



**ROCKVILLE ECONOMIC DEVELOPMENT, INC.
FINANCE COMMITTEE
MINUTES**

May 14, 2024, 5:30 p.m.

Hybrid Meeting – REDI office/Zoom

Committee Attendees: Susan Prince, Nancy Regelin, Todd Pearson, Monique Ashton

Absent: Angela Chaney, Bei Ma

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

1. CEO/CFO/Treasurer report

a. Financials (through April). Mr. Pearson went through the Financials through April. Total cash on hand is \$1,578,000 including unrestricted, restricted, and reserve funds. There is enough unrestricted cash to cover 7 months of expenses. Ratios of administration to programming is in line with IRS expectations for non-profits at 86% programming and 14% administrative. Ninety percent of revenue has been received or accrued. Currently there are \$2,308,000 in assets and \$726,000 in liabilities on the balance sheet. Ms. Devan was asked to break down the payments that have been made from the football funds. For the spending compared to budget, it appears that consulting, marketing, and travel are over budget, so Ms. Devan will pull the details to determine the reason. It is likely timing of revenue receipt versus expense incurred or items booked to the wrong account. She will report back.

b. Budget Development.

i. Revenue Projections: Ms. Devan walked through staff revenue projections for economic development and MWBC. For economic development, the budget categories largely correspond to the approved city budget for REDI for FY25. The Mayor and Council have finalized the city budget, so the numbers are certain. A portion of the County placemaking grant will be carried over into FY 25 through an amendment and extension of grant term.

Projections for MWBC were made assigning a percentage of risk to each. Applications for things like federal earmarks were assigned a zero probability for now, so that expenses will not be created in the budget unless the funds are granted. Funding from the City of Bowie and Howard County were assigned a 25% probability. To continue to grow shop local incubators in those locations, we need staff – and therefore failure for those jurisdictions to fund will likely result in those programs not continuing in their jurisdictions. Overall, the revenue projections were found to be conservative, and a good basis to develop the expense portion of the budget, which will be presented to the Finance Committee at the June meeting.

- c. Grants and Funding.
 - i. Ms. Rivarde noted that while the SBA is not accepting applications for an indirect rate at this time, they did raise the de minimus rate from 10% to about 15%.
 - ii. Ms. Nguyen informed the committee that unfortunately the joint application with Old Dominion University to provide training for veterans was not approved by the SBA. Instead, they focused funding on an organization from Syracuse.
 - iii. The request for federal earmarks is still in process. REDI was asked to provide some additional information.

- d. SBA FY 2019 and FY2022 audit – all requested materials were submitted, and we are waiting for a response. Ms. Nugyen followed up with the SBA representative again to see if closeout can occur.

2. Other Business

The Committee discussed the reserve goals for REDI. Per the Finance Policies and Procedures, the goal is 3 months of coverage. This would be approximately \$550,000. REDI currently has \$260,000 in reserves. Ms. Rivarde mentioned that in choosing the 3-month goal, the Committee had originally looked at 6 months, but determined that shooting for 3 would be a good first step. Ms. Devan noted that a benefit of having REDI be a separate entity from the City is the ability to leverage funds to obtain grants and other funding. It is important to be able to make match requirements.