

AGENDA

BAY ARENAC BEHAVIORAL HEALTH BOARD OF DIRECTORS FINANCE COMMITTEE MEETING

Wednesday, January 7, 2026 at 5:00 pm

Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

Committee Members:	Present	Excused	Absent		Present	Excused	Absent	Others Present:
Tim Banaszak, Ch	_____	_____	_____	Pam Schumacher	_____	_____	_____	BABH: Marci Rozek, Eric Strode, Chris Pinter, and Sara McRae
Sally Mrozinski, V Ch	_____	_____	_____	Christopher Girard, Ex Off	_____	_____	_____	
Richard Byrne	_____	_____	_____	Pat McFarland, Ex Off	_____	_____	_____	
Jerome Crete	_____	_____	_____	Robert Pawlak, Ex Off	_____	_____	_____	Legend: M-Motion; S-Support; MA-Motion Adopted; AB-Abstained
Kathy Niemiec	_____	_____	_____					

	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call		
2.	Public Input (Maximum of 3 Minutes)		
3.	Unfinished Business 3.1) Bay City Chamber of Commerce Accident Fund		3.1) No action necessary
4.	New Business 4.1) Investment Earnings Reports for Period Ending December 31, 2025 4.2) Finance January 2026 Contract List 4.3) Proposed Amendment to Nurse Practitioner Contract		4.1) Consideration of motion to refer the investment earnings reports for the period ending December 31, 2025 to the full Board for information 4.2) Consideration of motion to refer the Finance January 2026 contract list to the full Board for approval 4.3) Consideration of motion to refer the amendment to the employment contract with Nurse Practitioner Ashley Badour with terms expiring December 16, 2027 to the full Board for approval

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BAY ARENAC BEHAVIORAL HEALTH
BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING

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	4.4) Sweep Account Interest Income 4.5) Minimum Wage Effective 01/01/2026 4.6) Feasibility Study for Madison Building Expansion 4.7) Strategic Plan Initiatives & Dashboard Reports		4.4) No action necessary 4.5) No action necessary 4.6) Consideration of motion to refer the Madison Building expansion project feasibility study by TSSF Architects, Inc. for an amount not to exceed \$9,995 to the full Board for approval 4.7) No action necessary
5.	Adjournment	M -	S - pm

Bay-Arenac Behavioral Health Authority
Estimated Cash and Investment Balances Dec 31, 2025

Balance Dec 1, 2025	8,923,110.31
Balance Dec 31, 2025	7,262,174.98
Average Daily Balance	6,912,190.74
Estimated Actual/Accrued Interest Dec 2025	17,255.38
Effective Rate of Interest Earning Dec 2025	3.00%
Estimated Actual/Accrued Interest Fiscal Year to Date	45,800.55
Effective Rate of Interest Earning Fiscal Year to Date	3.20%

Note: The Cash and Investment Balances exclude Payroll and AP related Cash Accounts.

Cash Available - Operating Fund

	Rate	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Beg. Balance Operating Funds - Cash, Cash equivalents, Investments		7,785,099	5,777,598	5,192,261	4,585,448	7,971,323	6,179,005	4,597,768	6,261,517	6,775,688	5,966,633	5,274,202	8,431,919
Cash in		11,895,758	12,023,619	12,246,135	20,379,721	12,205,772	12,225,824	20,990,024	16,234,403	12,208,234	13,636,279	21,097,480	13,203,400
Cash out		(13,903,259)	(12,608,956)	(12,852,949)	(16,993,846)	(13,998,090)	(13,807,060)	(19,326,275)	(15,720,233)	(13,017,289)	(14,328,710)	(17,939,763)	(14,858,965)
Ending Balance Operating Fund		5,777,598	5,192,261	4,585,448	7,971,323	6,179,005	4,597,768	6,261,517	6,775,688	5,966,633	5,274,202	8,431,919	6,776,354
Investments													
Money Markets		5,777,598	5,192,261	4,585,448	7,971,323	6,179,005	4,597,768	6,261,517	6,775,688	5,966,633	5,274,202	8,431,919	6,776,354
	90.00												
	180.00												
	180.00												
	270.00												
	270.00												
Total Operating Cash, Cash equivalents, Invested		5,777,598	5,192,261	4,585,448	7,971,323	6,179,005	4,597,768	6,261,517	6,775,688	5,966,633	5,274,202	8,431,919	6,776,354
Average Rate of Return General Funds		3.50%	3.48%	3.45%	3.43%	3.42%	3.40%	3.37%	3.36%	3.34%	3.06%	2.94%	2.81%
		3.30%	3.38%	3.30%	3.32%	3.32%		3.26%	3.13%	3.28%	3.06%	2.81%	2.56%
Average		6,868,080	6,532,916	6,208,338	6,460,193	6,425,045	6,222,014	6,225,964	6,275,939	6,295,231	5,274,202	6,853,061	6,827,492

Cash Available - Other Restricted Funds

	Rate	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Beg. Balance-Other Restricted Funds - Cash, Cash equivalents, Investments		466,575	468,220	469,711	471,366	472,974	474,641	476,260	477,939	479,623	481,232	482,860	484,348
Cash in		1,645	1,491	1,656	1,608	1,667	1,619	1,679	1,684	1,608	1,628	1,488	1,473
Cash out													
Ending Balance Other Restricted Funds		468,220	469,711	471,366	472,974	474,641	476,260	477,939	479,623	481,232	482,860	484,348	485,821
Investments													
Money Market		468,220	469,711	471,366	472,974	474,641	476,260	477,939	479,623	481,232	482,860	484,348	485,821
	91.00												
	0.70%												
	91.00												
	1.10%												
	91.00												
	1.15%												
	91.00												
	1.35%												
	90.00												
	1.70%												
	91.00												
	2.05%												
	90.00												
	2.15%												
	365.00												
	80.00%												
Total Other Restricted Funds		468,220	469,711	471,366	472,974	474,641	476,260	477,939	479,623	481,232	482,860	484,348	485,821
Average Rate of Return Other Restricted Funds		4.84%	4.84%	4.84%	4.84%	4.84%	4.75%	4.68%	4.63%	4.58%	4.11%	4.11%	3.93%
		4.84%	4.84%	4.84%	4.84%	4.84%	4.02%	4.02%	4.15%	4.00%	4.11%	4.11%	3.58%
Average		465,725	466,523	467,330	468,136	468,942	469,762	470,615	471,434	472,251	482,860	483,604	484,343
Total - Bal excludes payroll related cash accounts		6,245,818	5,661,972	5,056,814	8,444,297	6,653,646	5,074,388	6,739,456	7,255,311	6,447,865	5,757,062	8,916,267	7,262,175
Total Average Rate of Return		3.58%	3.52%	3.51%	3.49%	3.49%	3.47%	3.44%	3.38%	3.39%	3.55%	3.33%	3.20%

Bay-Arenac Behavioral Health
Finance Council Board Meeting
Summary of Proposed Contracts
January 7, 2026

		Old Rate	New Rate	Term	Out Clause?	Performance Issues? (Y/N) Risk Assessment Rating (Poor/Fair/Good/Excellent)
SECTION I. SERVICES PROVIDED BY OUTSIDE AGENCIES						
<i>Clinical Services</i>						
1	S	Superior Care of Michigan LLC (Battle Creek, MI) Residential Services for one BABHA individual	\$276.60/day	Same	1/25/26 - 1/24/27	Y N
2	M	Westwood Specialized Residential LLC (Flint, MI) Residential Services for one BABHA individual. 1:1 staffing increased to up to 24 hrs/day	\$749.76/day plus \$25.50/hr for 1:1 staffing	Same	12/22/25 - 9/30/26	Y N
<i>Admin/Other Services</i>						
3	N	Jennifer Harrison Pain & Ethics Training - one day virtual training	\$0	\$1,800 for one full day of trng or \$200/hr for presentation time	4/17/2026	Y N
SECTION II. SERVICES PROVIDED BY THE BOARD (REVENUE CONTRACTS)						
SECTION III. STATE OF MICHIGAN GRANT CONTRACTS						
SECTION IV. MISC PURCHASES REQUIRING BOARD APPROVAL						
4	R	MMRMA Excess crime coverage - annual premium renewal	\$9,714	\$11,375	1/19/26 - 1/19/27	N/A N/A
5	S	The Doctors Company Professional liability insurance, Dr. Roderick Smith	\$4,322	\$4,322	2/1/26 - 2/1/27	N/A N/A
6	T	Telnet Termination of the agreement due to disconnect of service(s)	Varies; Approx. \$1,500/month	\$0	Terminated eff. 12/31/25	N/A N/A

R = Renewal with rate increase since previous contract
D = Renewal with rate decrease since previous contract
S = Renewal with same rate as previous contract
ES = Extension

M = Modification
N = New Contract/Provider
NC = New Consumer
T = Termination

Footnotes:

Bay-Arenac Behavioral Health
Account Payable Account Interest

<u>2025</u>	<u>Regular A/P Account Interest</u>	<u>Sweep Account Interest</u>
Jan	259.32	0.00
Feb	258.81	0.00
Mar	299.21	0.00
Apr	260.09	0.00
May	279.06	0.00
Jun	327.06	0.00
Jul	285.69	0.00
Aug	336.39	0.00
Sep	30.90	1,339.24
Oct	0.04	1,443.11
Nov	1.16	990.50
	<u>2,337.73</u>	<u>3,772.85</u>

Sweep Account established 9/15/25

Sara McRae

Subject: FW: SFY 2026 BH Capitation Rate Certification Materials

Importance: High

From: Chris Pinter

Sent: Wednesday, December 17, 2025 4:00 PM

To: Carol Mills <cmills@newaygocmh.org>; Chip Johnston (<CJohnston@centrawellness.org>
<CJohnston@centrawellness.org>

Subject: FW: SFY 2026 BH Capitation Rate Certification Materials

Importance: High

I don't understand this at all???

- The Supreme Court determined a **new minimum wage** amount for Michigan effective in 2025 and in future years based on litigation over the ballot initiative and subsequent amendments passed by the legislature several years ago.
- The Legislature also passed three direct care wage increases during COVID for certain staff totaling a cumulative amount of \$3.40 per hour. Each initial DCW increase according to L 24-59 required that wages be a certain amount **above** what the employee was already receiving at a certain point in time, i.e. **3-1-20, 9-30-23 and 9-30-24.**
- The 2026 boilerplate at 231(1)(a) requires **the DCW increase of \$3.40 per hour continue to be implemented**
- The 2026 boilerplate at 220 requires the Dept to include in the Medicaid rates **any state and federal wage and compensation increases that directly impact staff** providing the services eligible for the DCW increases in L 24-59.
- The FY2026 Rate certification includes (Page 25): **“Currently, this adjustment assumes the DCW add-on is additive to the new minimum wage**, bringing the effective hourly minimum wage assumptions for direct care workers, before consideration for overtime, to \$15.88 and **\$17.13** for the October 1, 2025 through December 31, 2025 and January 1, 2026 through September 30, 2026 time periods, respectively.”
- So the cumulative DCW increase of \$3.40 an hour is no longer based on what staff were being paid **on 3-1-20, 9-30-23 and 9-30-24 as in L 24-59** (and previous practice), but is now essentially **indexed to state minimum wage increases?** The minimum wage increase does not even affect them if they are already paid above it. How is this even legal?
- Most of my CLS staff already exceed both the DCW \$3.40 AND the increased minimum wage. Now we have to increase their pay in an amount equal to the minimum wage increase as well? So, it's no longer a **minimum wage** but rather **a minimum increase** for CLS staff? Why not just increase the \$3.40 add on as the legislature has done in the past for consistency? I did not see ANYTHING in the legislation, court decision or boilerplate that implied an additional increase for staff that were ALREADY ABOVE both the \$3.40 and any future new minimum wage. How are both the DCW requirement AND minimum wage increases **cumulative** without legislative action?
- And the L letter reference is out of context. It prevents employers from trying to meet their DCW obligations by simply counting a general state minimum wage increase as part of it. It does NOT automatically index future DCW increases to minimum wage changes unless the minimum wage would exceed what's already in place.

Am I missing something????? Don't get me wrong, I am willing to pay direct care staff as much as possible but this directive seems to be based on erroneous assumptions and not consistent with actual state law.

Not to mention that just like Waskul, it continues to inflate our service costs with no likely benefit to the consumer.

A PROPOSAL/AGREEMENT FOR THE PROVISION OF SPECIFIED PROFESSIONAL SERVICES

CLIENT: **Eric Strode**
Facilities Manager
Bay-Arenac Behavioral Health
(O) 989-895-2302
(M) 989-225-4907

DATE: January 5, 2026

TSSF PROJECT NO. 26_02

PROJECT:

BRIEF DESCRIPTION OF PROJECT:

Potential Building Study to the Madison Building and Parking- Single Story Structure

Part A – Services

Bay Arenac Behavioral Health – Building Addition to the Madison Building

Part A services shall include the development of preliminary design materials to support evaluation of a potential building project. These services include:

- Preliminary design studies, including sketches and conceptual floor plans for agency review and 2-D Exterior Elevations.
- A conceptual site plan illustrating parking configuration and overall building layout
- A conceptual opinion of probable construction cost based on the preliminary design
- Meetings with Bay Arenac Behavioral Health agency representatives and other key stakeholders involved in project decision-making
- Upon completion of Part A services and receipt of authorization from the Owner, TSSF Architects shall proceed with Part B services to further advance the project.

These services are intended to support early feasibility, planning, and internal review prior to advancing into subsequent design phases.

Next Phase – Part B Proposal (not included in this agreement)

- At the conclusion of the Part A Service Agreement, **TSSF** will provide a Part B Proposal for Architectural and Engineering Services to execute the approved plan.
- Part B Services will include Architectural, Mechanical, Electrical, Structural, and Civil disciplines as the basic scope.
- Additional services may be required upon request, such as Furniture, Food Service, Technology, and Environmental.

SCHEDULE: At direction of the owner

PROFESSIONAL FEE:

Lump Sum Amount.....**\$9,995.00**

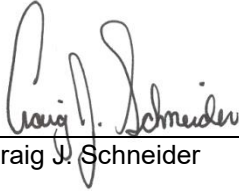
(The lump sum fee, as stated, will be billed on a monthly basis in accordance with work progress. Payment is due within thirty (30) days of the invoice date.)

SPECIAL CONDITIONS: The following services are available for additional fee if requested/required:

We can also provide additional services, including Structural, Environmental, Civil, Mechanical, and Electrical Engineering if necessary.

The attached Terms and Conditions are a part of this Agreement (two pages).

Offered By:



 (Signature) Craig J. Schneider

 President

 (Title)

January 5, 2026

 (Date Offered)

For: **TSSF Architects, Inc.**

Accepted By:

Note: Proposed fee remains valid when accepted within 30 days of date offered.

 (Signature)

 (Title)

 (Date Accepted)

For: _____
 (Company)

TERMS AND CONDITIONS

TSSF Architects, Inc. (TSSF) shall perform the services outlined in this agreement for the stated fee arrangement.

Access to Site

Unless otherwise stated, TSSF shall have access to the site for activities necessary for the performance of the services. TSSF will take precautions to minimize damage due to these activities, but has not included in the fee the cost of restoration of any resulting damage.

Fee

The total fee shall be a lump sum, unless indicated otherwise, and is valid for 30 days from date of Agreement. Where the fee arrangement is to be on an hourly basis or additional services are required, the rates shall be those that prevail at the time services are tendered. (Fee and rate schedule are as attached.) Rates and multiples for services as set forth in this agreement shall be adjusted in accordance with the Architect's normal salary review procedures.

Billings/Payments

Invoices for services will be submitted on a monthly basis and shall be payable within 30 days of invoice date. Invoice shall be considered PAST DUE if not paid within 30 days after the invoice date at which time TSSF may, without waiving any claim or right against the Client, and without liability whatsoever to the Client, terminate the performance of the service. A monthly service charge of 1.5% of the unpaid balance may be added to PAST DUE accounts. In the event any portion or all of an account remains unpaid 90 days after billing, the Client shall pay cost of collection, including reasonable attorney's fees. (Retainers shall be credited on the final invoice.)

Insurance

TSSF shall during the course of this project maintain (1) statutory workmen's compensation insurance coverage, (2) comprehensive general liability insurance coverage and automobile liability insurance coverage and (3) professional liability insurance.

Indemnification

The Client shall, to the fullest extent permitted by law, indemnify and hold harmless TSSF, its officers, directors, employees, agents and sub-consultants from and against all damage, liability or cost, including reasonable attorneys' fees and defense costs arising out of or in any way connected with this project or the performance of services by any of the parties above named under this Agreement, excepting only those damages, liabilities or costs attributable to the sole negligence or willful misconduct of TSSF.

Dispute Resolution

In an effort to resolve any conflicts that arise during the design or construction of the project or following the completion of the project, the Client and TSSF agree that all disputes between them arising out of or relating to this Agreement shall be submitted to non-binding mediation unless the parties mutually agree otherwise. The Client and TSSF further agree to include a similar mediation provision in all agreements with independent contractors and consultants retained for the project, thereby providing for mediation as the primary method for dispute resolution between the parties to those agreements.

Standard of Care

TSSF shall endeavor to perform its Professional Services with the standard of care, skill and diligence normally provided by a competent professional in the performance of such services.

Risk Allocation

In recognition of the relative risks, rewards and benefits of the project to both the Client and TSSF, the risks have been allocated such that the Client agrees that, to the fullest extent permitted by law, TSSF's total liability to the Client for any and all injuries, claims, losses, expenses, damages, or claim expenses arising out of this agreement from any cause or causes, shall not exceed \$500,000 or remaining insurance coverage available at the time of settlement or judgment, whichever is less. Such causes include, but are not limited to TSSF's negligence, errors, omissions, strict liability, breach of contract or breach of warranty.

Termination of Services

This agreement may be terminated upon seven days written notice by either the Client or TSSF should the other party fail to perform its obligations hereunder. In the event of termination, the Client shall pay TSSF for all services rendered to the date of termination, including all reimbursable expenses, and reimbursable termination expenses.

Assigns and Subcontractors

Neither Client nor TSSF shall assign, sublet or transfer any rights or interest in the Agreement without written consent of the other. TSSF may employ independent consultants, associates, and subcontractors to assist in the performance of these services as deemed appropriate by TSSF.

Changes

The Client may direct TSSF to make changes, including additions or deletions to the Services originally described herein. TSSF shall promptly notify Client in writing if such changes, additions, or deletions affect the time for performance of TSSF's services. An additional 8% to 10% A/E fee on Change Orders will be applied.

Ownership of Documents

The Client acknowledges that all reports, plans, specifications, field data, field notes, laboratory test data, calculations, estimates and other similar documents produced by TSSF and their consultants are instruments of professional service, not products. (The distinction is that the TSSF Design team provides services and does not sell plans or drawings) Ownership of all documents produced by TSSF shall remain the property of TSSF. The Client recognizes that documents produced by the TSSF Design team shall not be subject to re-use by the Client on any project other than what they were intended.

Alteration and Reuse of CAD Information

Client may be provided with copies of the work performed by TSSF in either electronic form or hard copy, (such as Record Drawings, As-Built Drawings, etc.) provided such service is specifically included under the terms of this agreement. Since computer aided design/drafting (CAD) information stored in electronic form can be modified by other parties, intentionally or otherwise, without notice or indication of said modifications, all electronic copies will be provided in PDF format only. Copies shall be used for information by Client for the specific purpose for which TSSF was engaged. Said material shall not be used by Client, or transferred to any other party, for use in other projects, additions to the current project, or any other purpose for which the material was not originally intended, without TSSF's express written permission. Any unauthorized modification or reuse of the materials shall be at Client's risk, and Client, therefore, agrees to defend, indemnify, and hold harmless, TSSF from all claims, injuries, damages, losses, and expenses, including attorney's fees arising out of the unauthorized modification of these materials.

Confidentiality

TSSF agrees to keep confidential and not to disclose to any person or entity, other than TSSF employees, sub-consultants, or general contractor and subcontractors, if appropriate, any data and information not previously known to and generated by TSSF or furnished to TSSF and marked CONFIDENTIAL by the Client. These provisions shall not apply to information in whatever form that comes into the public domain, nor shall it restrict TSSF from giving notices required by law or complying with an order to provide information or data when such order is issued by a court, administrative agency, or other authority with proper jurisdiction, or if it is reasonably necessary for TSSF to defend itself from any suit or claim.

Administration of the Contract

TSSF Architects will not have control over or charge of and will not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work; will not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents; and will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or of any other person performing portions of the Work.

Applicable Laws

Unless other specified, this Agreement shall be governed by laws of the State of Michigan.

TSSF Architects, Inc.
PROFESSIONAL SERVICES
 Compensation/Reimbursable Expenses Rate Schedule
 Effective January 1 thru December 31, 2026

Services Compensation

Where our compensation for services is based on hourly billing rates, time expended on behalf of the client/owner will be charged at the following rates:

CLASSIFICATION	HOURLY RATE
Project Architect/Principal	151.00/hr
Sr. Project Manager	142.00/hr
Project Manager	124.00/hr
Senior CAD Technician/Designer	119.00/hr
Interior Design Specialist	98.00/hr
Administrative Assistant	96.00/hr
CAD Technician/Designer	93.00/hr
Word Processor/Clerical	83.00/hr

Overtime authorized in advance by the client/owner will be charged at a rate equal to 1.5 times the above listed standard rate.

The above rates include overhead, profit and costs incidental to the performance of services.

Reimbursable expenses:

Expenses incurred on behalf of the client/owner and not normally included as part of our Basic Services compensation package will be charged at our cost plus 10% for administration. Such expenses include, but are not limited to, the following:

- Printing/reproduction, mailing/delivery costs for multiple sets of drawings, specifications and addenda for bidding and construction purposes
- Same printing etc., as above for other special purposes
- Travel lodging, meals, etc. for overnight duration
- Fees charged by Regulatory Agencies (Michigan DLEG, Bureau of Construction Codes, Bureau of Fire Services, Department of Community Health, Local Building and Zoning Officials, etc.)
- Costs of perspective renderings and models

Consultants:

When consultants are utilized to perform services for which the basis of our compensation is hourly billing rates, such services will be billed at our cost +12%, unless hourly unit rates have previously been established.

