harris, MI. He reviewed the conference

evaluations and everyone noted that they would return next year. Mr. Eilola stated it was interesting to have the Legislators there and he enjoyed the recovery presenter. Mrs. Pelli stated it was nice to be there and to hear the differences between the U.P. and downstate, as well as meeting other Board members and staff from NorthCare. Mr. Tervo stated that the 2026 GLRMHA conference will be held at the Island Resort and Casino again. The Executive Committee will also be inviting Region 2 to attend to mirror the rural caucus and to share ideas.

Director's Report: Mike Bach, Executive Director, presented the Director's Report.

Recipient Rights Training – Christopher Gelety, Recipient Rights Officer, provided the annual Recipient Rights training to the Board.

Annual Review & Approval of Policies of Record – Mike Bach stated a list of the agency's *Policies & Procedures* was provided in the packet. Each policy is reviewed at least yearly by policy holders, compared to NorthCare's policies, and updated as necessary. Management is requesting Board approval of all policies of record.

MOTION: by Mr. Herrala, seconded by Mrs. Pelli, that the Board approves CCMHS' Policies of Record, as presented. Motion carried unanimously.

2025 Corporate Compliance Plan

Mike Bach reviewed the revised *2025 Corporate Compliance Plan* and stated Section VII, *Response and Prevention*, explains if there is any suspicion of fraud, waste, or abuse, the Corporate Compliance Officer will immediately report to NorthCare Network.

MOTION: By Mr. Eilola, seconded by Mr. Herrala, that the Board approves the revised *2025 Corporate Compliance Plan*, as presented. Motion carried unanimously.

FY 2026 Contract Renewals – Mike Bach stated a list of FY 2026 contracts and contract renewals that the agency will be entering into for FY 2026 were provided in the Board packet and includes the current rate and new rates.

MOTION: by Mrs. Pelli, seconded by Mr. Eilola, that the Board approves all FY 2026 contracts, as presented. Motion carried unanimously.

Michigan Rehabilitation Services (MRS) FY 2026 Interagency Cash Transfer Agreement – Mike Bach stated this is an agreement the agency enters into each year with Michigan Rehabilitation Services (MRS). The agency provides a local match contribution of \$8,500 to MRS who do a lot of work in schools and with adults related to employment.

MOTION: by Mr. Herrala, seconded by Mr. Eilola, that the Board approves the *MRS FY 2026 Interagency Cash Transfer Agreement*, as presented. Motion carried unanimously.

FY 2026 One-Time Pay Adjustment – Susan Serafini, Finance Director, stated the request for approval of a *FY 2026 One-Time Pay Adjustment Resolution* is for any funds that would be available in FY 2026, to be paid out in FY 2027 after the Financial Audit is complete.

MOTION: by Mr. Eilola, seconded by Mr. Bourdeau, that the Board approves the *FY 2026 One-Time Pay Adjustment Resolution*, as presented. Motion carried unanimously.

Policies & Procedures

AI Use for Healthcare Organizations (NEW) - The Eleos AI software is a tool for clinicians that summarizes their conversation and provides suggestions for language to help with timeliness. For nine staff in the pilot, it will cost \$10,000 and an agency policy is required before we can move forward.

MOTION: by Mr. Koskinen, seconded by Mr. Herrala, that the Board approves the new policy, *AI Use for Healthcare Organizations*, as presented. Motion carried unanimously.

Bring Your Own Device (NEW) – This policy establishes ground rules for staff who use personal devices to access organizational resources and if those staff decide to use AI, they will require the agency’s permission.

MOTION: by Mr. Koskinen, seconded by Mr. Herrala, that the Board approves the new policy, *Bring Your Own Device*, as presented. Motion carried unanimously.

Credentialing Program (REVISED) – The main revision to the *Credentialing Program* policy is regarding the use of the State of Michigan’s website as a database.

MOTION: by Mr. Herrala, seconded by Mr. Eilola, that the Board approves the revised policy, *Credentialing Program*, as presented. Motion carried unanimously.

Discharge from Residential Group Homes (NEW) – Leslie Griffith stated the agency only had a guideline for discharge from residential group homes and the State has specific requirements for discharge, so the Placement Committee proposed this policy.

MOTION: by Mr. Eckloff, seconded by Mrs. Pelli, that the Board approves the new policy, *Discharge from Residential Group Homes*, as presented. Motion carried unanimously.

Responsibilities for Reporting Non-Compliance (REVISED) – This policy was revised to explain if there are any suspicions of fraud, waste, or abuse, the Corporate Compliance Officer will immediately report to NorthCare Network.

MOTION: by Mr. Eilola, seconded by Mr. Eckloff, that the Board approves the revised policy, *Responsibilities for Reporting Non-Compliance*, as presented. Motion carried unanimously.

Approval for Bid for Intercom System to Alert of Lockdowns

The agency’s phone system does not handle alerts adequately and Management wants everyone in the building to know when there is a lockdown situation. Management is asking for approval of up to \$35,000 for the lowest bidder and approval for up to an additional \$20,000 to install the same system at the agency’s outlying locations.

MOTION: by Mr. Koskinen, seconded by Mr. Herrala, that the Board approves up to \$35,000 for the lowest bidder and up to an additional \$20,000 to install the same system at the agency's outlying locations, as presented. Motion carried unanimously.

Updates

Job Openings Data – Mike stated the agency is nearly covered for Direct Care Staff (DCS) openings and currently has a therapist opening. The agency also reached a tentative agreement with the Union.

Update on Bridge Health Provider Network – The Bridge Health Provider Network consists of NorthCare Network and Region 2's PIHP Board. These two PIHPs agreed to form a separate entity in order to bid on MDHHS' Request for Proposal. Mike stated he received a letter of commitment to join Bridge Health Provider Network which he signed and sent back to NorthCare.

Update on PIHP Bidout – The Director of MDHHS was questioned by the Michigan House of Representative's House Oversight Committee and she was unable to discuss their Request for Proposal.

Finance Director's Report: Susan Serafini, Finance Director, presented the Finance Director's Report.

Financial Statements for August 2025

Susan Serafini reviewed Revenues and Expenditures by funding source as of August 31, 2025 and stated over the past two months the agency has received an additional \$1,000,000 in Medicaid dollars from the State in addition to its cost savings settlement with NorthCare of approximately \$974,000. Susan Serafini reviewed the Balance Sheet as of August 31, 2025. The total cash at the end of August 2025 was \$10,130,042.82, which is a decrease of \$533,484.87 compared to the end of July 2025 of \$10,663,527.69. Total Net income for all funds at the end of August was \$1,267,136, an increase of \$140,067 from July. The General Fund is reporting a net income of \$963,969 compared to \$862,962 in July, which is an increase of \$101,007. All other internal service funds are reporting net income. There is a variance of 91.67% to be right on budget. Revenues are under budget due to the Medicaid fund. Expenditures are under budget in most categories except community inpatient, especially children's inpatient and children's outpatient.

Personnel Committee Meeting Report – September 22, 2025: James Tervo, Committee Chairperson, presented the Personnel Committee meeting report.

Mr. Tervo stated the Personnel Committee discussed the Union contract and a secretary wage level increase. The proposal is to move all secretary positions from level L1 to level L2, effective the first full pay period of the fiscal year. The cost is approximately \$24,000 annually. The Personnel Committee recommends to the full Board the approval of the secretary wage level change.

MOTION: by Mr. Koskinen, seconded by Mr. Herrala, that the Board approves the recommendation of the Personnel Committee to approve the secretary wage level change, as presented. Motion carried unanimously.

Finance Committee Meeting Report – September 24, 2025: Gale Eilola, Committee Chairperson, presented the Finance Committee meeting report.

Mr. Eilola stated the Finance Committee met tonight to review the FY 2025 General Fund final budget with revenues and expenditures of \$23,302,549 and the FY 2026 General Fund initial budget with revenues and expenditures of \$22,661,087.

MOTION: by Mr. Herrala, seconded by Mrs. Pelli, that the Board accepts the recommendation of the Finance Committee to approve the *FY 2025 General Fund Final Budget* with revenues and expenditures of \$23,302,549 and the *FY 2026 General Fund Initial Budget* with revenues and expenditures of \$22,661,087, as presented. Motion carried unanimously.

Mr. Eilola stated the Finance Committee reviewed the FY 2025 Institute final budget with revenues and expenditures of \$647,449 and the FY 2026 Institute initial budget with revenues and expenditures of \$497,761.

MOTION: by Mr. Herrala, seconded by Mr. Eilola, that the Board accepts the recommendation of the Finance Committee to approve the *FY 2025 Institute Final Budget* with revenues and expenditures of \$647,449 and the *FY 2026 Institute Initial Budget* with revenues and expenditures of \$497,761, as presented. Motion carried unanimously.

Mr. Eilola stated the Finance Committee reviewed the proposed FY 2026 Cost of Living Adjustment (COLA) of 3.5% and step adjustments for non-bargaining staff at step A to move to step B, step B to move to step C, and those frozen at their step for two or more years to move to the next step. The approximate cost is \$313,123.

MOTION: by Mr. Koskinen, seconded by Mr. Herrala, that the Board accepts the recommendation of the Finance Committee to approve the *FY 2026 COLA* and step adjustments for non-bargaining staff at step A to move to step B, step B to move to step C, and those frozen at their step for two or more years to move to the next step for an approximate cost of \$313,123, as presented. Motion carried unanimously.

Old / New Business

New Business – Mr. Eilola stated it was previously discussed to move the December Board meeting start time from 5:00 pm to 4:00 pm EST.

MOTION: by Mr. Herrala, seconded by Mr. Eilola, that the Board approves the December Board meeting start time from 5:00 pm to 4:00 pm EST, as presented. Motion carried unanimously.

Adjournment

MOTION: by Mr. Bourdeau that the meeting adjourn. The meeting was declared adjourned by Chairperson Tervo at 6:28 PM.

Submitted by,

James Tervo, Board Chairperson

Mike Koskinen, Board Secretary

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