



Board of Directors Meeting

Central Administrative Offices - 401 N. Sinnet Girard, KS 66743

Thursday, September 19, 2024

2:00pm – 4:30pm

1. Call to Order

Board Chairman, Steve Fincher called the meeting to order at 2:00pm.

2. Promise of Community Action

The Promise of Community Action was recited by those present for the meeting.

3. Roll Call

Attending the meeting in person were Board Members Steve Fincher, Christy Vulgamore, Boyd Koehn, Ayla Daugherty, C.W. Betz, and Marilyn Logan. Joining via Zoom was Stacey Wood. Board Members Stacey Wood and Heather Spaur were not present for the meeting.

Staff present for the meeting were Jamey Whitney, CEO, Janel Scales, CFO, Tiffany Romine, Program Development, Compliance and Reporting Manager, Craig Leabo, Housing Director, and Casey Brown, Community Engagement Coordinator.

Guests: No guests were present for the meeting.

4. Meeting Agenda

The meeting agenda for the July 18, 2024, meeting of the Governing Board was uploaded to the BOARDnetWORK prior to the meeting for members of the Board to review. Board members discussed the agenda before approval as it was presented.

A motion was made by Marilyn Logan to accept and approve the meeting agenda for the September 19, 2024, Board meeting. Ayla Daugherty seconded the motion. There was no further discussion, a vote was taken, and the motion was approved unanimously.

5. Board Business

C.W. Betz presented on behalf of the nominating committee. He passed out a copy of the resume for a potential candidate to the board. Since Steve Fincher will be retiring from the board at the end of this year, we will have a vacancy that we're looking to fill. As such the nominating committee met and discussed Jami Crowder. C.W. Betz brought this candidate to the board for consideration. The board discussed the fact that Crowder used to be an employee at SEK-CAP, but now works for Catholic Charities. She also sits on several other outreach boards.

A motion was made by Boyd Koehn to accept Jami Crowder to fill the vacancy on the board as presented to the governing body. Marilyn Logan seconded the motion. There was no further discussion, a vote was taken, and the motion was approved unanimously.

C.W. Betz also presented the slate of officers for the November meeting. Jamey Whitney also let members know that annually we seat new officers at that meeting. With the board chair's term coming to an end in September, the need to extend his term until the seating of new officers happens in November. This will allow for signatures to be obtained during the interim September – November. Discussion was had about how the process worked and it was agreed that the need to extend the terms for Steve Fincher and C.W. Betz until November was necessary. The slate of officers was presented to the board for Boyd Koehn to become the new board chairperson, Christy Vulgamore to remain as the Vice-Chairperson, and for Marilyn Logan to become the secretary. Currently we are looking for a board member to take on the role of Equal Employment Officer (EEO).

A motion was made by C.W. Betz to nominate new officers as presented to the board. The motion was seconded by Ayla Daugherty. There was no further discussion, a vote was taken, and the motion was approved unanimously.

A motion was made by Marilyn Logan to extend the term of the current officers until the November board meeting as presented to the board. The motion was seconded by Christy Vulgamore. There was no further discussion, a vote was taken, and the motion was approved unanimously.

6. Executive Session

The Board members went into Executive Session to discuss confidential information with Jamey Whitney, CEO, at 2:06pm for a period of 15 minutes. The Board came out of Executive Session at 2:17pm.

A motion was made by Marilyn Logan to enter into Executive Session for a period of 15 minutes. Ayla Daugherty seconded the motion. There was no further discussion, a vote was taken, and the motion was approved unanimously.

7. Consent Agenda

The following items were included as part of the Consent Agenda and were uploaded to the BOARDnetWORK prior to the meeting. Steve Fincher, Governing Board Chair, asked if any member wanted to remove or add any items from the Consent Agenda for discussion or if there were any corrections that needed to be made.

- a. Board Meeting Minutes for the Board of Director's Meeting held Thursday, July 18, 2024.
- b. Emergency Board Meeting Minutes for July 30, 2024.
- c. Policy Council Agendas and Meeting Minutes for the July and August meetings.
- d. Personnel Reports for August and September 2024.
- e. Credit Card Statements for the month of September for Walmart, VISA and WEX.

A motion was made by Marilyn Logan to accept and approve the Consent Agenda as presented to the Board. Boyd Koehn seconded the motion. There was no further discussion, a vote was taken, and the motion was approved unanimously.

8. Ongoing Business

a. Financial Reports

Janel Scales presented the financial reports to the governing board. Copies of the reports were uploaded to the BOARDnetWORK prior to the meeting. Janel presented the month of June to members first. The Transportation Grant ended June 30th. The

amount of state and federal were fully spent in addition to the local match. We were over budget as anticipated, due to an increase in salaries for the bus drivers, in order to be competitive. The Transportation department does have an overflow of funds that were from local match money during the COVID pandemic that allowed us to save. Our over budget was covered by that pool of money. Donations that riders give also go into the overflow pool. CSBG, TBRA, HUD and Weatherization for the month of June the budget hit with more paychecks as a few of our services end that month and July saw three paychecks. Early Childhood grants the center-based grant was fully spent, the home visitation was not fully spent, a budget revision was submitted to purchase vehicles with the rest of those fund; however, the state did not approve purchase of all the vehicles. At that point we couldn't submit another budget revision, so we purchased other supplies we needed but were still unable to spend the entirety of that grant. The grant we had with Coffeyville will end and come off the budget completely. CACFP shows were overspent, however, we do have money from overflow through the years that covered that cost. Marilyn Logan asked if we'd have to send back money to which Janel replied no since we'd never received it. Christy Vulgamore asked what the state does with the money that isn't spent. Janel replied that those were TANF funds, and she wasn't sure what the state did with them. Jamey Whitney added that he believed the state used those funds for social services. For the month of July KDOT starts over for 24-25 year. KDOT awarded funds that were requested in 23-24 instead of what we requested for 24-25. Early Childhood also started over July 1st for 24-25.

A motion was made by C.W. Betz to accept and approve the financial reports for May as well as the balance sheet as presented to the Board. Marilyn Logan seconded the motion. There was no further discussion, a vote was taken, and the motion was approved unanimously.

b. 401(k) Audit

Janel Scales presented the 401(k) audit to the board. Prior to the meeting, a copy of the audit was uploaded into the BOARDnetWORK. SEK-CAP is required to have an audit every year, additionally we are required to have an audit of our 401(k) plan. Employees are allowed to contribute to this fund, and after a year the agency can add to that contribution based on a tiered schedule. This audit was based on December 1, 2022, through November 30, 2023. This audit looked at the time when SEK-CAP was transitioning from Mutual of America to Security Benefit. Mutual of America did discontinue communication with SEK-CAP during the transition to Security Benefits making it a difficult transition. During the course of the audit, it was discovered that through this transition, and due in part to staff turnover in accounting, some of the 401(k) accounts had become delinquent. After months of discussion, it was discovered that although the payroll staff person was making the payments to Security Benefit (SB), SB was not taking the money out of our account. Since figuring this out we have not had any delinquent payments. Security Benefits has been much easier to work with. Additionally, through the course of working on this audit, SB discovered that Mutual of America had failed to file 5500 from plan year 2022 was never filed with the IRS. That ended up costing us \$2000 in fines and an additional payment to SB to help us get it filed. Janel assured members that we are now in a better position having transitioned to Security Benefit.

A motion was made by Marilyn Logan to accept and approve the 401(k) audit as presented to the Board. C.W. Betz seconded the motion. There was no further discussion, a vote was taken, and the motion was approved unanimously.

c. Federal HS/EHS 23-24 Budget Revision

Janel Scales presented the federal Head Start/Early Head Start budget revision to the board members. Due to vacant positions, there will be variance in the personnel and fringe lines of the federal budget which will need to be expended elsewhere. Janel said that she could move up to 10% of each budgeted line item but there was more than 10% in those line to be moved, which calls for a budget revision. Janel asked board members to approve the revision application submission to OHS.

A motion was made by Marilyn Logan to accept and approve the federal Head Start/Early Head Start budget revision application as presented to the Board. Stacey Wood seconded the motion. There was no further discussion, a vote was taken, and the motion was approved unanimously.

d. Utility Allowance Summary and Schedules

Craig Leabo presented the Utility Allowance Summary and Schedules to the board members. Prior to the meeting a copy of this document was uploaded to the BOARDnetWORK for review. Board members were asked to look over the schedule and summary. Craig informed members that there was not an increase over 10% in any category meaning there's not a required increase to the utility allowance schedule for HUD regulations. Since there was not any significant increase to utility allowance to those, we provide services to on our assistance programs since about 2018, we have seen an increase of an average of 4.5% over those six years, we plan to do a 10% increase across the board for those utility allowances. However, due to the decrease in fair market rent we will table the increase until next year. Otherwise, the utility allowance schedule stayed the same.

A motion was made by Boyd Koehn to accept and approve the Utility Allowance Summary and Schedules as presented to the Board. Marilyn Logan seconded the motion. There was no further discussion, a vote was taken, and the motion was approved unanimously.

e. Proposed Payment Standards

Craig Leabo presented the Proposed Payment Standards to the board members. Prior to the meeting a copy of this document was uploaded to the BOARDnetWORK for review. The standards presented are the HUD Fair Market Rents (FMR) for the year. As mentioned previously the FMR's decreased this year, which we haven't seen in a long time. Since the market doesn't seem to be flowing the same way, the decrease came as a shock in the low-income housing authorities. Last year HUD revised their formula for determining FMR and this caused an overcalculation creating a need to pull back to align with what the numbers should have been. This means we'll need to decrease our payment standards based on those FMR decreases. Craig reduced the costs low enough that if there continues to be a decrease next year it won't affect our tenants and clients, while also allowing for the gap increase in utility allowance we'd like to put into place next year. Payment Standards have to be set between 90-100 of the FMR's established by HUD; Craig put many of the rents at 105, those at 110 had to stay there so they weren't negatively affected receiving assistance on our programs. In Linn County we are required to use Small Area Fair Market Rents (SAFMR). Each zip code in Linn County has its own payment standard and FMR. We were required to align our payment standards with those different zip codes.

A motion was made by Marilyn Logan to accept the Proposed Payment Standards as presented to the Board. Boyd Koehn seconded the motion. There was no further discussion, a vote was taken, and the motion was approved unanimously.

f. Rental Property Divestment

Craig Leabo presented the Rental Property Divestment to the board members. Prior to the meeting a copy of this document was uploaded to the BOARDnetWORK for review. The Friday prior to the meeting, Jamey Whitney and Craig Leabo went to Cherryvale to close on the property we were selling there. Craig asked the board to extend the opportunity to sell in Erie as we struggle to find individuals who want to rent our properties there. Recently we had two of our tenants reach out to us inquiring about the purchase of the property, after they had gone through a financial program that Casey Brown has experience with, as they had been approved to purchase. Something we're looking to do in the future is asset building with those who are in our programs. Erie falls just inside the 30-mile radius we set out in our Strategic Plan for divestment of those properties. Presented were a total of 8 properties. The board would be giving authority to Jamey Whitney to negotiate and sell those properties to clients as their first time homes. Our intent is to work with our existing clients to help them build up their savings and learn about asset building in order to be in a position to purchase one of our homes.

A motion was made by Marilyn Logan to accept Rental Property Divestment as presented to the Board. Ayla Daugherty seconded the motion. There was no further discussion, a vote was taken, and the motion was approved unanimously.

g. HUD Notices

Craig Leabo presented the HUD notices to the board members. Prior to the meeting, a copy of these notices was uploaded to BOARDnetWORK. Members were encouraged to ask any question they might have had after looking through the funding notices presented by HUD to Jamey Whitney. There were no questions.

h. ACF Head Start Workforce Final Rule

Jamey Whitney presented the ACF Head Start Workforce Final Rule to the governing board members. He let them know that this was the initial program instruction that was sent out to all programs, however, there will be more to come on this. He got word that there was an approval to change in the performance standards. They've made modifications to the focus of those standards. Basically, the focus is to support the wages and benefits of the workforce, in addition to some changes to establish baselines for that, and better integration of mental health for not only children and families but also for staff and quality improvement and integration in other areas. OHS is giving programs until August 1, 2025, to provide competitive wages. We'll have to have a plan in place to show how we are competitive with other programs in the state. There will be guidance on how to accomplish these goals. While this is a mandate, there will not be additional funds provided to help accomplish these mandates.

i. ECES FA2 Areas of Non-Compliance Update

Jamey Whitney presented the ECES FA2 Areas of Non-Compliance Update to the governing board members. He let board members know that a written response was sent to the regional office to let them know that we understand the findings from their review, and how we're responding to those findings. The two areas were around screenings and health checks. Going forward screenings will be happening yearly. We met with regional offices to discuss communications to the board, staff, and ensuring procedures are written into policy. All of that was put together and sent to the regional office who will then send the report to the national office. Once the national office has reviewed the report, they will send their response to the regional office who in turn will let us know what the results are. If they are satisfied, we will be clear, if not we'll have to

provide further information until we get it right or they put us into re-competition. Jamey was hopeful that the information we sent was sufficient, but he anticipates more questions on policy recommendations.

j. Early Childhood Education Policy Council By-laws

Jamey Whitney presented the Early Childhood Education Policy By-laws to the governing board members. Prior to the meeting a copy of the by-laws was uploaded to the BOARDnetWORK for review. Jamey explained that the only change to these by-laws was highlighted in red and it involved putting a termination policy in place stating that if so many meetings were missed the policy council member would be asked to step down.

A motion was made by Boyd Koehn to accept and approve the Early Childhood Education Policy Council By-laws as presented to the Board. C.W. Betz seconded the motion. There was no further discussion, a vote was taken, and the motion was approved unanimously.

k. Early Childhood Education Policies

Jamey Whitney presented the Early Childhood Education Policies to the governing board members. Prior to the meeting a copy of the by-laws was uploaded to the BOARDnetWORK for review. Jamey talked about more policies that were put into place around information sharing for operations. A new structure will be coming out in December to follow the decision-making process from top to bottom. Wrap-around care was also included in the policy change. The Alice and Annie policy relates to dolls that are strategically hidden for staff to locate and report to their supervisor. This is intended to help keep staff on their toes as it pertains to children and tries to prevent accidents from occurring. It's used as a training tool. Admissions was updated as well.

A motion was made by Marilyn Logan to accept and approve the Early Childhood Education Policies as presented to the Board. Ayla Daugherty seconded the motion. There was no further discussion, a vote was taken, and the motion was approved unanimously.

l. CSBG Discretionary Grant Award

Tiffany Romine presented the results of the CSBG Discretionary Grant, which was awarded to SEK-CAP for training and technical assistance purposes. She explained that this award of \$13,000 will go towards the Strategic Planning Process to begin on Monday. Cindy Miles with the Kansas Alliance for Nonprofits will be working with board members, management team members, and staff to create and produce a new five-year plan. This process will begin in September and end in March of 2025. In April of 2025 we will have a one-day, off-site training for the management team. Board members asked to be sent a date and time for the kickoff event.

9. Executive Director Report

Jamey Whitney presented his Executive Report along with the directors' reports for each department. He assured members that most of the information in the report had already been shared during the meeting. He added that he and Janel would be driving down to attend a Head Start training in San Antonio, TX the last week of October. This two-day training was on the performance standards changes. The Annual Board Meeting will take place in November on the 21st, which will be a chance to say goodbye to Steve Fincher. Tiffany let board members know that the meeting would take place at our Apico building. The Transportation department received another award, and many counties have approached us to provide money to continue the

services in their areas. Bonterra, which owns our Apricot database system, has been working with William Holloway, Jimmy Mitchell, Krista Wood, and Tanya house to troubleshoot/fix the issues we've been having with the system. This is the time of year we renew our contract, which has become a large portion of the budget. William took the lead and let them know that no contract will be renewed until the issues are resolved. Some progress has been made to fix issues with a full team of software developers working on them. Permissions were not working properly. We are taking HR out of the Apricot system, which should help some. We'd like to move back to the original intent of Apricot for reporting on Early Childhood services.

10. New Business

a. Early Childhood Education: Change in Scope

Jamey Whitney presented the Early Childhood Education Change in Scope to the governing board members. Prior to the meeting a copy of the proposed changes was uploaded to the BOARDnetWORK for review. This would be a reduction in our enrollment across the program. For the change in scope, we looked at cutting costs, as an allowable use of funds without losing money. This would be accomplished by reducing slots. We are looking at reducing our federal center based by 68 slots, from 431 to 363 slots. For home-based slots, we're looking to reduce by 51 from 163 to 112 slots. This will be a total reduction program wide of 119 total slots reduced taking us from 594 to 475 slots. This will allow us to redesign our program outlay, reduce the slots of children served to focus more on improving the quality of the program. The application will be submitted by the end of September; the regional office has let us know that once they send it to the federal office it could be as little as two weeks or up to 90-120 days before we get a response. If approved, it would go into effect January 1, 2025. This would also help with the under-enrollment issue we've been having, which is the main purpose of the application. Boyd Koehn asked if any slots would be available in Elk County, Janel and Jamey replied no home-based slots would be available there. We have applied for slots through the school district, but nothing has been reported on that yet.

A motion was made by Ayla Daugherty to accept the Early Childhood Change in scope application as presented to the Board. Marilyn Logan seconded the motion. There was no further discussion, a vote was taken, and the motion was approved. There was one vote to oppose.

b. COC HOME Grant Opportunity

Casey Brown presented the COC HOME Grant Opportunity to the board members. This is a new grant opportunity. The COC falls under the umbrella of HUD. This project is intended to build permanent housing structures. The COC has one applicant. The grant allows for a request of up to \$5 million dollars with a 10% administrative rate, a 20% operations rate with the remaining dedicated to construction costs. For Kansas we are the only interested party still at the table. This grant requires certain partnerships to already be in place and existing. With us being a PHA and already having multiple partnerships along with SEK-CAP's history of managing grants, building homes previously, and owning homes as rental properties, we are uniquely positioned to apply for this grant. There is a 25% match which can be utilized through in-kind, cash, or rental income from units is also eligible for match funding. Our mental health partner is moving in a slightly different direction; however, we are still looking at building about 20 units for individuals who have a documented disabling condition. The initial application to the COC is due at the end of October, and the final application to the feds is due at the end of November. The federal government intends to fund 25 projects across the country. Of

those 25, not all will be awarded the same. There is a calculation formula in place to dole out the money for each awarded project based on total population and the current COC operating programs, the state of Kansas was capped at \$5 million.

A motion was made by Christy Vulgamore to accept the COC HOME Grant application as presented to the Board. Marilyn Logan seconded the motion. There was no further discussion, a vote was taken, and the motion was approved. There was one vote to oppose.

c. KDOT 5311 Grant

Jamey Whitney presented the KDOT 5311 Grant application. This will be written and submitted before the next meeting of the board occurs. We are seeking approval from the board to apply. We will be asking for continued funding for our current routes in addition to our counties we have added over the last year.

A motion was made by Ayla Daugherty to accept the KDOT 5311 grant application as presented to the Board. Marilyn Logan seconded the motion. There was no further discussion, a vote was taken, and the motion was approved.

11. Board Member Input/Other

There was no board member input or other business to discuss.

12. Adjournment

A motion was made by Boyd Koehn to adjourn the meeting. Marilyn Logan seconded the motion. There was no further discussion, a vote was taken, and the motion was approved unanimously. The meeting adjourned at 3:43pm.

Respectfully submitted,

Tiffany Romine

Tiffany Romine, Program Development, Compliance and Reporting Manager

Boyd G. Koehn
Boyd G. Koehn

Governing Board Official Name Signature Date *11-21-2021*