

**SEK-CAP Governing Board Meeting**  
**Thursday, March 21, 2024**  
**Central Office**  
**401 N. Sinnet, Girard KS 66743**  
**2:00 pm – 4:30 pm**

**1. Call to Order**

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

**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, Boyd Koehn, Christy Vulgamore, C.W. Betz, and Ayla Daugherty. Marilyn Logan and Joe Grisolano participated in the meeting via Zoom. Board members Heather Spauer and Stacey Wood were not present for the meeting.

Staff present meeting were Jamey Whitney, CEO, Janel Scales, CFO, Craig Leabo, Housing Director, Joanie Burke, Director of Early Childhood Education Services, Casey Brown, Community Engagement Coordinator, and Tiffany Romine, Program Development, Compliance, and Reporting Manager.

Guest: Neil Philips, auditor from Jared, Gilmore and Philips was present at the beginning of the meeting to present the audit and form 990.

**4. Agenda**

The agenda for the March 21, 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 amending the agenda to add to Section 10, New Business under subsection c, the Bourbon County Equity Action Grant opportunity; add to Section 12, Other/As the Need Arises, the governing board providing advice on Certificate of Deposits, in addition to the Early Childhood Expansion Grant in Coffeyville, Girard, Chanute and Pittsburg.

*A motion to amend and approve the augmented agenda to add to section 10 and section 12 was made by Boyd Koehn for the Thursday, March 21, 2024, meeting of the Board of Directors. The motion was seconded by Marilyn Logan. There was no further discussion. A vote was taken. The motion was approved unanimously.*

**5. Committees**

**a. Audit/Finance Committee: Annual Audit Review**

Prior to the meeting, the Audit/Finance Committee met with Neil Phillips, CPA for Jarred, Phillips & Gilmore PA, to discuss the results of the SEK-CAP, Inc. Annual Audit for Fiscal Year 2023. Members of the Board were provided with a copy of the Final Independent

Auditor's Report and Consolidated Financial Statements with Supplementary Information for the Fiscal Year End November 30, 2023, and 2022. Mr. Phillips began his report by stating the audit resulted in an unmodified opinion indicating that the numbers in the audit, based on testing, are a materially accurate representation for SEK-CAP's fiscal year ending November 30, 2023. The Basis of Opinion explains that the auditors follow generally accepted auditing standards for the United States as well as governmental auditing standards as a two-layer approach of testing due to federal funding received by SEK-CAP, Inc. The report provides clarification of the responsibilities of both the SEK-CAP, Inc. Management and Auditors. Mr. Phillips continued his report by discussing financial information, which was included in the audit, with board members. The information included Balance Sheet items – Assets: current and non-current, Liabilities: current and non-current, and Net Assets. The Statement of Functional Expense indicates total program expenses of 15.2 million dollars in funding that SEK-CAP, Inc. spent fulfilling its mission. Total expenses of 16.6 million dollars indicates that once again 92% of grant funds are being spent fulfilling the SEK-CAP, Inc. mission, as it was the previous year. This means that \$0.92 of every dollar is spent towards fulfilling the mission. Mr. Phillips continued by letting the board members know that SEK-CAP, Inc. has a \$107 million dollar impact on the local economy through federal dollars being brought into the agency. The audit results found no issues with internal controls of finances or compliance. Mr. Phillips ended his report with a synopsis for the Federal Government for the audit which reports no non-compliance, no material weaknesses, and an audit resulting in an Unmodified Opinion. Additionally, SEK-CAP, Inc. has successfully completed more than three years with no findings resulting from annual audits. Members of the Board were provided with the opportunity to ask questions concerning the audit report. C.W. Betz asked how long it took the auditors to prepare the report for the board. Mr. Phillips responded, more time than you think. Phillips remarked that we are one of the quicker agencies because of the integrity of our work.

*Joe Grisolano made the motion to receive and accept the formal audit for 2023 as presented to the Board members. The motion was seconded by Marilyn Logan. No further discussion was had. A vote was taken, and the motion was approved unanimously.*

#### **b. Form 990**

Neil Phillips of Jared, Gilmore, and Phillips, PA presented Form 990 for 2022/2023 to the Governing Board Members. He reported that all financial information on the 990 is reconciled to the audit for the IRS so they know the number match. The 990 shows the functional expenses of the agency. Mr. Phillips was excused from the meeting at 2:35pm.

*Christy Vulgamore made the motion to receive and accept Form 990 as presented to the Board members. The motion was seconded by C.W. Betz. No further discussion was had. A vote was taken, and the motion was approved unanimously.*

#### **6. Consent Agenda**

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



- a. Meeting Minutes for the Governing Board meeting held January 18, 2024.
- b. Policy Council Meeting Agenda and Signed Minutes for December 2023.
- c. Personnel Report for March 2024.
- d. Credit Card Statements for the months of March 2024 for VISA, Wal-Mart, and WEX.

*Christy Vulgamore made the motion to approve each item on the Consent Agenda as presented to the Board. The motion was seconded by Ayla Daugherty. No further discussion was had. A vote was taken, and the motion was approved unanimously.*

## **7. Executive Session**

The Board members went into Executive Session to discuss Agency issues with CEO, Jamey Whitney, CFO, Janel Scales, and Early Childhood Director, Joanie Burke at 2:41pm for a period of 15 minutes. The Board came out of Executive Session at 2:56pm.

*Christy Vulgamore made a motion to enter Executive Session for a period of 15 minutes. C.W. Betz seconded the motion. A vote was taken, and the motion was approved unanimously.*

The board members went back into the Executive Session to continue the conversation for a period of five minutes at 2:57pm. After a period of 3 minutes, the board exited the second Executive Session at 3:00pm.

*Boyd Koehn made a motion to enter back into Executive Session for an additional 5 minutes. Ayla Daugherty seconded the motion. A vote was taken, and the motion was approved unanimously.*

*Once back in session a motion was made by Marilyn Logan to not renew SEK-CAP, Inc. Head Start/Early Head Start's current contract/agreement with the Coffeyville school district. 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 members. The balance sheet as of the end of February did not take into account anything related to the audit, due to the audit not being completed at the time of the report. It showed Assets to Liabilities without audit adjustments. The proposed agency-wide budget was presented based on the previous year's amounts and considers grants we may or may not have and includes expenses and in-kind contributions. The January and February financial reports were presented to the board members with explanations of breakdowns of each category. Janel remarked that February had three pay periods this year.

*Joe Grisolano made the motion to receive and accept the FY2024 Agency Wide Budget, Balance Sheet, and financial reports as presented to the Board for review. The motion was seconded by Marilyn Logan. There was no further discussion. A vote was taken, and the motion was approved unanimously.*

### **b. Federal Head Start/Early Head Start Funding Carryover**

Janel Scales reported to the board members that the Federal Head Start Grant that ended November 30, 2023, had a remaining balance of \$83,669.48. OHS was made aware of this and in talking with them it was determined that we would request carryover for this year at the end of March 2024. Janel commented that we have had to request carryover for the past few years and OHS has been kind enough to accept those requests and allow the carryover of funds. We will be doing so once again this year.

*A motion was made by Christy Vulgamore to approve the carryover funding for Head Start/Early Head Start as presented to the Board. The motion was seconded by C.W. Betz. There was no further discussion. A vote was taken, and the motion was approved unanimously.*

**c. 2023 HOME Annual Report Notification Letter**

Craig Leabo presented the 2023 HOME Annual Report Notification Letter to the members of the Board. This report was informational to the Board letting them know that the documents Housing needed to upload and supply for the 2023 HOME Annual Report is due in Procorum by May 15, 2024, which would be right before the next board meeting.

**d. 2023 HOME Annual Report**

Craig Leabo presented the 2023 HOME Annual Report to the board members. As he presented the report, members were asked to sign the CHDO paperwork signifying that SEK-CAP, Inc. is still a Community Housing Development Organization (CHDO) and that the board members meet the requirements and qualifications to be board members for those properties. Members were then asked to sign the certification sheets and return those to Craig for submission in May. He then went on to explain the checklist of the report. Our Cherokee Duplexes are the last of our properties on the affordability period which will come off that program in September 2025. The list of habitability standards was also on the checklist Craig presented to the board, which shows what we do to maintain our properties through quarterly and annual inspections. Current utility allowance schedule was also included on this checklist. Craig also commented that part of the checklist was staff development. He noted that all of his staff signed up for online training in April.

*A motion was made by Ayla Daugherty to receive and accept the 2023 HOME Annual Report as presented to the Board. The motion was seconded by Marilyn Logan. There was no further discussion, and a vote was taken. The motion was approved unanimously.*

**e. CSBG Risk Analysis Matrix Tool 2024**

Jamey Whitney presented the CSBG Risk Analysis Matrix Tool that the Kansas Housing Resources Corporation (KHRC) required the network to fill out and return in December. Whitney let the board members know that this tool was developed by KHRC to determine the risk of each agency. A list of questions is sent out to each Community Action Agency, in which they are required to score themselves and return the sheet back to KHRC. They in turn give the agency their overall score which in turn determines the risk of that agency. A score of 20-35 is considered low, 36-45 moderate, 46-55 high, and 56-60 extremely high. SEK-CAP scored between 20-35 making us low risk.



*A motion was made by Boyd Koehn to receive and accept the CSBG Risk Analysis Matrix Tool for 2024 as presented to the Board. The motion was seconded by Christy Vulgamore. There was no further discussion, and a vote was taken. The motion was approved unanimously.*

**f. Risk Assessment (Executive Summary)**

Jamey Whitney presented the 2024 Risk Assessment's Executive Summary to the board members. Whitney told the board that our Organizational Standards require us to complete a Risk Assessment every two years. The last assessment was completed in 2022 so we were due to complete a new assessment this year. Whitney accessed the national Risk Assessment Tool to complete the document. The use of this document is for the planning purposes/processes to show which areas you may be at risk and how you can improve that risk. What stood out to Jamey was the cyber securities and volunteer areas. This tool is also helpful for pointing out areas we need to look at during our Strategic Planning and Implementation. The Risk Assessment Executive Summary was provided to all board members, with the complete assessment available upon request.

*A motion was made by Ayla Daugherty to receive and accept the 2024 Risk Assessment as presented to the Board. The motion was seconded by C.W. Betz. There was no further discussion, and a vote was taken. The motion was approved unanimously.*

**g. CSBG Award Amounts for April 1<sup>st</sup> Contract**

Jamey Whitney discussed the CSBG Award Amounts, which KHRC indicated would be the same at the 2022 funding year. \$486,414.47 is that amount; however, we have been on continuing resolution all year. Congress has not passed the final amount yet with a total allocation confirmation.

**h. Early Childhood Monitoring Review**

Joanie Burke presented the information around the Federal Review Focus Area 2 that will take place the first week of April (1<sup>st</sup>-5<sup>th</sup>) to the board members. Joanie let the board know that monitors would be conducting an entrance meeting with the Head Start Management Team and Jamey, and then doing on-site monitoring at different center locations with three reviewers. The monitors would also be conducting an interview with Board members on Wednesday, April 3 from 2:30-3 in which she asked that members sign up to discuss the Governing Board's involvement with the Early Childhood Services, either in person or via Zoom. The fiscal portion is to be virtual with Janel the entire week. The purpose is to see how we run reports and use those reports to manage the overall program. They are looking to see if systems align – does Apricot support the overarching systems of the program, are there any gaps within those systems that may be a cause in communication breakdown or failures with programmatic need. We previously had our Federal Review Focus Area 1 where Joanie provided answers to how we meet performance standards. The main reviewer will be in Girard conducting interviews with staff during that week. Reviewers requested that Joanie have a point person at each site they would be visiting to help direct them in any way they may need. Joanie worked with her management staff to assign one to each center for the purpose of directing reviewers. Joanie let board members know if they had further questions to email her. Board members asked what reviewers would be looking for during their interview with the Governing body, to which Joanie replied that she expected them to be looking for ongoing reports to the board to keep them apprised of the programmatic updates, financial reports, enrollment, percentage of disabilities, board input on

development of program options, grant applications, and programmatic governance through Policy Council.

## **9. Leadership Reports**

### **a. Chief Executive Officer**

Jamey Whitney presented his Directors Report, which was provided to board members in their board packets. He commented that his visit to Washington DC to a legislative conference in which he visited all the Representatives and Senator's offices in which he was surprised that talking about finances and funding everything was open to discussion. Finances were a hot topic with items that have not been reauthorized are in trouble of being pulled completely. He talked with Senators about supporting programs and to keep things status quo. Representatives were hard to meet with and he met with his aid instead. He went with packets from our agency and felt he was heard by staff. Other than that, Jamey commented that Programmatic Reports for all departments were in his report for the board to review.

### **b. Director of Early Childhood Services**

Joanie Burke reported to the board members that an RFP for the Head Start/Early Head Start Expansion Grant should be available soon and she will be working on getting submitted with the help of Janel and other team members. Due to being unable to access and use the drug/addiction facility in Girard they way we had initially intended, utilizing the \$200,000 provided by the county, we have been approached by another partner which would allow us to redirect those funds and still be able to use them in addition to the expansion grant funding to build a new center by the Apico building. The building would be smaller with about 2 Early Head Start classrooms. Coffeyville slots would be converted so as not to lose slots but transfer those over from Head Start to Early Head Start slots. Christy asked if we'd be transporting kids, Janel replied that the slots just move to another location, but children are not moved into a different county. This allows us to keep our funding and moves those slots to another location. She discussed more in depth what those slots would look like to members of the board. West Elk came and took a tour and have decided to partner with us.

## **10. New Business**

### **a. Annual Board Signatures**

Tiffany Romine reminded the board members of the specific documents that each member is required to sign each year, in addition to the CHDO documents required by Housing. The documents each member signs are Conflict of Interest, Code of Ethics, Nepotism, Confidentiality Agreement, Receipt of Agency By-laws, and the Whistleblower Policy.

### **b. CSBG Discretionary Grant Ideas**

Jamey Whitney asked Board members to think about potential grant ideas that the agency could apply for through the CSBG Discretionary Grant. He let them know that we are open to ideas. Every year KHRC opens Discretionary funding to help serve and improve the conditions of poverty throughout the state. Jamey asked if the board had any ideas for application to reach out to him or Tiffany Romine with those ideas and they would follow up.

### **c. Cherokee County Transportation COPE**

Jamey Whitney notified the board members that he presented to the Cherokee County Commission meeting and educated them on what Transportation does. The Commissioners



commented that they liked what we do however, they didn't have any money to provide to our program. They promised that they would be back with information on the impact we provide every year. They received a call the next day and the LHEAT found an additional \$21,000 to go towards providing transportation services three times a week for the next two years in Cherokee County. We serve thousands of people there and are able to provide those numbers to them in a report. We will continue to visit all the county commissioners throughout our area to advocate for transportation services and to ensure that we can reach more individuals in more counties.

#### **d. Bourbon County Action Team Grant Opportunity**

Casey Brown presented the Bourbon County Equity Action Team approached SEK-CAP with the option to apply for a Wal-Mart Foundation Fund in the amount of \$10,000 to continue to provide the transportation services for a full year in Bourbon County. Casey let board members know that we would be pursuing that opportunity in the next week. Jamey Whitney commented that Labette County provided funding to SEK-CAP before the Commissioners Meeting was held simply because they know that transportation is a huge need in their area.

#### **e. 401(k) Policy Changes**

Janel Scales presented to the governing board that our current 401(k) policy allows for changes to be made on a quarterly basis, but now that we've switched to Security Benefit, Robert Tersinar our representative, is going out and meeting with staff to get them signed up for the program. What we found is the paperwork was being filled out but due to the quarterly deadline would be missed with staff having to wait until that next quarter before they could contribute. The proposed change is that for forms dated before the 15<sup>th</sup> of the month to go into effect the first pay period of the following month, and forms signed after the 15<sup>th</sup> of the month will take effect the second pay period of the following month. This is to try and speed up the process now that more staff are signing up for the program. Steve Fincher asked why people were not signing up before the switch to Security Benefit. Janel replied that the previous company never visited with us to advise staff of the importance of signing up, and HR and the CFO are not financial advisors equipped to provide advice on the 401(k) program. Having Robert Tersinar be available to go meet with staff has increased the number of individuals signing up for the program.

*A motion was made by Boyd Kohen to accept the 401(k) Policy changes as presented to the Board. The motion was seconded by Ayla Daugherty. There was no further discussion, and a vote was taken. The motion was approved unanimously.*

#### **f. Vehicle Usage Policy**

Janel Scales presented the changes to the vehicle usage policy. Staff who utilize an agency vehicle (assigned to them) are required to pay the tax benefit which is the milage from their home to the office and vice versa. This has been done on a quarterly basis, but it has become apparent that trying to remember that quarterly is difficult. Therefore, the proposed change is to tax those individuals per pay period to make things more consistent from the payroll side, which will allow payroll staff to roll forward that amount each pay period and not have to continuously take it out/put it back in.

*A motion was made by Marilyn Logan to accept the Vehicle Usage Policy as presented to the Board. The motion was seconded by Ayla Daugherty. There was no further discussion, and a vote was taken. The motion was approved unanimously.*

**g. Sunflower Grant Award**

Tiffany Romine informed the board members that the Sunflower Foundation awarded us a grant of \$24,000 to go towards the replacement/upgrade of our servers in IT and to purchase some equipment for our IT Technician.

**e. ESG Grant Opportunity, 2024**

Casey Brown let the board know that KHRC had released their 2024 RFP for the Emergency Solutions Grant and that we intend to look at the application and apply for the Tiny Houses which would allow us to provide temporary shelter and help some TBRA clients. We discussed around \$60,000 request. Craig Leabo noted that funding through ESG would free up some of the CSBG funding that's going towards the Tiny Houses currently.

**11. Board Member Input**

No discussion was had.

**12. Other/As the Need Arises**

Jamey Whitney discussed the need for advice around the Certificate of Deposits. At our January meeting Joe Grisolano wanted Jamey and Janel to reach out to banks to negotiate a rate for Certificate of Deposits. Jamey said that they wanted to minimize the time spent doing that and in looking at expansions locally they would like to go out and negotiate decent rates with the three local financial institutions for the Certificate of Deposits. Joe Grisolano agreed that it was a good idea to do that with the three local banks in Girard, KS.

**Expansion Grant for HS/EHS**

Boyd Koehn commented that the board needed to make a motion to approve the application for the Head Start/Early Head Start Expansion Grant.

*A motion was made by Christy Vulgamore to approve the application for the Head Start/Early Head Start Expansion Grant. The motion was seconded by Ayla Daugherty. There was no further discussion. A vote was taken. The motion was approved unanimously.*

**13. Adjournment**

*A motion was made by Boyd Koehn for the adjournment of the meeting of the Board of Director's. The motion was seconded by C.W. Betz. There was no further discussion. A vote was taken. The motion was approved unanimously, and the meeting was adjourned at 4:05pm.*



Respectfully Submitted,

STEPHEN M. FISCHER      Stephen M. Fischer      5/16/2024  
Governing Board Official Name      Signature      Date