



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

September 2, 2025, 5:30 p.m.
Hybrid

Committee Attendees: In person: Susan Prince, Nancy Regelin. Virtual: Monique Ashton, Bei Ma, Dan Mallon

Absent: Todd Pearson

Staff: In person: Cindy Rivarde, Karen Sippel, Richelle Wilson, Amanda Bosland. Virtual: Rhonda Devan.

1. CEO/CFO/Treasurer report

- a. Review of Financials through July. Ms. Devan reviewed financials. Ms. Regelin requested footnotes about carryover amounts be included, and Ms. Devan noted encumbrances and carryover would be noted once the audit is final. Ms. Devan's summary is as follows:

1. Cash Position

- Total Cash Funds: \$2.23 million
- Unrestricted: \$1.37 million
- Reserve Funds: \$307k
- Restricted (ED & MWBC): \$554k
- Months of Coverage: 14 months (unrestricted+unrestricted), 17 months (all funds)
- Indicates strong liquidity and operational coverage as we navigate the unknown re: REDI and MWBC.

2. Revenue

- Total Revenue (July): \$1.07 million (43% of annual budget received - rec'd 50% of Rockville funds)
- Federal Grants: \$50k (17% of budget)
- Local/State Contracts: \$55k (11% of budget)
- Program Income: \$20.9k (21% of budget)
- City Funding: \$944k (58% of budget - rec'd 50% of Rockville fundings)
- Revenue is tracking well against budget early in the year.

3. Expenses

- Total Expenses (July): \$133,969 (5% of annual budget)
- Personnel: \$84k (7% of budget)
- Program Expenses: \$4.4k (1% of budget)
- Contracted Services: \$19.4k (10% of budget)
- Office/Operations: \$20.5k (8% of budget)
- Marketing/Social Media: \$4.2k (4% of budget)
- Travel: \$1.5k (9% of budget)
- Expense ratios: 95% program, 5% admin, 0% fundraising
- Reflects focus on strategic plan initiatives and program delivery.

4. Net Assets & Financial Position

- Net Assets (as of July 31, 2025): \$2.08 million (down from \$2.67 million prior year)
- Total Assets: \$2.83 million
- Total Liabilities: \$744k
- Change in Net Assets (July): \$935,879 increase

5. Key Observations

- Strong cash reserves and months of coverage provide a solid foundation for the year.
- Revenue and expense tracking are on pace with budget expectations for the first month.
- Program spending remains the primary focus, with minimal administrative and fundraising costs.

Summary:

The organization enters FY26 with adequate liquidity, healthy revenue inflows, and disciplined expense management. Early financial activity aligns well with budget projections, positioning Rockville Economic Development, Inc. for a stable and impactful year.

- b. Annual Audit. The audit process is going smoothly and SnyderCohn will present in October.
- c. MWBC Operations. Ms. Rivarde noted that decision regarding the federal funding for MWBC will likely be delayed through the end of the year. While House Republicans have funding of the WBC's in their appropriation bill, the Executive Branch does not want the program to continue, and the SBA is not processing any grant renewal paperwork in advance of final budget adoption. The AWBC's lobbyist thinks that it is likely WBC's will be funded, and that grant opportunities will reimburse WBC's for work performed as of September 30. However, it is a WBC's risk to continue operations after the current grants lapse. The BSW/WBC grant lapsed 7/31/25 and the CORE WBC will lapse 9/29/25. The Finance Committee previously agreed to use up to \$25,000 of the football money to cover BSU operation until October 1, hoping that once Congress is back in session, they might pass the budget. However, it is more likely there will be a federal shutdown for a period, and a final budget adoption much later. Therefore, Ms.

Rivarde asked the Committee to consider whether to use approximately \$150,000 (including the \$25,000 for BSU/WBC through 10/1) to operate MWBC through 12/31/25.

It was noted that changing use of funds is a significant change that would warrant a full Board discussion. In addition, the Committee would like more details presented to them about the various scenarios. Therefore, a closed session special meeting will be set up for September 18th at 7 p.m.

- d. Business Consultant Services. Staff conducted an RFP for business consultant services and contracted with several independent contractors. This will allow MWBC to provide counseling and training services without replacing staff. This flexibility will be helpful while navigating funding challenges.
 - e. RFP for IT Services. The current IT contract ends September 2026. An RFP for IT services is planned for the spring, and the incumbent vendor was encouraged to respond.
 - f. Budget Updates.
 - i. Frederick County is funding \$63,000 for FY26. The Grant Agreement for \$52,000 of that amount is forthcoming (\$11,000 is already under contract).
 - ii. The Grant Agreement with the City of Bowie for \$140,000 for FY26 has been signed and returned. Ms. Sippel is working with the landlord of the Shop Local location to renew for another calendar year.
 - iii. Ms. Sippel is negotiating a grant agreement with Howard County that will feature a new Shop Local location in Ellicott City, a new FTE to run the Howard County locations, funding for a retail consultant, and funding for counseling and training services. She is proposing \$160,000 for this scope.
 - g. SBA Audit for FY2024 for the BSU/WBC – several rounds of materials have been provided.
 - h. SBA FY 2019 and FY2022 audit – Continue to be pending.
2. Other Business
None.