



ROCKVILLE ECONOMIC DEVELOPMENT, INC.
FINANCE COMMITTEE
MINUTES

September 12, 2023, 5:30 p.m.
Hybrid Meeting – REDI office/Zoom

Committee Attendees: Todd Pearson, Nancy Regelin, Bridget Donnell Newton, Susan Prince, Angela Chaney, Bei Ma

Staff: Cindy Rivarde, Richelle Wilson, Danette Nguyen, Rhonda Devan

1. CEO/CFO/Treasurer report

- a. Review of Financials - through July 31. Mr. Pearson noted that for the first month of the fiscal year expenses and revenue were tracking appropriately. There is a total of \$1,315,250 in cash funds, and the Rockville City funding of \$660,000 came in August, after close of July. It was noted that there were several hundreds of thousands less in small business impact funds for FY24, and that will reflect in a lower revenue for the year that FY23.
- b. Pending Grant Applications.
 - i. Yield Giving – staff completed the second round by peer reviewing five other grant applications, for which REDI received \$500. Whether we move on to the next round should be announced by the end of September. One Thousand organizations will make the next round from which 250 will receive grant awards.
 - ii. The Montgomery County Community Grant application result should be announced in September. Ms. Nguyen submitted for funding for a shop local location in Wheaton.
 - iii. Ms. Nuygen also applied with Truist Bank for \$130,000 for general MWBC support and will be applying to a quarterly NASDAQ program for up to \$75,000, also for general support.
 - iv. Minority Business (MBDA) – we did not receive funding through this program.
 - v. Partnership with Worksource Montgomery – we did not pursue this opportunity as Worksource Montgomery did not want to proceed, and their expertise on re-entry was required.
- c. Annual Audit – SnyderCohn has started the audit process and it appears to be going smoothly. Fraud affidavits were sent out and returned. Mr. Pearson noted that a discussion of fraud controls and a control matrix should be on the agenda for the following month so that the Finance Committee looks at the Finance Policies and Procedures at least annually to assess the need for changes. Mr. Pearson noted that check handling is minimal, and that there are pretty good controls in place now. SnyderCohn will present at the October meetings.

- d. Procurement for IT. Ms. Rivarde presented the scope of work proposed by Airiam, our current IT Provider. She noted that the helpdesk was strong, and that the employees we work with were retained when Airiam purchased VPSG. The IT contract has not been negotiated for over 9 years, and there are gaps in user support and cyber security. With an approximate increase of \$11,000, the contract would be changed to a CIO function to help with strategic planning and a cybersecurity assessment. Services would be upgraded to put us in a position to procure cybersecurity insurance. Ms. Rivarde noted that there was sufficient cash available for the \$11,000 increase for FY24, and that an increase in operating costs would be made in the FY25 budget request.

Action: Todd Pearson made a motion to allow deviation from the Finance Policies and Procedures to enter into a three-year contract with Airiam, which was seconded by Bei Ma and passed unanimously.

- e. SBA FY2022 audit – all requested materials were submitted, and we are waiting for a response. Ms. Devan is following up with the SBA auditor Felicia Smith.
- f. SBA FY2019 audit – the response to our submission to the auditors remains pending.

2. Other Business

- a. Budget – Ms. Rivarde noted that after closing out of FY23, there will be sufficient funds to put \$60,000 in reserves without impacting operating cash flow. This will be determined after the conclusion of the Annual Audit. She noted proposed minor variances to the FY24 budget in addition to the increase in the IT contract. First obtaining an equity audit of REDI programs for approximately \$5,000 and second to renew the \$25,000 mural budget for Rock East, which had been set aside in prior years. She also noted that for the FY25 budget request to the City of Rockville, in addition to the operating cost increases, she planned to request \$50,000 towards implementation of the Life Science Branding project, and \$50,000 to further equity assessments and planning. Ms. Prince also noted that we should find out what benefits are offered to city employees to see if REDI can match as much as possible so that it can stay competitive with the market.
- b. Time Keeping for Federal Grants – Ms. Devan informed the Committee that she needed to document the time keeping process for the SBA Grant reporting. Staff has been keeping track of time based on federal and non-federal funding sources. Ms. Devan noted it would be more efficient to have employees report time based on the program they are working on, and have accounting allocate between federal and non-federal funding sources. This will provide more flexibility and accuracy, and is permitted by the CFR regulations.

Action: Bei Ma made a motion to have employees record time based on program activities instead of funding source, which was seconded by Todd Pearson and passed unanimously.

Next Meeting: October 10, 2023, 5:30 p.m. Hybrid REDI Office/Zoom