

NOTICE OF SEMI-MONTHLY COUNTY BOARD MEETING

And AUDIT/FINANCE MEETING

PLEASE TAKE NOTICE that the Schoolcraft County Board of Commissioners will meet on **Thursday, May 22, 2025**, in the District Courtroom of the Schoolcraft County Building, Manistique, Michigan, commencing at **5:00 P.M.** The following is the proposed Agenda:

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Approval of Minutes: May 8, 2025, Special Board Meeting

5. Approval of agenda
6. Public Hearings:
7. Brief Public Comment
8. Old and unfinished business
9. New Business:

Indian Lake/Gulliver/McDonald Lake Authority Update
Resolution 25-2 Urging Action to Address the Public Mental Health Funding Shortfall – Reiter
Audit/Finance Committee Recommendations/Action Items

10. Committee and department reports
 11. Announcements and notices
 12. Public Comment
 13. Commissioner's Comments
 14. Communications
 15. Audit Claims and Vouchers
 16. Budget Adjustments
 17. Adjournment
- And, to take up and consider any other matter which may lawfully come before the Board at this time.

Paul Walker ,

Paul Walker, Chairperson
Schoolcraft County Board of Commissioners

Daniel Hoholik ,

Daniel Hoholik, Chairperson Audit-Finance
Schoolcraft County Board of Commissioners

Public may view this meeting via zoom (listening purposes only) no public comment or interaction via zoom.

Join Zoom Meeting
<https://us02web.zoom.us/j/5117745749>

Meeting ID: 511 774 5749
Passcode: 987456

**SCHOOLCRAFT COUNTY BOARD OF COMMISSIONERS
BOARD MEETING and AUDIT/FINANCE MEETING**

The Schoolcraft County Board of Commissioner's Board Meeting / Audit Finance Meeting met on Thursday, May 8, 2025, in the District Courtroom of the Schoolcraft County Building, City of Manistique, Michigan. Chairman Paul Walker called the meeting to order at 5:00 p.m. The roll was called with the following members present and/or absent:

Present:

Commissioner Bruce Birr
Commissioner Troy Bassett
Commissioner Paul Walker
Commissioner Daniel P. Hoholik
Schoolcraft County Clerk Beth A. Edwards

Absent: Commissioner Craig Reiter (excused)

Chairman Paul Walker led the Schoolcraft County Board of Commissioners and the members of the audience in the Pledge of Allegiance to the Flag of the United States of America.

It was moved by Commissioner Troy Bassett and was seconded by Commissioner Daniel P. Hoholik to approve the minutes of the April 24, 2025, Board and Audit Meeting of the Schoolcraft County Board of Commissioners. The motion carried by unanimous aye vote of the Board members present. [Copies of minutes are available at the Office of the Schoolcraft County Clerk.]

Chairman Paul Walker asked if there were any additions, deletions, or corrections to the printed agenda. Commissioner Paul Walker asked to add Building/Grounds and Airport Committee Action Items, Personnel Committee Action Items, and Brock Mortgage Discharge. **It was moved** by Commissioner Troy Bassett and was seconded by Commissioner Bruce Birr to approve the amended agenda. The motion carried by a unanimous aye vote of the Board members present.

"Public Hearings": It was moved by Commissioner Troy Bassett and was seconded by Commissioner Daniel P. Hoholik to enter a public hearing on Zoning Ordinance 25-1 to Regulate Data Centers. The motion carried by a unanimous aye vote of the Board members present.

No Comments were made.

It was moved by Commissioner Troy Bassett and was seconded by Commissioner Bruce Birr to end the public hearing on Zoning Ordinance 25-1 to Regulate Data Centers. The motion carried by a unanimous aye vote of the Board members present.

“Brief Public Comment”: None

“Unfinished Business”: None

“New Business”:

It was moved by Commissioner Troy Bassett and was seconded by Commissioner Daniel P. Hoholik to approve Zoning Ordinance 25-1 - Regulate Data Center. There was discussion. The motion carried by a unanimous aye vote of the Board members present.

It was moved by Troy Bassett and was seconded by Commissioner Bruce Birr to approve 25-3 Resolution Recognizing Specialty Treatment Court Collaboration of Community Resources and Proclaiming May Specialty Treatment Court Month. The motion carried by a unanimous aye vote of the Board members present.

It was moved by Commissioner Bruce Birr and was seconded by Daniel P. Hoholik to approve the L4029 – 2025 Schoolcraft County Tax Rate Request. The motion carried by a unanimous aye vote of the Board members present.

Heather LaLonde, County Treasurer, gave the Schoolcraft County Quarterly Investment Report.

It was moved by Commissioner Paul Walker and was seconded by Commissioner Bruce Birr to approve the purchase and install of District Court hallway window from Jeff’s Glass in the amount of \$4,940. The motion carried by a unanimous aye vote of the Board members present.

It was moved by Commissioner Bruce Birr and was seconded by Commissioner Paul Walker to approve the new job descriptions/duties for the County Treasurer Chief Deputy and Deputy. The motion carried by a unanimous aye vote of the Board members present.

It was moved by Commissioner Daniel P. Hoholik and was seconded by Commissioner Paul Walker to approve the job description/duties for the Zoning Administrator/911 Addressing. The motion carried by a unanimous aye vote of the Board members present.

It was moved by Commissioner Paul Walker and was seconded by Commissioner Daniel P. Hoholik to authorize Steve Videtich to advertise for Building/Grounds and Airport summer help – 29 hours per week, must be an actively enrolled college student at least 18 years of age, \$14.00 per hour. The motion carried by a unanimous aye vote of the Board members present.

It was moved by Commissioner Troy Bassett and was seconded by Commissioner Bruce Birr to approve the Lori Ann Brock Discharge of Mortgage and authorized Paul Walker, Board Chairman, to sign the discharge. The motion carried by a unanimous aye vote of the Board members present.

It was moved by Commissioner Bruce Birr and was seconded by Commissioner Paul Walker to approve the MGT Master Agreement for the Prosecutor’s Office Billing and authorize Paul Walker, Board Chairman, to sign the agreement. The motion carried by a unanimous aye vote of the Board members present.

It was moved by Commissioner Paul Walker and was seconded by Commissioner Troy Bassett to approve the Sheriff’s Department decal purchase for the new Truck not to exceed \$1,500. The motion carried by a unanimous aye vote of the Board members present.

Reports, the following matters were heard:

Commissioner Daniel P. Hoholik: attended Planning Commission, Audit/Finance Committee, Building/Grounds and Airport Committee, Personnel Committee, and EDC meetings.

Commissioner Paul Walker: attended Schoolcraft Memorial Hospital, Manistique City Council, Audit/Finance Committee, and EDC meetings.

Commissioner Bruce Birr: attended Manistique City Council, LMAS and Industrial Park Committee.

Commissioner Troy Bassett: attended Building/Grounds and Airport Committee and Personnel Committee.

Corey Barr, City Manager, reported on City of Manistique Projects, thanked Angie Buttermore for her assistance with Zoning, and wet land delineation for the Industrial Park.

Ashley Reitter, gave updates on the Soil Conservation District activities.

Pat Carley updated the Board on the Planning Commission work.

Steve Videtich updated the Board on the Bishop Baraga Park, the grub problem, Merwin Creek, Airport tree removal project with grinding and seeding being done this month, the ALP at the Airport needs to be updated, and the Schoolcraft County Airport will be the turn around point for the Oshkosh Air Show again this year.

Sheriff Charlie Willour reported they had hired a full-time employee, the Food Service provider will be changing, potential of the Schoolcraft Memorial Hospital providing medical services, one corrections officer will be going to the Corrections Academy in June, and the lights are being put on the truck.

Announcements and Notices: None

Public Comment: Janice Hooker addressed the Federal Proposed Budget and a rally Saturday at Triangle Park.

Commissioner's Comment: Daniel P. Hoholik addressed Indian Lake Authority Meeting, May 19, 2025, at 3:30 p.m.

Troy Bassett addressed Zoning Administrator/911 Addressing Administrator, Austin Clerk started on May 7, 2025.

Paul Walker addressed Mother's Day, Memorial Day, and Folk Fest.

Communications: None.

At 5:52 p.m., meeting was turned over to Craig Reiter, Audit-Finance Chairman.

It was moved by Commissioner Troy Bassett and was seconded by Commissioner Paul Walker to approve the claims and vouchers numbered **2170 through 2356**, inclusive. There was discussion. The motion carried by unanimous aye vote of the Board members present.

At 5:53 p.m., the meeting was turned back over to Chairman Paul Walker. Chairman Paul Walker asked if there was any further business to come before the Board.

It was moved by Commissioner Troy Bassett and was seconded by Commissioner Daniel P. Hoholik to adjourn. The motion carried by a unanimous aye vote of the Board members present.

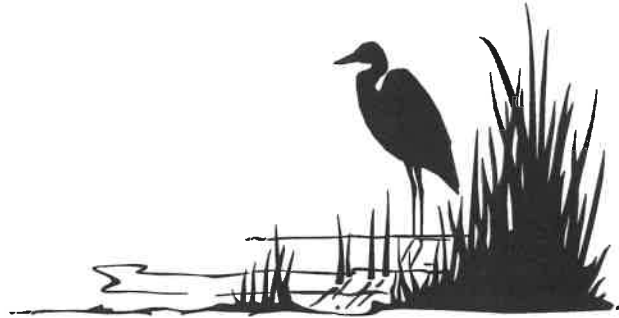
Chairman Paul Walker adjourned the Board and Audit Finance Meeting at 5:53 p.m.

Beth A. Edwards, County Clerk

Approved: _____

County of Schoolcraft

Chairperson, Paul Walker, District No. 4
Vice-Chairperson, Daniel P. Hoholik, District No. 5
Commissioner Bruce Birr, District No. 2
Commissioner Troy Bassett, District No. 3
Commissioner Craig Reiter, District No. 1
Schoolcraft County Board of Commissioners



Resolution No. 25-2

Schoolcraft County

Resolution URGING ACTION TO ADDRESS THE PUBLIC MENTAL HEALTH FUNDING SHORTFALL

WHEREAS, the Schoolcraft County Board of Commissioners recognizes that Michigan's public mental health system is facing a serious and escalating funding crisis, driven by several compounding factors, including the loss of Medicaid-covered lives, inflationary pressures, increasing demand for services, and expanding regulatory burdens; and

WHEREAS, the Michigan Department of Health and Human Services (MDHHS) is required under state law (MCL 330.1116 and MCL 330.1202) to promote and financially support an adequate and appropriate system of community mental health services programs (CMHSPs); and

WHEREAS, the State of Michigan has lost nearly 700,000 Medicaid beneficiaries since the end of the Public Health Emergency (PHE), resulting in reduced capitation payments to CMHSPs despite continued or increasing demand for mental health services; and

WHEREAS, funding increases for core behavioral health and intellectual/developmental disability services have not kept pace with medical inflation or the broader state budget growth, with only a 6% increase in the past five fiscal years compared to a 43% increase in the overall state budget and 25% in Medicaid expenditures; and

WHEREAS, the MDHHS has repeatedly underspent appropriated Medicaid funds, with a projected \$232 million in underspending in FY25 alone, and these unspent dollars are not being redirected to meet urgent service needs across Michigan's CMHSP system; and

WHEREAS, additional factors exacerbating this crisis include skyrocketing inpatient psychiatric and residential costs, significant underfunding of autism services, misclassification of Medicaid eligibility groups resulting in lost revenue, and a growing administrative burden that diverts staff time and resources away from direct care; and

WHEREAS, failure to adequately fund and streamline the public behavioral health system undermines the ability of CMHSPs to meet the needs of the most vulnerable residents—including children, adults with serious mental illness, individuals with intellectual and developmental disabilities, and those with substance use disorders;

NOW, THEREFORE, BE IT RESOLVED, that the Schoolcraft County Board of Commissioners urgently calls on the Michigan Department of Health and Human Services, the Michigan Legislature, and the Governor to:

1. **Fully allocate appropriated Medicaid behavioral health funds to CMHSPs** in fiscal year 2025 and beyond.
2. **Ensure capitation rates are actuarially sound at the regional and local levels**, and reflect the actual cost of service delivery, including inpatient care, specialized residential treatment, and autism services.
3. **Rectify the misclassification of Medicaid beneficiaries**, ensuring individuals are enrolled in appropriate coverage categories with mental health benefits.
4. **Account for new cost drivers**, including legislative changes such as paid sick leave and minimum wage increases.
5. **Significantly reduce unnecessary administrative requirements** that increase overhead without improving outcomes.

BE IT FURTHER RESOLVED, that copies of this resolution be transmitted to Governor Gretchen Whitmer, the Michigan Department of Health and Human Services, the leadership of the Michigan Senate and House of Representatives, and the Michigan Association of Counties.

Adopted this 8th day of May, 2025.

Paul Walker, Chairperson
Schoolcraft County Board of Commissioners

Beth A. Edwards, Clerk
Schoolcraft County Board of Commissioners

Drivers of Budget Shortfalls

in Michigan's Public Mental Health System



Michigan's public mental health system is facing significant funding challenges due to several factors, chief among them the loss of Medicaid funds as people lose coverage, flat funding for core services being outpaced by rising medical inflation, skyrocketing program costs, and an unrelenting administrative burden from state regulators.

Loss of Medicaid Covered Lives + Increased Demand for Services

Michigan's public mental health system receives a payment for everyone enrolled in Medicaid. The public mental health system consistently services 300,000 – 350,000/year.

Enrollees have decreased by 700K since the end of the Public Health Emergency (PHE)

Demand for services continues to increase



Skyrocketing Inpatient Psychiatric Hospital Costs

↑ **30%+**

Increase in psychiatric hospitalizations since the end of the PHE. (Demand)

↑ **\$1250+**

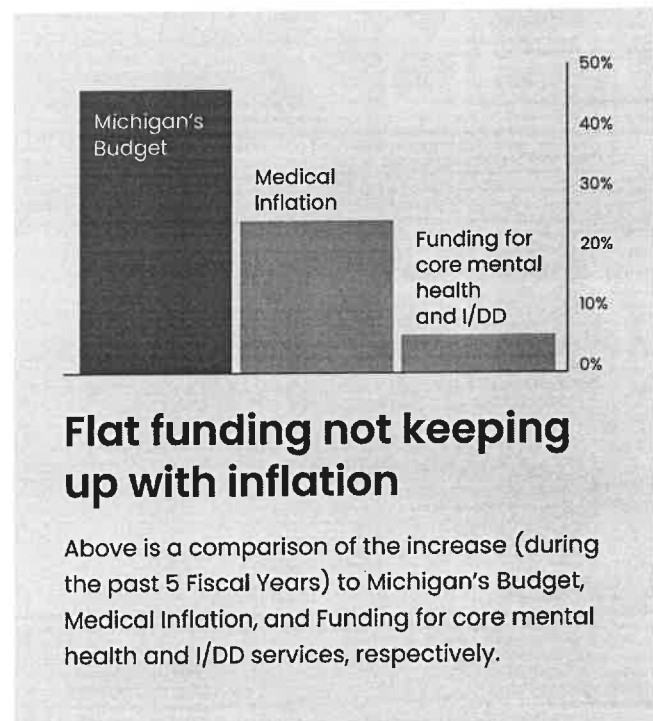
Daily rates of community inpatient care. (Cost)

Demand & Cost of Autism Services Continue to Increase



Across the state demand for Applied Behavioral Analysis (ABA) services have steadily increased. ABA costs

continue to increase. In FY25 the legislature approved a rate increase to \$66/hour. Autism services continue to be underfunded in the budget.



System Funding Falls Far Below Appropriated Levels

MDHHS sent out hundreds of millions (or 2/3 of billion) less to the system, for the past three years, than was intended by the State Legislature and Governor



NEARLY
600M

Projected total underspending between FY23 and end of FY25



Unsustainable Specialized Residential Costs

Since 2020 rates for specialized residential services have increased by over 70%. Some CMHs are forced to pay over \$2000/day for this service.

↑ 70%
Increase in rates for services

↑ \$2K/day
Cost to some CMHs.

MDHHS Administrative Burdens Overwhelming the Workforce

Since the end of the Public Health Emergency (PHE), **administrative burdens on the public mental health system have exploded.**



25%+

Increase in requirements, reports and documentation demands

In just the past five years, new requirements, reports and documentation demands have increased by more than 25%.

Community Mental Health agencies are now responsible for completing nearly 70 audits, reports and data submissions within a two-year period—that's more than three per month.

Medicaid Redetermination Irregularities

The movement of disabled, aged, and blind (DAB) beneficiaries to other Medicaid categories, has dramatically reduced the revenue expected and needed by the state's PIHPs.

↓ \$300M
Loss in revenue to the Prepaid Inpatient Health Plan (PIHP)

↓ 182%
Decrease in DAB months caused by the movement



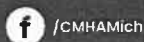
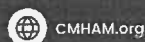
What we are asking

- Adjust Medicaid rates to accurately offset the disenrollment of the program.
- Urge MDHHS to push out already appropriated funds – STOP the Impoundment of Funds.
- Ensure that enrollees are slotted into the correct Medicaid bucket.
- Adjust Medicaid rates to accurately reflect the costs of services – Inpatient Hospitalization, specialized residential and autism.
- Dramatically reduce the unnecessary administrative burdens that go beyond federal requirements and that do not improve the lives of people served.



The Community Mental Health Association of Michigan is the state association representing Michigan's public Community Mental Health (CMH) centers, the public Prepaid Inpatient Health Plans (PIHP – public health plans formed and governed by CMH centers) and the private providers within the CMH and PIHP provider networks.

FOR MORE INFORMATION, PLEASE VISIT CMHA.ORG OR CALL 517-347-6848.



NOTICE OF COMMITTEE MEETING

PLEASE TAKE NOTICE that there will be a meeting of the *Audit-Finance Committee* of the Schoolcraft County Board of Commissioners on **Tuesday, May 20, 2025, at 3:30 p.m.** in the 1st Floor Conference Room, Schoolcraft County Courthouse, Manistique, Michigan.

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Discussion:
 - EGLE Materials Management Grant
 - Sheriff's Department Commissary Fund Credit Card
 - Demo Permit
 - Budget Review
 - Any other business brought before committee
5. Public Comment
6. Adjournment

and to take up and consider any other matter which may lawfully come before the Board at this time.

Daniel P. Hoholik

Dated: May 16, 2025

Daniel P. Hoholik, Audit-Finance Committee Chairman
Schoolcraft County Commissioner