



**Business Development Board of Martin County, Inc.  
Second Quarter Report: April 1, 2024 – June 30, 2024**

**EXECUTIVE SUMMARY**

**PART ONE – KEY ISSUES HIGHLIGHTS**

**See Page 2**

- Contract Reserve Matter Is Resolved. The Business Development Board (BDB) and Martin County worked cooperatively to set a simple formula for calculating the reserves. The formula and the proposed use of the Fund Balance were unanimously approved by the Board of County Commissioners on May 14, 2024.
- Executive Director Search Committee began its work in April. The position description was updated and the job advertised on May 15<sup>th</sup>, with a closing date of June 15<sup>th</sup>. Ninety-four resumes were received. Resumes are presently under review, with interviews planned for August 2<sup>nd</sup>.
- Financial Audit and Annual Activities Reports were submitted to the Board of County Commissioners (BCC) in June. BDB is planning a formal presentation of activities for the BCC during the fourth quarter.
- Budget. The Board of Directors approved a budget of \$737,350 for Fiscal Year 2024-2025.

**PART TWO – ACTIVITIES HIGHLIGHTS**

**See Page 3**

- New Board Members. Business owner Lauren Abbott and attorney Tyson Waters were welcomed onto the Board in April. The Board also amended its by-laws to add an ex officio seat for CareerSource, represented by its Executive Director Brian Bauer.
- Pulse Program. Pulse BDB hired an independent contractor using the Fund Balance monies approved by Martin County. Pulse visits are averaging two per week, with an overall goal of 80-100.
- BDB contracted with BusinessFlare to supplement its prospect relations efforts. BusinessFlare is a recognized leader in economic development in Florida with a strong working knowledge of Stuart and Martin County.
- Project Sailfish. BDB conducted an orientation for a South Florida manufacturer planning to relocate to either Martin County or St. Lucie County. BDB is continuing work with the company to seek tax abatement to secure a decision in favor of Martin.
- Commercial Real Estate Forum (CRE) in February generated multiple requests for follow-up presentations.
- Manufacturers Roundtable. The BDB took over responsibility for coordinating the roundtable, using Fund Balance monies approved by Martin County.

**PART THREE – FINANCIAL HIGHLIGHTS**

**See Page 5**

- Financial report formats are streamlined for clarity and simplicity.
- Actual cash balance at end of the quarter is \$309,077.
- Net income for the quarter is \$109,661.

## PART ONE – KEY ISSUES

**Contract Reserve Amount is resolved.** Martin County funds about two-thirds of the income of the BDB and holds a Contract governing the contributions. Martin County had delayed the quarterly payments pending reconciliation of the cash reserves.

The BDB and Martin County staff developed an agreed upon formula for calculating the Contract Reserve Amount, a reasonable Operating Reserve Amount, and the Fund Balance remaining after the two reserves are accounted for. The current adopted budget of \$724,600, yields a calculation of \$181,150 for the Contract Reserve Amount.

- The BDB submitted a list of projects to Martin County for the proposed use of the Fund Balance.
- The BDB formally amended and restated its Reserve Policy based upon the formula.
- The formula and the proposed use of the Fund Balance were approved unanimously by the Board of County Commissioners on May 14, 2024.
- All Martin County contributions are up to date.

**Executive Director Search Committee is at work.** The Search Committee consists of three Board Members and three Volunteers. The committee began its work in April. The updated position description was advertised on May 15<sup>th</sup>, with a closing date of June 15<sup>th</sup>. Ninety-four (94) resumes were received. An initial review brought the number of properly credentialed candidates to twenty-five (25). The committee is continuing its work in July. The schedule calls for an informal social gathering to meet the candidates on August 1<sup>st</sup>, followed by formal interviews with the Board of Directors on August 2<sup>nd</sup>. The committee is planning to recommend three candidates for interview, together with a set of suggested interview questions.

**Annual Report and Annual Audit.** The two reports were submitted to the Board of County Commissioners (BCC) in June. Although neither report contained actionable items, the BCC chose to discuss BDB operations generally. The BDB is planning a formal presentation to the BCC during the fourth quarter.

**Budget for Fiscal Year 2024-2025.** The Board of Directors approved a budget of \$737,350. The budget also establishes three funds in accordance with customary non-profit fund accounting: Public Fund to account for governmental funding (\$501,000), Private Fund to account for private contributions and sponsorships (\$165,850), and the Special Projects Fund to account for the one-time projects paid for with fund balances, as discussed elsewhere (\$70,500).

## PART TWO ACTIVITY REPORTS

### BUSINESS DEVELOPMENT ACTIVITIES

**Business Recruitment, Retention, and Expansion (BRE).** Prospect relations are a core service of the BDB, and includes relationship building through direct outreach and marketing with owners, investors, site selectors, partners, and others. A few highlights of the quarter activities include:

- BDB contracted with BusinessFlare to supplement its BRE efforts in light of staff vacancies. BusinessFlare is a recognized leader in economic development in Florida with a strong working knowledge of Stuart and Martin County.
- All of the existing project files have been thoroughly reviewed.
- BusinessFlare is also tasked with developing a more representative reporting system.
- Project Sailfish. BDB organized a familiarization tour at South Florida Gateway for a manufacturer looking to relocate. Representatives from multiple agencies were present to help promote Project Sailfish to a decision to locate in Martin. St. Lucie County is also under consideration for the company.

**Pulse Program.** BDB hired an independent contractor using the Fund Balance monies approved by Martin County. Pulse visits are presently averaging two per week, with an overall goal of 80-100 for a full year. Also please note that the staff is planning to transition Pulse reporting cycle from a calendar year basis to a fiscal year basis.

**Talent Advancement Team** held its spring meeting at the Indiantown Marine Center. Emphasis of dialogue continues to be the need to shift academic focus away from the present four-year college orientation and more toward traditional apprenticeships and internships, along with more skills training. Indian River State College expressed a strong desire to meet the needs of industry.

**Manufacturers Roundtable** held its spring meeting at the Indiantown Rail and Commerce Center. The event was well attended with good discussion. Just like above, the emphasis of industry executives is on the need to shift academic focus toward apprenticeships and internships and skills training. The BDB has taken on responsibility for coordinating the roundtable, previously done by volunteers.

**Corporate Council** is a quarterly meeting of major BDB investors. Launched in 2023, the quarterly meeting was hosted on location at the facilities of International Training in Stuart. The purpose is to bring together key economic stakeholders in a casual communication in a real-world business environment.

**Industrial Development Authority** scheduled a meeting in May. Although there was not a quorum, there was a very good discussion, and a task list was created to focus current efforts to examine opportunities to do more hands-on economic development activities.

**Raising Awareness.** The Commercial Real Estate Forum (CRE) in February was a big success, with over 120 attendees. Success is further confirmed as staff and Board Members have responded to six requests for follow-up presentations. Follow up presentations in the third quarter have included realtor groups in Palm Beach County, realtor groups in Martin County, and a presentation to Florida Concrete and Products Association (includes members such as Maschmeyer, Cemex, Titan, Supermix as well as other industry material suppliers).

## **ADMINISTRATIVE AND PROCEDURAL ACTIVITIES**

**New Board Members.** Business owner Lauren Abbott and attorney Tyson Waters were welcomed onto the Board in April. The Board also amended its by-laws to add an ex officio seat for CareerSource, represented by its Executive Director Brian Bauer.

**Board Agendas Were Streamlined.** The Executive Committee and Board of Directors are now following a single unified agenda, rather than two separate agendas. This assures that Executive Committee has opportunity to review and discuss all Board items [as needed], and the full Board is fully apprised of Executive Committee discussions. The Board adopted a formal Agenda Policy in June.

### **Staffing.**

- Janine Khan was hired as Office Administrator, with a strong background in financial accounting and C-Suite relations.
- The Business Development Executive staff member took a different job. The BDB determined to hold the position open until the new Executive Director is hired, and allow the new ED to make the hiring decision. The BDB contracted with Kevin Crowder of BusinessFlare to lead the recruiting and retention efforts.
- Kevin Farrell was brought on under contract to supplement the Pulse program using funds approved by the Board of County Commissioners.

## **OTHER COMMUNITY EVENTS**

**Stuart Main Street** hosted the statewide Florida Main Street conference in April. BDB co-sponsored the event, spoke at, and participated in the meeting.

**South Florida Tech Hub** held an introductory session on the Treasure Coast, hosted by Indian River State College. BDB was invited and participated in the roundtable event. SFTH is a non-profit association, dedicated to strengthening the information technology landscape of South Florida and the Treasure Coast.

**Marine Industry Association of the Treasure Coast** held its annual meeting in June. BDB Treasurer Dan Romence was installed as President.

## PART THREE FINANCIAL REPORTS

The current fiscal year financial Reports formats have been updated as follows:

- The reports are changed to a cash basis rather than accrual basis, due to the focus upon the amount of cash on hand.
- The reports are simplified, with extraneous details removed or reclassified in order to present a simple and clear report format<sup>1</sup>.
- Reports are prepared directly from BDB accounting software, rather than awaiting release from the third-party accounting firm.

The following reports are included as of June 30, 2024:

1. **Balance Sheet.** Bank statements are reviewed and reconciled monthly by the Board's independent third-party accounting firm creating separation of duties from staff actions.
  - a. Actual cash balance at end of the quarter is \$309,077.
  - b. The Synovus bank account was closed and transferred to the Seacoast money market account for better interest rate and to expedite monthly accounting procedures.
2. **Income Statement / Budget Versus Actual.** Please note the following comments:
  - a. Net income for the quarter is \$109,661.
  - b. Income is above budget expectations for the quarter, as the Martin County contract income is now up to date.
  - c. Investor income is below budget, as an "aspirational" goal was set.
  - d. Payroll expenses are below budget due to staff vacancies.
  - e. Outside Services are over budget as contractors are hired to supplement staffing.
  - f. Technology Communications is over budget. Insufficient monies were allocated in the budget; actual expenses are running close to the costs of prior years.
3. **Line Item Detail.** This is a longer report and is reported separately as **APPENDIX A**. This report provides the reader with every transaction within each line item on the budget versus actual report.
  - a. Each line item on the Income Statement has a corresponding listing of itemized transactions. The amount for each line item should match the total.
  - b. Each transaction lists the date, the vendor's name [or customer name, if income], and the Memo field generally describes the purpose.
    - i. Transaction Type "Invoice" is accrued income, which has not been received.
    - ii. Transaction Type "Deposit" is actual income.
    - iii. Transaction Type "Check" is a purchase paid by check.
    - iv. Transaction Type "Expense" is a purchase paid by debit card. These will require attention in the future to better describe the specific purpose, rather than just the debit transaction information.
    - v. Transaction Type "Journal entry" is posted to reclassify certain transaction.

[Financial reports follow]

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<sup>1</sup> For example, zero-dollar line items which serve no purpose are removed; amounts are rounded to full dollars; conventional accounting practice is used, placing negative numbers in parentheses; and interest earning are reclassified to ordinary income eliminating unusual calculations.

# Business Development Board of Martin County

Balance Sheet  
As of June 30, 2024

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
BDB CHECKING ACCOUNT *0501 (0501)	145,619
SEACOAST BUSINESS MONEY MARKET *8461 (8461)	163,457
<b>Total Bank Accounts</b>	<b>\$309,077</b>
<b>Total Current Assets</b>	<b>\$309,077</b>
Fixed Assets	
Accumulated Depreciation	(25,731)
Equipment	16,055
Furniture & Fixtures	9,675
<b>Total Fixed Assets</b>	<b>\$0</b>
<b>TOTAL ASSETS</b>	<b>\$309,077</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	4,640
<b>Total Other Current Liabilities</b>	<b>\$4,640</b>
<b>Total Current Liabilities</b>	<b>\$4,640</b>
<b>Total Liabilities</b>	<b>\$4,640</b>
Equity	
Contract Reserve	181,150
Net Assets	167,014
Net Income	(43,728)
<b>Total Equity</b>	<b>\$304,436</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$309,077</b>

# Business Development Board of Martin County

## Budget vs. Actuals

April - June, 2024

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
<b>Income</b>				
County Income	225,000	112,500	112,500	200.00 %
Event - Sponsorship Income		16,875	(16,875)	
In-Kind Income	1,845	6,000	(4,155)	31.00 %
Interest Earned	2,080	25	2,055	8,324.00 %
Investor Income	25,750	43,750	(18,000)	59.00 %
Program Fees		2,000	(2,000)	
<b>Total Income</b>	<b>\$254,675</b>	<b>\$181,150</b>	<b>\$73,525</b>	<b>141.00 %</b>
<b>GROSS PROFIT</b>	<b>\$254,675</b>	<b>\$181,150</b>	<b>\$73,525</b>	<b>141.00 %</b>
<b>Expenses</b>				
Bank Charges & Fees	171	250	(79)	68.00 %
Business Development Marketing	4,332	10,000	(5,668)	43.00 %
Computer Equipment - Software	414	1,000	(586)	41.00 %
Contingency		250	(250)	
Economic Development Services-Programs	1,450	2,500	(1,050)	58.00 %
Events/Forums	4,229	12,500	(8,271)	34.00 %
In-Kind Services	1,845	6,000	(4,155)	31.00 %
Insurance		1,250	(1,250)	
Memberships	1,594	2,500	(906)	64.00 %
Occupancy	5,398	7,500	(2,102)	72.00 %
Office Supplies & Software	201		201	
Office/General Expenses	2,616	2,500	116	105.00 %
Other Business Expenses	325		325	
Outside Services	64,052	32,625	31,427	196.00 %
Payroll Expenses	1,083		1,083	
Employee Benefits	3,773		3,773	
Payroll Taxes	(655)		(655)	
Payroll Wages	47,327	92,750	(45,423)	51.00 %
<b>Total Payroll Expenses</b>	<b>51,528</b>	<b>92,750</b>	<b>(41,222)</b>	<b>56.00 %</b>
Postage and Postal Services	141	250	(109)	57.00 %
Printing & Binding		1,250	(1,250)	
Professional Development-Training	535	2,000	(1,465)	27.00 %
Subscriptions	2,975	2,750	225	108.00 %
Technology Communications	3,207	1,650	1,557	194.00 %
Travel & Entertainment		1,625	(1,625)	
<b>Total Expenses</b>	<b>\$145,014</b>	<b>\$181,150</b>	<b>\$ (36,136)</b>	<b>80.00 %</b>
<b>NET OPERATING INCOME</b>	<b>\$109,661</b>	<b>\$0</b>	<b>\$109,661</b>	<b>0%</b>
<b>NET INCOME</b>	<b>\$109,661</b>	<b>\$0</b>	<b>\$109,661</b>	<b>0%</b>

End of Report – APPENDIX A Follows

Business Development Board Quarterly Report to Martin County – Spring 2024