



ROCKVILLE ECONOMIC DEVELOPMENT, INC.
FINANCE COMMITTEE
MINUTES

October 10, 2023, 5:30 p.m.
Hybrid Meeting – REDI office/Zoom

Committee Attendees: Todd Pearson, Nancy Regelin, Bridget Donnell Newton, Susan Prince,

Absent: Angela Chaney, Bei Ma

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

Guests: Keith Jenning and Rachel Zutshi from SnyderCohn

1. CEO/CFO/Treasurer report
 - a. Financial update pending reconcillations. Will be presented next month.
 - b. Presentation of Annual Audit by SnyderCohn. Mr. Jennings noted that REDI is a healthy organization, and has made great strides over the last 5 years under Ms. Rivarde's leadership. He noted there would be no internal control letter, and that they were issuing an unmodified opinion. He highlighted the change in how leases are treated, noting that this has been adjusted per the new rules. The incentive fund is treated as a refundable advance. The Committee agreed that SnyderCohn could note that the operating reserves were per Board designation, as Board authorization has been obtained prior to moving funds into reserves. Functional expenses are in line with expectations with 85% programming and 15% G & A. Expenses increased in professional fees, salaries, and benefits. There are no doubtful accounts receivable, and the PPP loan was forgiven in 2022. The note on liquidity is strong with \$1.3 million in funds. Footnote 10 will be deleted for the final report.
 - c. FY 2025 Budget Request for City of Rockville. The Committee reviewed the fiscal year 2025 budget request REDI will submit to the City of Rockville prior to October 15. This included enhancements for operations, the life science branding roll out, and further working on REDI's equity resilience. The Committee noted that REDI should ask for an additional FTE for a Business Development position to assist the Deputy Director. It was noted that the spreadsheet should indicate that \$25,000 of the MOVE/Expansion funds would remain dedicated to retail use. It was decided to split out the Dawson's portion of the Small Business Impact Fund to make it clearer as to what funds would remain for the fund once the Dawson's obligation was fulfilled. The Committee felt that retaining \$100,000 for the fund for FY25 was the proper request to make.
 - d. Pending Grant Applications.
 - i. The Montgomery County Community Grant – Awards were to be announced one month after the due date (September 20) but have not been released yet. Notifications were provided in mid-September indicating we passed the

Administrative Review Stage and moved to the Subject Matter Expert Review Stage. Once final recommendations have been reached, Award Notifications will be made.

- ii. Two unrestricted contribution opportunities are due in November to include Nasdaq at \$75,000 and Truist Bank at \$130,000.
 - iii. Truist Bank also made a contribution of \$3,500 with \$500 allocated to the sponsorship of IntHERact and \$3,000 to fund the cost of 30 registrations for the Elements of Entrepreneurship series.
 - iv. We submitted an application with the Maryland Department of Housing and Community Development in the amount of \$20,475 to provide 100 laptops to clients in the Family Childcare (FCC) sector. An award date was not identified on the notice of opportunity announcement.
- e. Discussion of Fraud Controls and Control Matrix. Mr. Jennings noted there was no concern with controls for REDI. Mr. Pearson noted that he wanted make sure the Finance Committee reviewed the Finance Policies and Procedures on an annual basis, but that in this year's review, Mr. Pearson still thought they were in good shape with proper division of activities for an organization of REDI's size. Ms. Rivarde will put this topic on next month's agenda to give committee members additional time to review the Policies and Procedure again.
- f. Discussion of Investment Policy. It was noted that several savings accounts now offer 4.3% and more interest. Ms. Devan provided a sample Investment Policy for review. It was noted that staff should investigate moving the reserve funds to a higher interest savings account. While CD's may provide a slightly higher interest rate, the funds would need to be laddered to make sure that REDI could access funds if needed.
- g. 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.
- h. SBA FY2019 audit – the response to our submission to the auditors remains pending.

2. Other Business
None.

Next Meeting: November 14, 2023, 5:30 p.m. Hybrid REDI Office/Zoom