MINUTES

BAY ARENAC BEHAVIORAL HEALTH
BOARD OF DIRECTORS
AUDIT COMMITTEE MEETING

Monday, August 17, 2026 at 5:00 pm
Room 225, Behavioral Health Center, 201Mulholland Street, Bay City, MI 48708

Committee Members:	Present	Excused	Absent	Committee Members:	Present	Excused	Absent	Others Present:
Pat McFarland, Ex Off, Ch	X			Staci Tuggle	X			BABH: Marci Rozek, Jessica Estabrook, Eric Strode, and Sara McRae
Tim Banaszak, V Ch	X			Sally Mrozinski, Ex Off		X		
Richard Byrne	X			Robert Pawlak, Ex Off	X			
Patrick Conley		X						Legend: M-Motion; S-Support; MA-Motion Adopted; AB-Abstained

	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call	Committee Chair, P. McFarland, called the meeting to order at 5:00 pm.	On the motion by R. Pawlak and support by T. Banaszak, P. Conley was excused. The motion passed unanimously. On the motion by T. Banaszak and support by R. Pawlak, S. Mrozinski was excused. The motion passed unanimously.
2.	Public Input (Maximum of 5 Minutes)	There were not any members of the public present.	
3.	Unfinished Business	There was not any unfinished business.	
4.	New Business 4.1) Selection of Disbursements & Health Care Claims from Summary Report 4.2) Financial Statements for the Period Ending July 31, 2026	4.1) Administration found the source information for the claims selected for review. 4.2) M. Rozek reported the financial statements needed to be corrected as there is an error in the line-item current assets due from other governmental units. This amount needs to be reduced by $1.9 million, which impacts revenue and fund balance. M. Rozek reported the revised financial statements will be presented at the board meeting. M. Rozek also reviewed the overall funding trends for Medicaid, Healthy Michigan, and Autism dollars. M. Rozek also reported the fiscal year 2027 revenue rates are anticipated by the end of August. There were general discussions	4.1) No action was necessary 4.2) On the motion by R. Byrne and support by T. Banaszak, the Financial Statements for the period ending July 31, 2026 as revised were referred to the full Board for approval. The motion was adopted unanimously.

		related to the per eligible per member Medicaid funding formula and that BABH spends more per capita on services in comparison to the other community mental health service program (CMHSP) in the Midstate Health Network (MSHN) region.	
	4.3) Electronic Fund Transfers (EFTs) for the Period Ending July 31, 2026	4.3) M. Rozek reviewed the EFTs.	4.3) On the motion by R. Pawlak and supported by T. Banaszak, the EFTs for the period ending July 31, 2026 were referred to the full Board for approval. The motion was adopted unanimously.
	4.4) Review of Selected Disbursements & Health Care Claims Chosen from Summary Report by CFO	4.4) Administration reviewed the disbursements and health care claim invoices selected for further review. These included E10818 for employee travel reimbursement; E10833 for employee travel reimbursement; E10850 for employee travel reimbursement; E10865 Hampton Auto Repair for vehicle maintenance and repair; E10869 McCoy Heating & Cooling for HVAC Preventative Maintenance at Horizon Home; 102961 McLaren Bay Region for Mulholland Rent; 102999 Valley Carpet for carpet repairs at Arenac Center; E10914 Central Square Medworxx Solutions for annual maintenance fee for policy and document management software; E10969 Gallager Insurance for medical director malpractice insurance; and E1106 Autism and Neurodiversity Services, LCC for autism services. There were general discussions related to the Ford Fusion vehicles needing repairs; vehicle repair procedure and discretion; and the admin/board is a department classification not necessarily that the charges apply to the board of directors.	4.4) No action was necessary
	4.5) Consideration of Approval of Disbursements & Health Care Claims Totals	4.5) The Committee reviewed the disbursement and claim totals.	4.5) On the motion by R. Byrne and support by T. Banaszak, the disbursements and health care payments from July 12, 2026 through August 14, 2026 were referred to the full Board for approval. The motion was adopted unanimously.
5.	Adjournment	On the motion by T. Banaszak and support by R. Pawlak, the meeting adjourned at 5:27 pm. The motion was passed unanimously.	

Pat McFarland, Committee Chair