



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

April 8, 2025, 5:30 p.m.
Hybrid

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

Absent: None.

Staff: Cindy Rivarde, Amanda Bosland, Richelle Wilson, Karen Sippel, Rhonda Devan, Rochen Blaaw (Devan)

1. CEO/CFO/Treasurer report

- a. Review of Financials through March. Ms. Devan reviewed financials. In an email to the Board transmitting financials, she noted (and reiterated at the meeting):

High-Level Summary of Financial Update

- **Cash Position:** Total cash funds are \$1.75M, consisting of \$798K unrestricted, \$300K in reserve, and the remainder restricted for specific programs.
- **Financial Stability:** The organization maintains approximately 8-10 months of cash flow, based on an updated average monthly expense of \$174K.
- **Expense Allocation:** 83% of expenditures are allocated to programs, with 17% to administration.
- **Budget Utilization:**
- **MWBC:** 65% of the total budget has been spent year-to-date (up from 57%), attributed to increased hiring and program activities.
- **REDI:** 60% of the budget has been spent (up from 51%), with notable movement in encumbered program funds now being expensed.
- **Revenue Tracking:**
- 82% of total budgeted revenue has been recognized to date.
- **Receivables:** \$212K due from the SBA, \$79.5K due from Montgomery County, \$75K City due from City of Bowie and \$10K due from Federick
- **Liabilities:** Total liabilities stand at \$793K, primarily made up of refundable advances, lease liabilities, and payroll-related accruals.
- **Program Funding & Expenses:**
- **Personnel Costs:** Still the largest category at 54% of total expenses.
- **Other Spending Areas:** Contracted services, marketing, and operations are on track and within expected parameters.

Overall: The organization remains in a stable financial position, with consistent growth in net assets and modest reserves. Spending is accelerating appropriately to meet program goals, and we are on track to fully implement program activities by year-end..

- b. Rockville City Budget Update. At the budget workshop the prior evening, the Mayor and Council expressed support for REDI's budget request with the exception of the new full-time business development position. They gave direction for the City Manager to convene a workshop after the budget process to discuss the most impactful way to approach economic development – with an expected discussion of the merits of a new development position, a new position on city staff to be a liaison, and the approach to prospecting for net new businesses, especially in this unprecedented time of change with the Federal government changes. Ms. Rivarde and the Board Members expressed gratitude for Mayor and Council's continued support of REDI and their focus on economic development.
- c. Budget Preparation. Ms. Devan reported that she and Mr. Blaaw have been in town the last two days to work with staff on analyzing revenue and expenses through the third quarter to make projections for FY 2026. The proposed budget is in good shape. Ms. Devan will refine and send to Mr. Pearson to review prior to the next Finance Committee meeting, when the proposed budget will be presented.
- d. Grants and Funding.
 - 1. Ms. Sippel noted that she is meeting with local funders. Frederick County is willing to fund at the same level (\$66,000) as last year, provided state budget cuts do not impact them too negatively. The City of Bowie is working with her on the Shop Local timeline but generally is happy with the services from MWBC. Howard County funded \$38,500 last year but may want additional childcare business training. Montgomery County's funding should be a line item in the budget, and staff will confirm. Ms. Sippel is finalizing a MOU with FSC First that will bring in \$30,000 that was not budgeted for FY25.
 - 2. The SBA has again stopped processing funding for the SBA grants, and staff is monitoring. There may be additional funding opportunities with private individuals and foundations who want to support women entrepreneurs, through partnership with other cities like Greenbelt, Laurel and Hyattsville, and there appears to be demand for more childcare business trainings.
- e. Procurement Process.
 - i. REDI and SBA Requirements – Ms. Rivarde noted that staff received information from the SBA that procurement for items between \$10,000 and \$250,000 should be in accordance with the policies and procedures of the grantee organization. REDI's procurement policy requires three quotes at \$5,000 or more, and an RFP if over \$25,000. This is a stricter policy than that of the SBA. The CEO and Finance Committee can agree to waive procurement requirements under appropriate circumstances.
 - ii. 37 Oaks – 37 Oaks was the vendor who assisted previously with the small-scale manufacturing cohort training as well as a visual merchandising class for shop local. Staff believes their combinations of services and expertise is unique in the market, and would like to hire them to provide their retail curriculum to Shop Local and for them to deliver additional training and support for small-scale manufacturing cohorts. The Finance Committee generally agreed, but in an abundance of caution to make sure there is compliance with the SBA

requirements, they requested that this matter be presented to the full Board for vote.

- f. SBA FY 2019 and FY2022 audit – Continue to be pending.

2. Other Business

None.

Next Meeting: June 10, 2025