



iowacenter

for economic success

AGENDA

IOWA CENTER FOR ECONOMIC SUCCESS BOARD OF DIRECTORS MEETING

December 17, 2020 – 7:30 AM

Zoom Virtual Meeting

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|-------|---|---------------------------------|
| I. | Welcome | Bill Wright |
| | a. Board Action | |
| | i. Minutes from October 2020 Meeting | |
| II. | Mission Minute Video | Megan Milligan |
| III. | The Iowa Center Values | Katie Hentges |
| IV. | President's Update | Megan Milligan |
| V. | Microloan Growth | Megan Milligan/Group Discussion |
| | a. Conversation about Powerpoints sent in advance | |
| | b. Next Steps | |
| VI. | Finance Report | Alex Polzin/Mari Bunney |
| VII. | Open Discussion | Board |
| VIII. | Adjourn | Bill Wright |

NEXT BOARD MEETING – February 18, 2020 (3rd Thursday of every other month)



MINUTES

IOWA CENTER FOR ECONOMIC SUCCESS BOARD OF DIRECTORS MEETING

MINUTES: October 15, 2020 – 7:30 AM

Zoom Virtual Meeting

Present: Dave Everett, Megan Milligan, Bill Wright, Mari Bunney, Mark Phillips, Brandon Pratt, Franklin Codel, Jodi Rhone, Ann Rollow, China Wong, Kevin Chorniak, Nichole Hansen.

Staff: Alex Polzin, Ben Schultz, Katie Hentges

7:31: Bill calls meeting to order. Bill welcomes everyone.

Mission Minute Video

Megan introduces the Mission Minute video—we watch the video.

Team Values

Katie reads team values

August 2020 Minutes

Motion

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

Dave E. motions to approve meeting minutes, Brandon P. seconds. All aye.

Bill: The August 2020 Board of Directors meeting minutes are approved.

Slavic 403b

Megan explains what Slavic is, explains adding board chair and removing old board chairs. And policy to remove past board chairs, and to add current chair, then explains the process will update every year in July when the new board chair comes on.

Motion

We, the Board of Directors of Iowa Center for Economic Success vote to add Bill Wright as a signatory to our Slavic 403b plan. In addition, we will remove the following individuals: Brandon Pratt, Courtney Strutt Todd, and Larry Jackson, all of whom were added as signatories during their terms as board chair but never removed. We also support the policy to update the second signatory to the current board chair at the turn of each fiscal year. Slavic requires that this action is accompanied by board vote each year that is submitted to Slavic in writing with the signature of the current board secretary.

Kevin C. makes motion, Mark P. seconds. All aye.

Bill: The Slavic 403b motion passed.

Wells Fargo Grant

Megan: This is a nationwide competition that The Iowa Center has been strongly encouraged to participate in. This would be a process to help our clients to help the clients to apply for the grant. And then we would award emergency grant funds through this fund. Because we have done this in the past twice with a few organizations, but because this adds grants we wanted to get a board approval.

Kevin: I see this is something that you already do, what are the similarities and differences compared to what you already do?

Megan: Since we have already done two emergency programs, so we have the process. And because we have seen our clients have the need for this we wanted to be able to help them. We know a lot of our clients are not up to getting another loan—but giving them a grant will help them. This is framed that it is temporary and not a permanent addition to our list of services. We will make sure the way we frame it is targeted.

Dave: Do we know the timetable of decision?

Megan: Yes, we have to apply for it next week. About \$500,000 range--\$100k for operations and \$400k in grants. We want to complete it in a 12-month period—but if we move faster or slower that will be ok.

Kevin: Do they create the criteria for who gets the grant?

Megan: It's our criteria.

China: I think our city needs this and I see this as much needed.

Megan: The opportunity this gives us is managing the other programs is we can create the criteria. We are able to respond to the needs that are most acute and eradicate the loopholes that were there that were "safe" and we would have the most flexibility on that. We can do it the way we want to. A benefit we can efficiently bring to our small business community is served.

Franklin: What does the reporting look like?

Megan: They want statistics. They want to help and serve the underserved. They want the data. The thing with WF money is once they trust you and you measure it but it's not onerous.

Franklin: If we end up getting this, so we are understand it—Wells Fargo is subject to an asset cap. When the PPP program came out the government said you can do more, but all of the fees that are collected you have to put them in a fund and disperse them out like this. So WF didn't do anything wrong, they're doing what the SBA and the federal government wants them to do.

Brandon: I think this is a great opportunity for The Iowa Center. Having the experience already have run two emergency grant programs makes it right for us to do it. I think it's a nice layer on to the loan program. Most small businesses are in a tough spot, so getting a loan is questionable, so a grant would impact them very strongly. I think this is a great opportunity for us.

Dave: This does sound like a fantastic opportunity. How would we market this?

Megan: Our plan/suggestion is to have three phases of marketing. Current loan clients because so many of them are struggling. To make sure they know it's available. Debt, leases, fixed obligatory—this money could save them from going into further debt. Then second phase is those in our larger circle—those that are in need of growing. Then the community at large. And of course, if anyone has the need we will address that.

Motion

Motion: Wells Fargo has invited The Iowa Center to apply for a grant to fund a one-year small business grant program. The board of directors supports The Iowa Center staff in submitting this application and if awarded, in implementing such a program. The grants would be awarded to small businesses negatively impacted by Covid-19 and would be accompanied by grant application support and appropriate educational and coaching opportunities.

Franklin C. makes motion, Kevin C. seconds. All aye.

Bill: The Wells Fargo grant motion passed .

President's Report

Megan Milligan, President + CEO

Finally a lot of the things I have been able to reschedule are back happening. As well as other staff members are able to meet with others. Mari and I got to meet together on a panel for CREW. If you know of other opportunities please participate in them yourselves or let me know.

Ben is one of the newest members of our team. He is one to watch!

We have increased our classes and events. DreamMaker for example is how to grow and sustain your business. For years we knew it was necessary, but we finally have the right team in place to move this on.

Fundraising, you should have gotten a packet. We had to hit the pause button on that when we first moved. We got a great letter from Patsy Shors, she has been following everything we have been doing. Kathleen Stahl, another board member has also donated. It has been fun to see and hear from them.

Back to office—we don't have a plan to go back just yet. Several of them have immune issues that would prevent them from working together. So, we are recording everything at the office. Due to funds that we received we were able to better outfit the recording sessions. More consistent internet and better quality, and building the brand.

My question for you as board members are:

Do you have best practices at your office that have made you and your team feel safer?

Do any of you have kids and see your team pulled in different directions?

Direct Services Report

Ben Schultz, Client Services Coordinator

Volunteer update: We had more than 36 volunteers in Q2, which is nearly three times as many presenters as we had in Q2 of 2019. A big thank you to board members: Todd Sommerfeld, Mark Phillips, Jodi Rhone, Ann Rolow and Bill Wright for contributing time in Q2 classes and events.

Client Triage update: I met with 49 unique clients in September. All event follow-up steps now run through me within the client triage process. Always Ready has kicked off, and we have had 20 participants during the 3 meetings. We are planning a 1-hour business planning session like Always Ready.
Class Catalog: Ben describes the different programming that we have opened up.

Finance Report

Alex Polzin, Director of Finance + Admin

Financial dashboard bullet points—

I met with Megan, Bill, and Mari after completing the Sep financial statements. I sent out some bullet points to discuss.

Income statement variances:

One-Off:

Contract Income:

GDMP Small Business Recovery Grant administration income recognition of \$50,000

Iowa Economic Development Energy Grant administration income recognition of \$10,000

Iowa Economic Development Covid Small Business Relief Grant administration income recognition of \$40,000

Grants - Federal:

SBA Covid 2020-21 (CARES Act) has been awarded totaling \$415,982

Income is recognized as funds are authorized to be withdrawn from SBA = \$173,325.83 fiscal YTD

Timing Differences:

Contributions - expected contributions are budgeted evenly over 12 months

Personnel - finalized current year staffing in August 2020

Tax Sites - DHS EITC 2021/VITA IRS 2021: VITA20 partner expense not recorded in prior period

We do have the Cares funding recognized as a receivable as instructed by the auditors. Variance with contributions—this is timing difference. Our fall appeal is going out right now. Personnel has some variances now that it is finalized you should see that flattening out now.

Balance sheet:

Restricted funds shows the remaining Stanley Gift. AR has increased due to getting the full Cares act on our books. Deferred income reflected there. Liabilities account is specifically to GDMP recovery grant. We are working closely with her to close that program. We have a few more things we are waiting on and will get the funds to use in the same manner that they have already restricted the funds towards.

Financial Dashboard:

Bottom line on net income \$139,138 we are sitting very well.

Balance sheet: it properly shows the Stanley gift, the money will be more easily administered from this account.

Diff Income is mostly what is left from the Cares act funds.

Other liabilities majority of GDMP funds that are leftover. We feel really confident that this will be closed within the next month or so.

Balance sheet: look at the contributions we are very fortunate that a lot come from organizations. The individual contributions we have only \$15k, I think there are a lot of people in this community who wants to help support small businesses. I know that our capacity as a staff is constrained somewhat—but I'm looking forward to having conversations about adding a staff person for the grants.

Questions?

Mari: Kudos to Megan—that CREW panel we were on, Megan stood out because she is such a powerful, eloquent, and succinct speaker.

Franklin: Thanks for the summary. Did you escrow/include the grant program to the partnership. What did you do with those funds?

Alex: Yes, they're still on our balance sheet, in a technically correct world we wouldn't have had any of that money on our balance sheet. At this point since we are so close to getting it off our books we thought it would be reasonable to close it up within the next month and we will see that money on our books.

Franklin: Do you think it will impact the 990?

Alex: I think it will be a drastic drop in liabilities. I think if we were questioned on it we can easily have a conversation as to what happened and why. At the end of the day we have a very transparent record.

Open discussion

Our next meeting is December 17th. It is the third Thursday of the month.

Motion

Motion to adjourn meeting.

Kevin C. motions to adjourn meeting, Brandon P. seconds. All aye.

Bill: Meeting adjourned.

President's Report

Megan Milligan

December 2020

Highlights

- **Speaking + Networking Engagements**
 - Attended several virtual meetings representing The Iowa Center
 - **Action Item: Board - Please share any introductions or speaking opportunities you might be aware of in which I might be able to participate**
- **Classes + Coaching Update**
 - The Direct Services plan for quarter three of FY21 has been approved. All classes will continue to be online.
 - Most Classes are being recorded, branded for The Iowa Center, and posted on our website for viewing later
- **Microloan Update**
 - CDFI process is a strong priority right now
- **VITA Update**
 - Partner site applications were processed and reviewed.
 - Partners have been notified of their grant amount for the 2020 tax year. All have been signed and returned.
 - The tax season will begin in late January with most sites operating, some will be virtual and some will offer some in-person sessions as well.
 - The Iowa Center tax site will be 100% virtual.



Direct Services Highlights

Classes + Coaching

- **Upcoming educational events:**
 - **Always Ready: Financials** began the end of September. This is a one-hour program that runs select times throughout the month.
 - Always Ready: Financials shows the clients what they need to do to always be ready to apply for a loan, file for taxes, and buy or sell goods and real estate. We will also show how to repair and build your credit.
 - **Always Ready: Business Plan** began the end of October. This is a one-hour program that runs select times throughout the month.
 - Turn dreams into plans with a small group, one-hour business planning class. The Iowa Center staff will help kickstart the client's business plan by providing a road map on completing the plan and what the next steps are to business ownership.
 - **DreamBuilder** begins January 28, 2021, 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.
 - **DreamMaker** begins February 17, 2021, Time/Date TBD, online.
 - DreamMaker is a six-week course to help our clients find sustainability or growth within their businesses, after they've built their foundation. This course will allow them to better understand and manage the many hats they're required to wear as a small business owner.
 - **Financially Savvy** begins January 11, 2021, it is held on Mondays and Wednesdays at noon for four weeks, online.
 - Our clients don't have to be financial experts to own a healthy and whole small business, but they do need to understand their financials enough to make good judgments. The Iowa Center has teamed up local financial expert volunteers to increase clients awareness of best practices for financial management.
 - **FocusME** begins January 18, 2021, 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.
 - **Small Biz Essentials** Tuesdays from 12-1pm, 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.

- Upcoming webinars:
 - January 5: Building an Online Empire
 - January 12: Loan Topic TBD
 - January 19: Small Business Taxes and the IRS
 - January 26: Building a Community Virtually
 - February 2: Pricing and Profit Margin
 - February 9: Missed Opportunities and Lessons
 - February 16: Supporting Businesses through Highs and Lows
 - February 23: Tech Vendor Management
- **Webinars:** we are recording our webinars and posting them on our website...access them here: <https://theiowacenter.org/services/classes/previous-classes-events/>
- **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 Kevin & Souriyno Chen, Lucky Lotus, January 8, 2021*
 - *The Story of Pernell Cezar, BLK & Bold Specialty Coffee, February 5, 2021*

Asset Development

- Microloans: Reporting to date for FY21
 - TSB-Total Aggregate Amount Disbursed since our program inception: \$3,079,167.15
 - Funds disbursed in FY21 of \$225,000.00
 - Loans disbursed in FY21 is 8
 - Active loans in TSB portfolio is 102
 - Current balance of TSB active loans \$2,073,881.12
 - Repayment Rate is 89%
- 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
- Taxes
 - Partner applications were reviewed and approved.
 - Partner applications for tax year 2020 were sent out, all have been signed and returned.
 - The fall partner meetings in November and December were successful with a large turnout. Communication and interaction between sites is very high.

Staff Updates

- **Client Services Update**
 - Always Ready Business Plan has launched. Served 17 clients in 3 sessions. 1 more session before holiday.

- Always Ready Financials is going strong. Served 26 clients in 3 sessions during Nov. and Dec.
- Clients attend Business Plan - meet with coach - Financials - apply for loan
- Eliminates confusion and repetition of services
- **Volunteer Update**
 - Our increase in educational programming has allowed us to plug in more content experts from the community and connect them with our small biz audience. Here's a little comparison of Q1/Q2 from last year to this year:
 - From July 1, 2019-Dec 31, 2019 we filled 38 educational presenter roles for a total contributed time of 132.5 hours valued at \$12,012.50; this year from July 1, 2020 – present we filled 61 educational presenter roles for a total contributed time of 271 hours valued at \$22,425.
- **The Iowa Center Women's Business Center**
 - The renewal grant has been approved for FY21.
- **Microloan**
 - Always Ready: Financials will continue into the new year -- educating the loan clients on the loan process—the goal is to help prepare our clients to be Always Ready
 - Always Ready is now a prerequisite to applying for a microloan. TJ Daniels and Alex Polzin are the two speakers during this event that Ben hosts.
 - Between the clients having a full client triage experience and the Always Ready program we are ensuring that each applicant that enters the loan pipeline is ready to be in that position. Making the loan process more efficient for both the client and staff.
- **Marketing + Social Media**
 - Launched our monthly newsletter in September 2020
 - Highlights small businesses in our community
 - Staff feature
 - Mission Minute Video
 - Partner events
 - Announcement and main feature story
 - The Iowa center Events + Classes listing
 - Please Note: All board members are on our mailing list, if you haven't received any emails from us please check your spam, junk mail, etc.
 - We would love for you to share the newsletter with those that you know!