



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

June 11, 2024, 5:30 p.m.  
Hybrid Meeting – REDI office/Zoom

**Committee Attendees:** Susan Prince, Nancy Regelin, Angela Chaney, Monique Ashton

**Absent:** Todd Pearson, Bei Ma

**Staff:** Cindy Rivarde, Rhonda Devan, Danette Nguyen, Amanda Bosland

1. CEO/CFO/Treasurer report

- a. Financials (through May). Ms. Devan went through Financials through May. Total cash on hand is \$1,426,271 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 \$2,127,312 in assets and \$694,320 in liabilities on the balance sheet.
  - i. In follow up to last month's question about the football funds, it was discussed that currently for cash flow purposes, it is being tracked to cover any gap in income for the MWBC program. The Committee acknowledged that there is still a need to increase regular income for the MWBC program to cover future gaps. As noted later in the meeting, several jurisdictions are increasing contributions for FY25.
  - ii. Ms. Devan was requested to create a visual depiction of cash flow over time generally. Ms. Prince will provide a sample from another Board she is on.
  - iii. It was noted that the SBA is in arrears in paying \$37,500 from FY23. Ms. Nguyen recently provided back up materials to the SBA at their request to confirm that it was awarded and not paid. Ms. Devan noted that there are new accounting rules governing timing on when to write off an arrearage. She will develop the policy on write offs that will be added to the Finance Policies and Procedures.
- b. Budget Development. Ms. Nguyen and Ms. Devan have been adding further details to the budget document to break out the various MWBC programs for more transparency and tracking. The draft budget will be presented at the July meeting for adoption at the Board July Annual Meeting.
- c. Reserves. The Committee agreed that the Board should look at moving additional funds to reserves after the audit for FY24 is final (end of October). At the current burn rate of \$177,000 per month, the initial reserve target of 3 months is \$531,000. Current reserves are \$260,000. In prior years' the Finance Committee had indicated it might want to increase reserves to 5-6 months once the 3-month goal is achieved. The best practices outlined for non-profits leave determination of a reasonable amount of

reserves to the particular non-profit board. Ms. Rivarde noted that in the past, the discussion of reserves also took into account the fact that REDI makes some long-term contractual obligations, like its lease.

- d. Grants and Funding. Ms. Nguyen noted:
- i. Federal Earmarks – the MWBC Shop Local program is moving onto the Appropriations Committee for consideration. The request is \$775,000, and determination is expected in the Fall.
  - ii. The City of Bowie Mayor and Council are touring the Rockville Shop Local location to determine if they will fund the rent, personnel, and benefits for a location in Bowie town center in the amount of \$140,000. The hearing is on July 1.
  - iii. Howard County EDA agreed to fund \$38,500 towards personnel and other costs to operate the two shop local locations in Howard County (Savage Mill and Old Ellicott City). This will allow us to bring on an additional employee. Special Secretary Maria Martinez and her husband are personally providing the free space in Old Ellicott City, and she has agreed to match the HCEDA's funding for operations. Ms. Nguyen is finalizing the agreement for the Ellicott City location and operation.
  - iv. Frederick County increased its contribution to the operation of MWBC services there to \$66,000. They are also funding \$10,000 to do a one month pilot Shop Local on one of the main streets in the County (not the City of Frederick).
  - v. Prince George's County is still considering an application for \$45,000 – but MWBC was not awarded funding for the \$100,000 request. Feedback from the PGEDC is that they feel they adequately provide services without needing MWBC.
  - vi. It was noted that staff should be incorporating a reasonable overhead amount in funding requests. Ms. Nguyen noted that she has included allocations from some staff like marketing in the budgets – but going forward, we will look at standardizing this request. Ms. Nguyen noted that the SBA de minimum rate is increasing to 15%.
- e. SBA FY 2019 and FY2022 audit – Ms. Nguyen spoke with the SBA representatives, and they noted that these audits are still pending and in the queue for review.

2. Other Business  
None.