



# Southwest Michigan Community Action Agency

BOARD MEETING MINUTES

FY22 Annual Meeting



**Wednesday, February 16, 2022 at 6:00pm**

Van Buren Conference Center: 490 S. Paw Paw Street, Lawrence, MI 49064

**PRESENT:** R. Benjamin, C. Christopher, M. Franks, J. Johnson, K. Lyons, G. Patterson-Gladney, M. Underwood, M. Warren, J. Wuerfel

**ABSENT:** None

**GUESTS:** P. Sage of Kruggel Lawton, CPAs

**STAFF:** D. Oleneack, A. Slack, K. Smith Oldham

The meeting attendees stood and recited the SMCAA mission statement.

**QUORUM:** A quorum was established and the meeting was called to order at 6:00pm.

**AGENDA ACTION:** Motion made by **K. Lyons** to accept the February 16, 2022 Agenda, seconded by **M. Warren**. Unanimous approval; motion carried.

**MINUTES ACTION:** Motion to approve the January 19, 2022 Board Minutes was made by **J. Wuerfel**, seconded by **K. Lyons**. Unanimous approval; motion carried.

**ANNUAL MEETING:** **Executive Committee Election.** Per the Board's bylaws, every February meeting is the Board's Annual Meeting. An election of officers for the ensuing year should happen during this annual meeting. **K. Smith Oldham** facilitated the Board of Director's Executive Committee elections.

**K. Smith-Oldham** began with the open position of Chairperson. **K. Lyons** nominated **M. Warren**, who accepted the nomination. There were no other nominations. **R. Benjamin** moved to close the nominations for Chairperson, and **C. Christopher** seconded this motion. Unanimous approval, motion carried. **M. Warren** will remain Board Chairperson.

The Vice Chairperson position was opened to nominations. **K. Lyons** nominated **C. Christopher**, who accepted the nomination. There were no other nominations. **J. Wuerfel** moved to close the nominations for Vice Chairperson, and **R. Benjamin** seconded this motion. Unanimous approval, motion carried. **C. Christopher** will remain Board Vice Chairperson.

The Treasurer position was opened to nominations. **M. Warren** nominated **K. Lyons**, who accepted the nomination. There were no other nominations. **J.**



**Wuerfel** moved to close the nominations for Treasurer, and **R. Benjamin** seconded this motion. Unanimous approval, motion carried. **K. Lyons** will remain Board Treasurer.

The Secretary position was opened to nominations. **M. Warren** nominated **G. Patterson-Gladney**, who accepted the nomination. There were no other nominations. **K. Lyons** moved to close the nominations for Secretary, and **J. Wuerfel** seconded this motion. Unanimous approval, motion carried. **G. Patterson-Gladney** will remain Board Secretary.

Finally, the At-Large Member position was opened to nominations. **K. Lyons** nominated **M. Underwood**, who stated she would be willing to accept the offer under the acknowledgment that her position at the Van Buren Department of Health and Human Services prevents her from being a signatory for checks or an approver of disbursement of funds as it would be a conflict of interest. The Board expressed their understanding and acceptance of this criteria, and **J. Wuerfel** moved to close the nominations, and **M. Warren** seconded this motion. There were no other nominations. Unanimous approval, motion carried. **M. Underwood** will act as the Executive Committee's At-Large Member.

**ACTION:** A motion to close the Board Officer nominations was made by **M. Warren** and was seconded by **K. Lyons**. Unanimous approval; motion carried.

**GUEST REPORT:** **Single Audit Presentation - Kruggel Lawton CPAs.** **P. Sage** thanked the Board for welcoming him to the meeting and for choosing Kruggel Lawton for auditing services. Each Board member was provided a draft copy of the SMCAA Financial Statements and Supplementary Information, as well as P. Sage's business card in case a Board member would like to reach out to him with questions.

**P. Sage** thanked SMCAA for their willingness to make the audit process as smooth as possible, and he praised the SMCAA management team and staff members for another year of cooperation, readiness, and quick turn-around with inquiries. There were no significant audit findings and his staff encountered no difficulty in performing the audit.

**P. Sage** highlighted that the SMCAA financial statements as of September 30, 2021 expressed an unmodified opinion, which is the highest opinion possible to be derived from the reports and is classified as a "clean audit report."

**P. Sage** presented a complete breakdown of the Agency's federal awards through the Schedule of Expenditures of Federal Awards (pages 19-20). This information may be of keen interest to the Board. Due to SMCAA being a low-risk auditee, Kruggel Lawton is required to audit at least 20% of the Agency's federal expenditures, which is done by reviewing programs awarded more than \$750,000 in federal funding throughout the given fiscal year. The COVID Emergency Rental Assistance (CERA) program required a Single Audit for

FY2020-21. **P. Sage** was happy to report that the federal program/cluster did not have any material weaknesses or significant deficiencies identified. This is how the auditors' report issues an unmodified opinion on the compliance of these major programs. SMCAA again qualified as a low-risk auditee for FY2020-21.

**P. Sage** summarized the financial statements and discussed the Statement of Financial Position (page 3). The Agency's total net assets equal \$504,803, which is approximately a \$15,000 increase from FY2019-20. He stated this is an expected amount for a nonprofit organization such as SMCAA. Additionally, **P. Sage** reviewed the Statement of Activities (page 4), which shows an increase of nearly \$1.6 million in public support and revenue within the Agency.

**P. Sage** noted that the Form 990 is undergoing internal review at Kruggel Lawton and will be completed and filed well within the extended six (6) month deadline. This form will be made available to the Board once fully complete, per Organizational Standard 8.6.

**P. Sage** opened comments and/or questions to the Board. There were no questions, but **K. Lyons** commented that this audit was vindication of another year's hard work by the dedicated staff at SMCAA. **P. Sage** again thanked **K. Smith Oldham, D. Oleneack, A. Slack, G. Chadwick**, and the staff for a smooth process to complete this audit and the continued great work by the Agency as a whole.

**ACTION:** A motion to accept the Single Audit as presented was made by **K. Lyons** and was seconded by **C. Christopher**. Unanimous approval; motion carried.

**OFFICERS' REPORT:** **Executive Director's Evaluation.** Per the Board's bylaws and Organizational Standards (OS), the Executive Committee must conduct the annual performance appraisal of the Executive Director (OS 7.4) and report the evaluation to the entire Board. The evaluation includes surveys from each individual member of the Executive Committee, a self-evaluation from the Executive Director, and evaluations from the SMCAA Management staff members. **M. Warren** invited **K. Lyons** to present the evaluation report as she had volunteered to act as Evaluation Point-Person for the FY21 report.

**K. Lyons** presented the Executive Director's Evaluation. She detailed the Executive Committee's evaluation surveys, which were scaled 1 to 5 with 5 being Outstanding, 3 as Meets Expectations, and 1 as Unsatisfactory. The six (6) sections of the evaluation were rated as follows:

- A: Relations with Board of Directors – 5
- B: Strategic Planning – 4.95
- C: Program Development & Management – 4.95
- D: Financial Management – 4.2
- E: Staff Management & Relations – 4.75
- F: Community Relation & Advocacy – 4.96

Throughout her presentation, **K. Lyons** noted that the overall ratings for Sections C, D, and F did not compute accurately. Instead, they should be as follows:

- C: Program Development & Management – ~~4.95~~ **4.90**
- D: Financial Management – ~~4.2~~ **4.93**
- F: Community Relation & Advocacy – ~~4.96~~ **5**

The Board's overall rating for the Executive Director was a **4.9**.

**K. Lyons** then detailed the Leadership Staff Member's surveys, which were scaled 1 to 5 with 5 being Always and 1 Never. The questions pertained towards the Executive Director's role and responsibility at the office, which the Board may not be privy to on a day-to-day basis. The leadership staff overall rating was a **4.5**.

The combined assessment rating for the Executive Director was **4.7** out of 5. The top goals for the director in the upcoming year are as follows:

1. The Executive Director is a good teacher – explains things well and/or show us how to do things.
2. The Executive Director demonstrates an ability to foresee problems and utilize preventative problem solving strategies.
3. The Executive Director lets people know in a truthful, direct and timely manner how they are doing their job as a staff member of the Agency.
4. The Executive Director develops and utilizes a well-planned, fair and effective system for hiring, motivating and maintaining a highly qualified and diverse staff.
5. The Executive Director oversees the development and management of all fundraising strategies as agreed upon by the Board.

**K. Lyons** summarized by saying, "The Board and the Leadership staff feel **K. Smith Oldham** is performing at an Exceeds Expectations level. She did not receive a rating below 4 from the Board and did not receive a rating below 3 from the Leadership staff. Overall, we are all impressed with what **K. Smith Oldham** has accomplished over the past year, particularly because of the number of challenges (new programs, new grants, ever changing policy & procedure requirements, staffing issues, etc.) that she has successfully guided the Agency through.

It should be noted that **K. Smith Oldham** reported more areas to further excel than the Board identified. **K. Smith Oldham** is a pleasure to work with and we look forward to her continued success in guiding the Agency to great accomplishments."

**K. Smith Oldham** thanked the Board for a wonderful evaluation and for their motivating comments.

**ACTION:**

A motion to accept and place on file the Executive Director Evaluation as presented by **K. Lyons**, and with the mathematical updates to the distributed report's ratings for Sections C, D, and F, was made by **R. Benjamin** and seconded by **M. Underwood**. Unanimous approval, motion carried.

**Executive Director's Compensation Status.** Per Organizational Standard 7.5, the Board must annually review and approve the Executive Director's compensation. Based on the evaluation presented, **M. Warren** recommended an approval to raise the Executive Director's compensation status by 2%.

**M. Franks** commented that 2% was too low of an increase, and **K. Lyons** agreed. **C. Christopher** asked **D. Oleneack** if this percentage was in-line with the Agency's compensation step process. **D. Oleneack** stated she had met with **M. Warren** regarding this increase, and 2% is in-line with the Agency's step process, though staff's steps increase by 2.5%. However, the Executive Director's salary is not restricted to the step process like the Agency's other staff members. **C. Christopher** agreed that 2% seems low when the cost of living has increased over the past year. **K. Lyons** asked if 2.5% could be considered for the Executive Director as well, though she still feels this is too low.

**G. Patterson-Gladney** proposed an increase of 4% given the added responsibilities of the Executive Director in the past year with additional funding and programming. **M. Warren** asked **D. Oleneack** if 4% would be manageable, to which she responded that the Agency is doing well financially and the Board could refrain from being conservative with the compensation increase.

**R. Benjamin** asked what date this increase would be effective. **D. Oleneack** stated it has been tradition to date the increase as January 1<sup>st</sup>.

**ACTION:**

A motion to approve the Executive Director's compensation status by 4% effective January 1, 2022 was made by **R. Benjamin** and was seconded by **M. Franks**. Unanimous approval; motion carried.

**Request for Board Self-Evaluation.** **K. Smith Oldham** stated the Board bylaws that were adopted in August 2021 request the Board to complete an annual self-evaluation in order to measure progress towards its stated goals and objectives. The FY22 Board Self-Evaluation will be the first recorded and provide benchmarks for future years.

**A. Slack** provided a SurveyMonkey link to the Board to complete this self-evaluation. Hard copies can be made available upon request. Each Board member was asked to complete the evaluation by Friday, March 4, 2022, at which time **A. Slack** will compile the survey's results into a report to be presented at the March meeting.

Specifically discussing areas the Board sees a need or desire for trainings in the future, **K. Lyons** stated she would like to participate in a number of trainings as a Board member, even to see the day-to-day work within the Agency, but has found limited time to do so. **A. Slack** commented that this has been on her mind as well, and that she has been researching training options to assist the Board and be completed at each member's own pace. She has found some videos through CAPLAW and the National Community Action Partnership that are 10 minutes or less, and she is looking into them further to see if they may be viable options.

**C. Christopher** had nothing to report.

OLD BUSINESS: None

a. **Fiscal Summary for January 2022.** **D. Oleneack** presented the fiscal summary. This summary is 33% into the fiscal year and reflects a deficit, though **D. Oleneack** said she saw no reason for alarm. She noted January includes a quarterly rent payment for the Vincent Place and half of the financial audit expense to Kruggel Lawton. There were no additional notes she wished to highlight, and there were no questions from the Board.

A. ACTION: A motion to accept and place on file the Fiscal Summary was made by **R. Benjamin** and was seconded by **C. Christopher**. Unanimous approval; motion carried.

b. **Programmatic Report for January 2022.** **K. Smith Oldham** presented the programmatic report. **A. Slack** noted that the Census 2020's latest released demographics show a decrease to the population of Southwest Michigan, but an increase in the poverty rating. The total population decreased from 280,865 to 276,106, whereas the total percentage of the Southwest Michigan population living at or below poverty increased from 14.4% to 15.0%.

There were 135 households serviced with utility assistance, 6 households were provided deliverable fuel, and 53 households with rent or mortgage assistance. 1,722 households received food commodities from CSFP, 654 through a special TEFAP distribution in January, and 153 households received assistance through SMCAA food pantries. Four families of 7 individuals stayed in the shelter for a total of 217 bed nights, and 3 families of 6 individuals boarded in a local hotel for a total of 57 bed nights.

The Low-Income Household Water Assistance Program (LIHWAP) is beginning to see movement with municipalities enrolling into the program. Thus far, SMCAA has received executed MOU's from the following municipalities: Cass County Water System (Cass), Chikaming Township (Berrien), City of Benton Harbor (B), City of Dowagiac (C), New Buffalo Township (B), Sodus Township (B), Village of Cassopolis (C), Village of Decatur (Van Buren), Village of Eau Claire (B), Village of Marcellus (C), and Village of Three Oaks (B). The Village of

Lawton (VB) has returned its MOU as well, and it is currently seeking approval from BCAEO.

The FSS Program serviced 36 individuals in January. There were 3 individuals served through DHHS's Rapid Rehousing Consolidated and 9 through Supportive Housing. The water distribution in the City of Benton Harbor is seeing a dramatic decrease in self-serve numbers. In January, only 201 individuals and 53 households received 306 cases of water from SMCAA's self-serve station. To-date, a total of 304,261 cases of water have been distributed through the Agency and all community partners.

Two houses were weatherized in January, and there were 27 project work orders created. There were no Whole Housing Rehab projects completed, but 3 households received repairs or replacements through CARES funding.

A total of \$233,058.64 in funding assistance was awarded throughout the month.

**B. ACTION:**

A motion to accept and place on file the Programmatic Report was made by **C. Christopher** and was seconded by **M. Underwood**. Unanimous approval; motion carried.

**c. Director's Report for January 2022.** **K. Smith Oldham** presented the Director's Report. Some of the highlights over the past month included:

- **Agency Update-** Staff is working to ensure goals set through Agency logic models and programming funders are met. Management is busy with reporting, billing and issuing payments to a variety of vendors. Monitoring and auditing simultaneously happening throughout the past month as well, including the Financial Audit, Organizational Standards, Emergency Food and Shelter Program (EFSP), Weatherization, and both CSBG's Programmatic and Financial. Additionally, the FY21 Agency CSBG Annual Report was submitted to the State (BCAEO) before the due date and we are waiting to hear feedback.
- **WADIS-** The City of Benton Harbor Water Distribution Program is still running strong with home delivery number increasing. The site at the Benton Harbor High School has been running slower in the winter weather. There are 12 distributions each week – two 2-hour slots every day of the week except on Fridays -- and each time slot is averaging distribution to about 20-25 households.
- **Weatherization- S. Klank** has been gearing up to work on a new LIHEAP Deferral Reduction (DR) program. The Weatherization staff are going through files of deferred units to verify if applicants qualify for DR. Some applicants will need to reapply as guidelines state an application is only good for 12 months. While balancing this new program, Weatherization, and Housing Rehab, **S. Klank** is currently training a new Eligibility Specialist and has hired two additional Energy Auditors who will begin in February.



- **Notes from David Bradley-** D. Bradley, Community Action’s national lobbyist, has been working with the Secretary of the U.S Department of Energy, Jennifer Granholm, on essential updates to the Weatherization program. Some of the updates are as follows:
  - Replace the Savings-To-Investment Ratio (SIR) formula with one that reflects the full cost and benefits of WAP measures.
  - Standardize and simplify program processes (simplify the credentials and testing required for workers participating in WAP).
  - Invest more on average per home --currently average cost per unit (ACPU) is \$7,660, D. Bradley is requesting an increase of \$12,000.
- **Notes from Robb Kennedy-** R. Kennedy, Community Action’s state lobbyist and president of Friends of Community Action Agency, is currently working on a proposal to repeal both the Modernization of Public Act 230 (adopted in 1981) and PA 123 (adopted in 2003). Both PA 230 and 123 require State CA offices – the BCAEO -- to create a bureau of community services and a commission to reduce the causes, conditions, and effects of poverty. This is why the Michigan Commission on Community Action and Economic Opportunity was created, which **A. Slack** was seated in July 2021. R. Kennedy’s proposal would replace these two PA’s with a completely new Act so that moving forward we would have only one statute to reference and guide the Commission’s oversight. Proposed changes:
  - Gives the power of designation of an agency to the Commission in coordination with the Director (BCAEO).
  - Requires the Bureau’s performance reports of agencies to be shared with the Commission.
  - Creates a conflict-of-interest policy for CAA members who serve on the Commission as it relates to designation votes.
  - Moves the Board of Directors language to mirror CSBG Language.
  - Removes the requirement that nonpublic agencies operate under the Open Meetings Act and the Freedom of Information Act.

**K. Smith Oldham** also shared that at the beginning of January, **A. Slack** was nominated for the Southwest Michigan Regional Chamber's Rising Star Award. This award recognizes someone between the ages of 21-40 years old who has dedicated time and effort to career development programs as a way to achieve a higher level of expertise in their field of business as well as someone involved in community and civic activities. **A. Slack** is 1 of 4 nominees who are in the running for the Rising Star Award that will be announced at the chamber’s Business Recognition Ceremony on February 24<sup>th</sup>.

c. ACTION:

A motion to accept and place on file the Director’s Report was made by **K. Lyons** and was seconded **J. Wuerfel**. Unanimous approval; motion carried.

d. **Appointment of Authorized Signatories – Chairperson and Treasurer.** In consideration of the Executive Committee elections earlier in this meeting and for best business practices, **K. Smith Oldham** proposed to appoint **M. Warren**



and **K. Lyons**, respectively the elected Chairperson and Treasurer, as authorized signatories for the Agency.

There were no concerns or questions regarding these appointments.

D. ACTION: A motion to approve the Appointment of Authorized Signatory of **M. Warren** as Chairperson was made by **K. Lyons** and was seconded by **M. Underwood**. Unanimous approval; motion carried.

A motion to approve the Appointment of Authorized Signatory of **K. Lyons** as Treasurer was made by **R. Benjamin** and was seconded by **C. Christopher**. Unanimous approval; motion carried.

PUBLIC COMMENT: None

OTHER: Due to increased responsibilities at her work and increased personal responsibilities taking care of her elderly parents, **J. Johnson** said she would be resigning from the Board effective February 16, 2022. She commented this was a bittersweet decision as she thoroughly enjoyed her time on the Board – she was seated in Spring of 2017 – and would still love to be involved through volunteer work as she is able. She noted to contact her for help with Stuff-a-Truck in November. **M. Warren** and **K. Smith Oldham** thanked **J. Johnson** for her dedication to Community Action over the past five (5) years and wished her well in her future endeavors.

**J. Johnson's** resignation leaves a vacant Berrien County Private Sector seat. Per Board bylaws, this seat must be filled within (60) days. **K. Smith Oldham** requested **J. Johnson** share the vacancy with her contacts at Whirlpool Corporation, and **J. Johnson** said she had informed her department head of the vacancy. However, if no one from Whirlpool is interested, the Board will need to find a replacement by April 15, 2022.

ADJOURNMENT: Hearing no other business, a motion to adjourn was made by **J. Wuerfel** and was seconded by **C. Christopher**. The meeting was adjourned at 7:37pm.

NEXT MEETING: The next scheduled SMCAA Board meeting will be held at the **Berrien County Administration Building**: 701 Main Street, St. Joseph, MI 49085 on **Wednesday, March 16, 2022 at 6:00pm**.

Respectfully submitted,  
Ashley Slack  
SMCAA Operations Manager

Reviewed and approved,  
Gail Patterson-Gladney  
SMCAA Board Secretary