



EMPLOY MILWAUKEE BOARD OF DIRECTORS

PERSONNEL, FINANCE & AUDIT COMMITTEE

August 26, 2021 – 8:30 a.m.

Employ Milwaukee • 2342 N. 27th Street • Milwaukee, WI 53210

Approved MINUTES

Members Present: John Kissinger (Chair), Chytania Brown, Molly Gena, Jon Mariano, Karen Spindler
Members Absent: Alan Perlstein,
Staff Present: Lowell Raven, Julie Cayo, Sharron Briggs
Guests Present: None

Chair John Kissinger called the meeting to order at 8:37 a.m.

1. Welcome

Chair John Kissinger welcomed committee members.

2. Approval of Minutes from May 27, 2021

Personnel, Finance & Audit Committee members briefly reviewed and discussed May 27, 2021, meeting minutes.

Jon Mariano motioned for approval of February 25th, 2021, and March 29th, 2021, meeting minutes as circulated; Chytania Brown seconded; minutes were approved unanimously.

3. Financial Updates:

Packet information –Comparative Statement of Financial Position as of June 30, 2021, Comparative Statement of Activities as of June 30, 2021, Management Report to EMI Leadership as of June 30, 2021, EMI Financial Ratios, ; Personnel Status Report and FY'22 Fund Development Report reporting through 9/30/21.. J

a. Status of PP Loan Forgiveness

Lowell Raven reported on the status of the PPP Loan. He indicated that the Self-Help Federal Credit Union (SHFCU) completed their internal review of the PPP loan forgiveness application and supporting documentation submitted by Employ Milwaukee, Inc. (EMI). Self Help Federal Credit Union made the recommendation to the SBA to forgive the \$1,112,150 PPP Loan. The SBA has 90 days to notify Self-Help Federal Credit Union of their determination on the PPP loan.

b. Quarterly Financial Statements

Lowell Raven, CFO, presented the financial statements and informed members YTD financials are

positive due in part to sale of building on February 5, 2021. EMI has a FY'21 surplus of \$2.167M broken out between operations of \$232K, gain on sale of building of \$1.993M offset by \$57K of closing costs and rent settlement costs... EMI has a cumulative positive net asset position of \$1.482M, which is an improvement of \$2.167M for FY'21. Lowell analytically reviewed the changes in accounts payable, accounts receivable and noted that EMI needed to borrow \$300K on the line of credit due to business needs and would elaborate later in meeting.

Lowell reported that the financial ratios have been updated and EMI continues to be at best practice because of the positive impact of the sale of the building on the financial ratios.. Lowell analytically reviewed the Statement of Activities and noted reasons for unfavorable variances between actual and budget for certain expense line items. Lowell also noted that EMI was able to be allocated \$191K more in administrative costs in FY'21 when compared to FY'20 because of the close working relationship of the CEO, CFO, and the fiscal staff collaborating with program staff.

c. Line of Credit

Lowell is working with PNC Bank on the renewal of the \$500K line of credit which expires on 10/1/21 and has provided PNC all requested materials. PNC recommend that the line of credit be renewed for another year 10-1-2021 through 9-30-2022 at \$500K and waived the fee. In June 2021 EMI borrowed \$300K from the line of credit for various business needs as follows: (a) Funding retirement contribution at \$187K, (b) the need to pay vendors in advance of being reimbursed on various CDBG grants, and (c) payments associated with the wind down of DOL America Promise grant EMI has \$667K in CDBG contacts, some invoices have been submitted for reimbursement and EMI is waiting to be reimbursed by the City of Milwaukee which causes the need to borrow on the line of credit. Once EMI is reimbursed from the City of Milwaukee on CDBG awards, then those funds will be used to repay the line of credit. Thus far, \$24K has been repaid as part of this process.

d. FY21 Audit Update

Lowell reported that the FY'21 audit fieldwork is scheduled for October 4-8, 2021., Lowell will be working with the fiscal team in order to possibly have a draft of the FY'21 audit available for the 11-18-2021 PFA meeting.

4. Personnel Status Report

Lowell reviewed the Personnel Status report noting new hires, vacancies, internal promotions and open positions which are still in process of being hired.

5. Fund Development Report

Julie Cayo reported EMI's \$2.5M fund development goal established for FY'22 budget has already been met. . Julie report that the following funds were awarded to EMIs: WE Energies \$50K, CareerWork\$-BankWork\$ 30K, Summit Credit Union \$2K and Pyramax Bank \$2K - which support the BankWork\$ program, U.S. DOL YouthBuild \$350K, United Way-Reducing Barriers to Employment \$10K, U.S. DOL Workforce Pathway for Youth \$45K- EMI partnered with the Boys & Girls Clubs of Greater Milwaukee, and the City of Milwaukee- APRA Fund-Earn and Learn \$3,8M Julie reported that \$4.244M has been raised thus far in FY'22. Julie then reviewed the pending grants, and these can be cross-referenced on the Fund Development Report.

There was a total of \$20.158M of pending award of which \$11.215M is allocated to FY'22 and the balance to future fiscal years. A special meeting is scheduled with the Common Council on 9-2-2021 concerning the pending ARPA funds and it was noted that due to Mayor Barrett announcing his resignation as Mayor of Milwaukee County the decision on pending funding may be delayed. Julie noted that EMI was not awarded funds for a DOL Pathways Home 2 Reentry Grant.

6. Other Items

No further discussion.

Chair Kissinger adjourned meeting at 9:59 a.m.

Jon Mariano motioned to adjourn; Karen Spindler seconded; approved unanimously.

Next Meeting: November 18, 2021, at 8:30 a.m.

