



**iowacenter**

for economic success

## AGENDA

IOWA CENTER FOR ECONOMIC SUCCESS BOARD OF DIRECTORS MEETING

August 20, 2020 – 7:30 AM

Zoom Virtual Meeting

- |       |                                       |                              |
|-------|---------------------------------------|------------------------------|
| I.    | Welcome + Introductions               | Bill Wright                  |
| II.   | Mission Minute Video                  | Megan Milligan               |
| III.  | The Iowa Center Values                | Katie Hentges                |
| IV.   | Thank You                             | Bill Wright + Megan Milligan |
| V.    | Board Action                          |                              |
|       | a. Minutes from June 2020 Meeting     | Bill Wright                  |
| VI.   | Updates                               |                              |
|       | a. President's Report                 | Megan Milligan               |
|       | b. Finance Report                     | Shane Isley                  |
|       | c. Direct Services Report             | TJ Daniels                   |
| VII.  | Fiscal Year 2021 Strategic Priorities | Megan Milligan               |
| VIII. | Open Discussion                       | Board                        |
| IX.   | Adjourn                               | Bill Wright                  |

NEXT BOARD MEETING – October 15, 2020 (3<sup>rd</sup> Thursday of every other month)



## MINUTES

IOWA CENTER FOR ECONOMIC SUCCESS BOARD OF DIRECTORS MEETING

MINUTES: June 16, 2020 – 7:30 AM

Zoom Virtual Meeting

Present: Megan, Kevin, Bill, Mark, Todd, Ann, Dave, Franklin, Jolene, Courtney, Nicole, Brandon, Micah.  
Staff: Katie and Shane

7:30: Kevin calls meeting to order

### April 2020 Minutes

#### Motion

Motion to approve the April 2020 Board of Directors meeting minutes.

Bill motions to approve meeting minutes, Ann seconds. All aye.

Kevin: The April 2020 Board of Directors meeting minutes are approved.

### President's Report

Megan Milligan, President + CEO

**Updates on Staff:** Megan introduces the new staff (Erma Mujic, Ciara Ladroma, Suzie Dunya) and updates on current staff.

**VITA:** Megan provides details on Erma's role within the program.

**WBC:** Megan discusses how Ciara hit the ground running with the programming. Megan also updates the WBC funding. Increase our distance learning, fund the client triage role, computer loan/give program. We will most likely receive more funding from SBA regarding the COVID program. It will provide more intense approach to help empower them to grow.

**Return to office:** We have learned that we can do a stellar job and have increased our services and fundraising—increased our ability to service our team—but phase one will be an inter office portal. The week is divided into 10 shifts. And people can check out the office for 4 hours at a time. Phase 2 will be considering going into office with pods of 2-3. Teams will be small enough that they can sit in the small breakout offices to work. Phase 3: everyone back together. Phase 4: when we open it up to the public. We are a ways away from that—it's either small rooms with two or more people or 40+ people in a smaller windowless room.

Kevin: Moving to a virtual environment has worked really well. A lot of us are seeing that our clients are shifting. Do you see that this is working well? Or do you think that you will feel pressure to begin meeting face to face sooner?

Megan: We have felt no pressure as of yet. We've had a few questions. We've had one person just show up at our office and our neighbor let us know about it. We have felt no pressure from our funders or our clients. I think everyone is so diverse in their thinking about how this impacts others.

#### **FIN Update:**

Franklin: My understand from updates that I've gotten. They've elected a board and officers. They're taking steps to alter operating agreements and other legal documents. They are considering the need to have additional legal review. They haven't approached our steering committee about that. All of this is a response to our memorandum of separation agreement. We gave them the draft about 5-6 weeks ago. They don't appear to be on track to complete it by June 30...but it's possible they will approach us soon and ask for an extension on that. From my point of view they're making great strides. They're making progress on how to make this sustainable outside of the organization. I know they've been working with Courtney on some interactions.

Courtney: I have been talking to a few members. I've gotten updates—they've had a lot of meetings with all of the members discussing what they want in the future and how to proceed. I know as Franklin said there was concern to get everything done by June 30. I think they're going to ask for an extension of time, which seems fair considering how much they're doing right now.

Franklin: as you will see in the budget there is a series of dues that members have paid to The Iowa Center, there is a prorated amount. The amount estimated is roughly \$5,000. Courtney's legal firm is providing pro bono legal work. If they achieved these milestones and we will provide them with \$7,500 to help them set up and get off to a good start.

Megan: we will have a vote with the Exec Committee and a full report will come out to the board. If there is anything different than what we have already agreed upon we will bring it back to the board before approving anything.

Franklin: we wanted a successful parting with FIN Capital and help them to be successful. And I think we are there.

**Strategic Plan:** A little over a year ago we created a plan for The Iowa Center. We are full steam ahead on those goals. One of them being a new location. One of them being distance learning—we are spending time and human capital on this plan. My hope is to do a full rundown of what we are doing and where we are in the next board meeting.

We will be having a small mini retreat with the staff as to where we are and where we are going along with goal setting. And how that ties back to the strategic plan.

**Fundraising:** This was the best year we've ever had with fundraising. So many businesses saw the need to financially support small businesses and saw they needed a partner to get the funds to the small businesses. The funders know that the impact of COVID isn't going away anytime soon—and neither is the impact.

We had an additional contract with IEDA and the Des Moines Partnership to manage their emergency grants. While we may be done with emergency grants—the partnership we have built with these different groups that don't provide direct services will continue to pay us to do some things. We are starting to see a growth of relationship that we are going to be able to maintain.

**Stanley gift:** The board released \$26k for the distance learning. We have been very fiscally conservative so that if we lost one funding source we would still be able to fund our mission. But we are in a stronger place and will be coming back to the board to discuss where these funds can best serve The Iowa Center.

Kevin: Great job. You are right, others in our communities are seeing what you are doing and see that you need the extra money to help fund the mission.

## **Finance Report**

Shane Isley, Director of Finance & Admin

Contributions has been our best year so far. That's directly correlated to the positive variance on contributions line. Majority of that coming through that we will be able to leverage later on.

State and Federal: The VITA program has taken a turn in a strange year which impacts our funding from state and federal sources. We use those funds to directly pay our partners. Normally by this time of year we have fully tapped out. We are working to finalize some of those numbers and by the end of June we will finalize what that variance actually is. The Programming variance is because of the program income stopping due to the COVID closing.

There was a loss with the investment side. Yet to be determined if that will grow.

We do anticipate booking one-time contract income in June (IEDA and Partnership). We do anticipate the \$192k from SBA to come in on FY21.

### **Expenses:**

The larger variances here is personnel. We budgeted for full staff for entire fiscal year. Made really good strides but we did have a few vacant positions. And you'll see that reflected in the positive variance.

The moving expenses did create the negative variance. By the time FY20 comes out there will be a shift in actual office line items due to depreciation, etc.

Total positive variance is \$377k. I anticipate that to jump up another \$100,000 with the IEDA and Partnership payments.

Megan: A portion (60% of the funds) goes back to the partners, only 40% stays with The Iowa Center. We have decided that all of the dollars will continue to go back to The Iowa Center because we are still managing and maintaining the program. If a site is not doing business there will not be payment unless it's proven the work was done with receipts. We have to prove every penny with receipts. There will be dollars, it could be a large amount we don't know, that will have to go back to the government. We've been telling the partners to report to us last tax seasons number and this seasons numbers because we know that this tax year was an anomaly. The financial report may show that we had to send some money back. It shouldn't impact our operations and our partners have had full transparency that this was going to happen.

Courtney: is the contract just through this fiscal year? Or can we continue to fund if people decide in July to do their taxes?

Megan: No, it's only through June 30. Anything beyond that would be on next fiscal year and that budget.

Shane: On the occupancy side we have a positive variance. We budgeted a specific amount of rent and have had the opportunity to pay less than what we had budgeted thanks to Bill's great negotiations.

**Right side of report:** PPP funding created a bump—we will move that into a revenue line item.

Accounts Receivable: that does account for the Partnership liability. We did not book that as income. We booked as receivable and a short-term liability to pay back to recipient of those funds.

IEDA: We do have one IEDA loan that was booked to go out at the end of last month, it has been paid out now.

It's a strong budget, stronger than we've ever seen.

List of donors and contributions that we have had this past fiscal year. We have not yet booked the IEDA, GDMP, SBA funds...but we wanted to show the board how great this year has been.

Bill: I realize the scope of the funds that came through from the GDMP. What are they paying us to manage this program?

Megan: They're paying us \$50,000. It's been about 3 months with a few contractors that helped us move this program through. We have been able to make some connections with local companies that we can hopefully turn long term relationships.

**Budget:** We anticipate the final budget to be finalized in a couple of days. There will be an email that will go out with the budget packet and a couple of times to meet to discuss and get clarification on the budget. We hope to have the final vote and approval by COB next Thursday.

Kevin: thanks Jolene for her service over the years. Also, Larry Jackson is rolling off the board. He has been on the board for at least 2 if not 3 terms. He has helped us to build the US Bank relationship. Thanks to the Exec Committee members—I appreciate what you have done and it's been a fun year to be part of this group. A lot more to come because we are really positioned us for great things in the future.

#### **FY 21 Board Nominations:**

Megan: I've spoken with Mandy several times about a board member from Principal. She has two people in mind—one is part of their leadership team in HR capacity. And the other person is an account exec. She was working to see what their total capacity is. We will be sending that one out for an electronic vote soon. Principal has been very supportive of The Iowa Center in the past.

China Wong—this was an important person to join our board. She has been involved with The Iowa Center. She was a member of FIN, she has also done several other projects—like the DreamBuilder

Junior we did. So many of our clients are in the beauty industry—and having someone who is so well known nationally will make an impact on them. And, she is interested in our microloan program.

Jodi Rhone—Bill states she has a strong passion for the small business communities. She can be a real asset to us. We have done a zoom call with her. She is super excited about what opportunities she can bring to our board. She has a really strong consulting background. I think she will fit in with our team.

Megan: we have a lot of clients that are consultants that I think will help our clients.

### **Motion**

Motion to approve nominations for FY21 Board of Directors.

Brandon motions to approve board nominations, Dave seconds. All aye.

Kevin: The board nominations are approved.

### **Executive Committee:**

Megan: This is Kevin's final meeting in the chair role. Thank you for everything you've done Kevin. Outstanding year of leadership!

Bill will be stepping in as Chair. Franklin has agreed to take on Vice Chair. Mari agreed to take on Treasurer. Mark agreed to become Secretary. Immediate Past Chair is Kevin. We will be meeting next month.

I want to formally thank Brandon and Jolene for your service to the Exec Committee. This past year was an incredible year of growth.

### **Motion**

Motion to approve the FY21 Board of Directors Executive Committee.

Bill motions to approve executive committee, Courtney seconds. All aye.

Kevin the executive committee is approved.

Megan: I remember Kevin said he wasn't sure if he had enough time...and yet somehow he made the time and he has introduced us to so many of the groups that have given us financial support and made us even more successful.

### **Open Discussion:**

Bill: I know it's been noted at the bottom that we are meeting August 18, but I will probably move these to Thursday mornings due to a brokerage meeting that I have.

Megan: We will move to the third Thursday of every other month at 7:30am. Katie will send out a new calendar invite.

### **Motion**

Motion to adjourn meeting.

Brandon motions to adjourn meeting, Jolene seconds. All aye.

Kevin: Meeting adjourned.

8:28 meeting adjourned.



# President's Report

*Megan Milligan*

August 2020

## Highlights

- Staff Updates
  - We hired Ben Schultz as the new Client Services Coordinator. Ben quickly jumped on board and has already proven himself to be a great asset to the team.
  - Alex Polzin joins the team August 19 as our Director of Finance. He comes to us from Hogan – Hansen, P.C. from Ames.
- Virtual Operations
  - We have been operating virtually since Monday, March 16. Our offices will remain closed until the city begins to open back up to business.
  - We meet every morning virtually at 9:15 and hold our daily operations
  - We frequently chat through webinars, instant messenger, text, and phone calls
  - Our team has become closer and we have had a lot more collaboration and conversations during this virtual officing time. It has been a great experience.
  - The office has been open and available for employees to block time to work from the office.
  - We are also using the office as a recording studio for our virtual events, classes, coaching sessions, etc.
  - Megan will be presenting an update on the virtual operation plan to the board.
- Speaking + Networking Engagements
  - Podcast for Downtown Chamber
  - Presentation to NEXUS
  - Virtual meeting with national organization out of St. Paul that supports nonprofits that provide access to capital
  - CBGI Advisory Committee (run by UNI Entrepreneur Center)
  - Speaking to CREW group in early September
- VITA Update
  - The 2019 tax year has been completed.
  - Final partner payments will be going out the week of August 24.
  - The funding application for tax year 2020 is being finalized and will be going out to partners early fall.

- Education Update
  - The education plan for quarter one of FY21 has been approved. All classes will be online.
- Microloan Update
  - We are still processing the loan pipeline while we work virtually.
- FIN Capital
  - As of July 1, 2020 FIN Capital is their own stand alone entity FIN Capital Angels, LLC.
  - Jackie Pullen was elected by the FIN members to become the head of their new organization.
  - Contact information for banking, legal, and professional services have been transferred to FIN Capital Angels, LLC
- Partnership/City of Des Moines Grant Project
  - More than 500 applications have come through. The team was quick and efficient in reviewing and scoring the applications. The Partnership along with cities that are financially invested in the project are reviewing the applicants prior to announcing the awards.
  - The facilitation of this grant was successful due in large part to Russ Dale. Russ created the application form through Sales Force. Everything was handled within our programming and was an incredibly streamlined process.



## Highlights

### Education

- **Upcoming educational events:**
  - Small Biz Essentials, Tuesdays from 12-1pm (unless noted), online
    - Small Biz Essentials will connect the client with local subject matter experts who will share best practices on many different elements of running a small business. Some of these will be part of our Teach-Train-Coach model which allows our clients a deeper dive into the subject. These are noted with an asterisk.
    - Upcoming webinars:
      - August 18: *Microsoft Office 101*
      - August 25: *Balancing Act of Entrepreneurial Life*
      - September 1: *Accessing Funding for TSBs (11am-12pm)\**
      - September 8: *Creating & Implementing A Strategic Plan*
      - September 15: *Community Relations & Outreach Strategy*
      - September 22: *Get Over Your Midwestern Humility and Talk Yourself Up\**
      - September 29: *Living Intentionally*
  - DreamBuilder begins August 20, 2020, Thursdays from 9-12pm, online.
    - DreamBuilder is our signature eight-week business planning course that will help you understand the ins and outs of owning and operating a small business in Iowa.
  - BizFluent: Accounting, Finance & Tax begins on September 16, 2020, Wednesdays from 9-12pm, online.
    - BizFluent is a four-week course for small business owners that want to deepen their understanding and keep up with the latest best practices on one specific area of running your business. Courses will include: Accounting, Finance & Tax, Sales & Marketing, Technology & Security, Legal, and Operations & Management.
  - FocusME begins September 22, 2020, Mondays time TBD, online.
    - FocusME provides a space for entrepreneurs to support each other with connections and accountability as each entrepreneur sets their own professional and personal goals with the guidance of a coach facilitator.
  - Webinars: we are recording our webinars and posting them on our website...access them here: <https://theiowacenter.org/services/classes/previous-classes-events/>

## Capital

- **Microloans: Final reporting for FY20**
  - TSB-Total Aggregate Amount Disbursed since our program inception: \$2,854,167.15
  - Funds disbursed in FY20 of \$744,205.04
  - Loans disbursed in FY20 is 22
  - Active loans in TSB portfolio is 94
  - Current balance of TSB active loans \$1,848,881.12
  - Repayment Rate is 87%
- **We-Lend: Final reporting FY20**
  - Total Aggregate Amount Disbursed since Program Inception is \$100,514.30
  - Loans Disbursed 0 for FY20
  - Funds disbursed in FY20 is \$0
- **Microloans: Reporting to date for FY21**
  - TSB-Total Aggregate Amount Disbursed since our program inception: \$2,934,167.15
  - Funds disbursed in FY21 of 80,000.00
  - Loans disbursed in FY21 is 3
  - Active loans in TSB portfolio is 97
  - Current balance of TSB active loans \$1,928,881.12
  - Repayment Rate is 88%
- **We-Lend: Reporting to date for FY21**
  - Total Aggregate Amount Disbursed since Program Inception is \$100,514.30
  - Loans Disbursed 0 for FY21
  - Funds disbursed in FY21 is \$0
- **VITA**
  - All partner reporting was turned in and analyzed.
  - Final reporting was submitted to our funders for tax year 2019.
  - Partner applications for tax year 2020 will be sent out early fall. The application has been developed internally by Russ. The online application platform will make the process much more efficient for both partners and The Iowa Center staff. We look forward to implanting this process.

## Networking

- The Story Of... (*formerly known as First Fridays*)
  - The Story Of...are stories of Iowa entrepreneurs and small business owners that are making their mark in our communities. As our clients are creating their story, we ask that they treat themselves to this time each month to rekindle the entrepreneurial spirit and connect with others.
    - *The Story of Nora Crosthwaite, Realtor on September 4, 2020*
    - *The Story of Todd Sommerfeld, Kreg Tool, October 2, 2020*
    - *The Story of Jodi White, Dress for Success, November 6, 2020*

## Staff Updates

- Client Services Update
  - Client calls are transitioned to Ben
  - Workflows being finalized with team to eliminate confusion
  - Met with 10 outside orgs (chambers of commerce, multicultural orgs, community outreach centers, etc.) to build awareness
    - Continuing community outreach in Q2
  - Analyzing survey results and communication methods in Q2
  
- The Iowa Center's Women's Business Center
  - The goal set by the SBA for our Women's Business Center is 313 unique clients. A unique client is someone who attends a class, event, or 1:1 coaching session with Ciara. The fiscal year is September 30, 2019 – September 29, 2020. We are currently at 395 unique clients and growing!