

Highlights: MCC Board Approved Budget for Fiscal Year 2018 (7/1/17–6/30/18)



McLean
Community
Center

The Center of It All

Prepared for MCC Governing Board

Wednesday, Sept. 28, 2016 at 7:30 p.m.

FY 2018 Budget – Overview

- Total Budget Revenue: \$5,351,880
- Total Budget Expenditure: \$5,356,248
- FY18 Estimated Shortfall from Operations: **\$4,368.**
- There will be no capital expense shown in the FY18 budget.
- The renovation and other projects are expensed in FY17. The FY17 Budget reflects the following:
 - * Capital Improvement(Renovation) \$7,620,018
 - * Capital Improvement(Other Projects) \$555,034
- Rental of office, program space is spread over the three fiscal years:
 - FY17 - \$ 193,951 + moving and storage expenses \$35,000
 - FY18 - \$ 387,901 + storage expense \$15,000
 - FY19 - \$ 193,951 + moving and storage expenses \$35,000
- Propose to maintain the current tax rate at 2.3¢ per \$100 of Assessed Value. This is to be recommended at the Aug. 24 work session, and to be approved by the Board on Sept. 28th.

FY 2018 Budget

RENOVATION IMPACT

- The Center will be closed effective April 03, 2017 and proposed to open on October 01, 2018.
- FY17 will be effected from April 03 2017 – June 30 2017.
- FY18 programs will be conducted at locations outside the center
- FY19 is expected to resume on October 01, 2018 at the center.
- Instructional Classes are proposed to be held at the Mclean Square Shopping Center, 6645 Old Dominion Drive, McLean.
- Administration offices will be moved to McLean Square Shopping Center, 6631 Old Dominion Drive, McLean.
- Special Events and Performing Arts administration offices will be moved to Lewinsville Park House, McLean.

FY 2018 Budget- Revenue

The Components making up the Revenues:

- Taxes projected at 2.3c per \$100 - \$4,393,481 82.1%
- Program, Rental and Interest Revenues \$ 958,398 17.9%

Instruction

- 320 classes are projected to be conducted. The projected revenues for FY18 are \$380,093.

Special Events

- Two programs, The Jewelry Show(Better than Bling) and the Antique show are not being held in FY18. They will be resumed in FY19 when we will be back at the center.
- All the other events will be held in outside venues.

Performing Arts

- Programs are proposed to be held outside the center and the Alden Theatre.
- The Theatre staff are proposing to hold programs at various venues. Revenues will be generated from Theatre trips and Vincent Hall Performances.

Youth Events

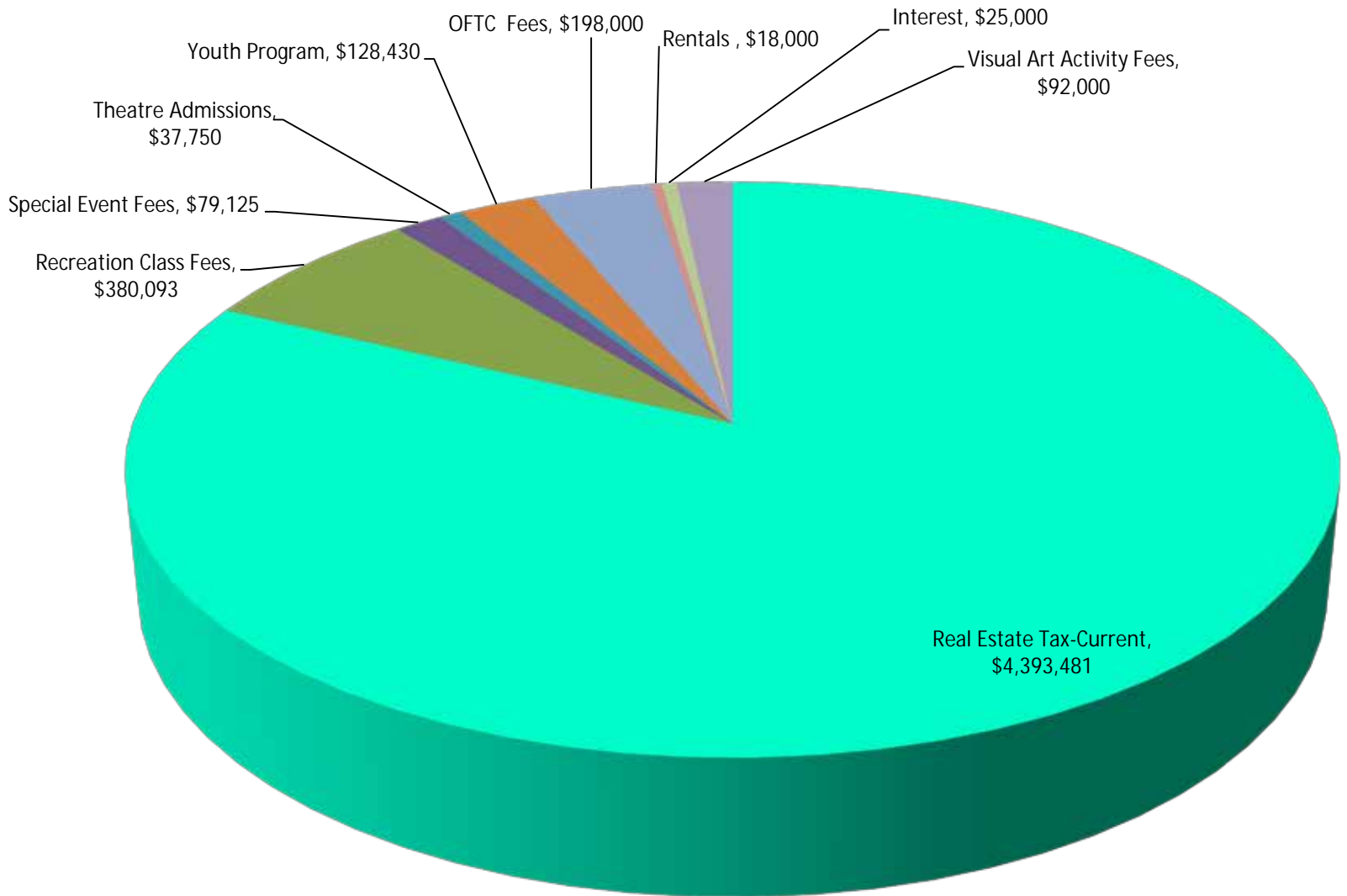
- The Gingerbread House programs are on hold during FY18. They will resume in FY19.
- The Children's Flea Market will be held in conjunction with Special Event's Garage Sale.

Old Fire House

- Annual Membership Fees are proposed to be increase by \$25 per year, from \$200 to \$225.
- The Summer Camps enrollment has been increased by using larger buses for the events.

Visual Arts

- Visual Arts revenue is budgeted based on projections provided by MPA.



FY 18 Revenues

FY 2018 Budget – Expenditures

Major Expenditures:

Facilities

- Expenses budgeted for Janitorial Services(\$48K) and Storage Costs(\$15K).
- FY18 No expenses were set aside for Utilities as the center would be under construction.
- FY18 - \$387,901 has been budgeted for the Rental space.

Instruction

- Operating Expenses have been adjusted down proportionately to the Revenue. FY18 is projected at 47% and FY16 was 54%of total expenses.

Special Events

- Operating Expenses for FY18 are Budgeted at 47.5% of total expenses, compared to 45.2% in FY16. Increases are due to anticipated rental space and storage expenses.

Performing Arts

- Operating Expenses for FY18 are proposed at 28.8% of total expenses as compared to FY16 of 40.3%.
- Cut backs in Programs due to space limitations.

Youth

- Operating Expenses for FY18 are projected at 25.2% of total expenses compared to FY16 actual expenses of 22.6%. Expenses in rental of facilities and additional costs at the new venues.

Old Firehouse

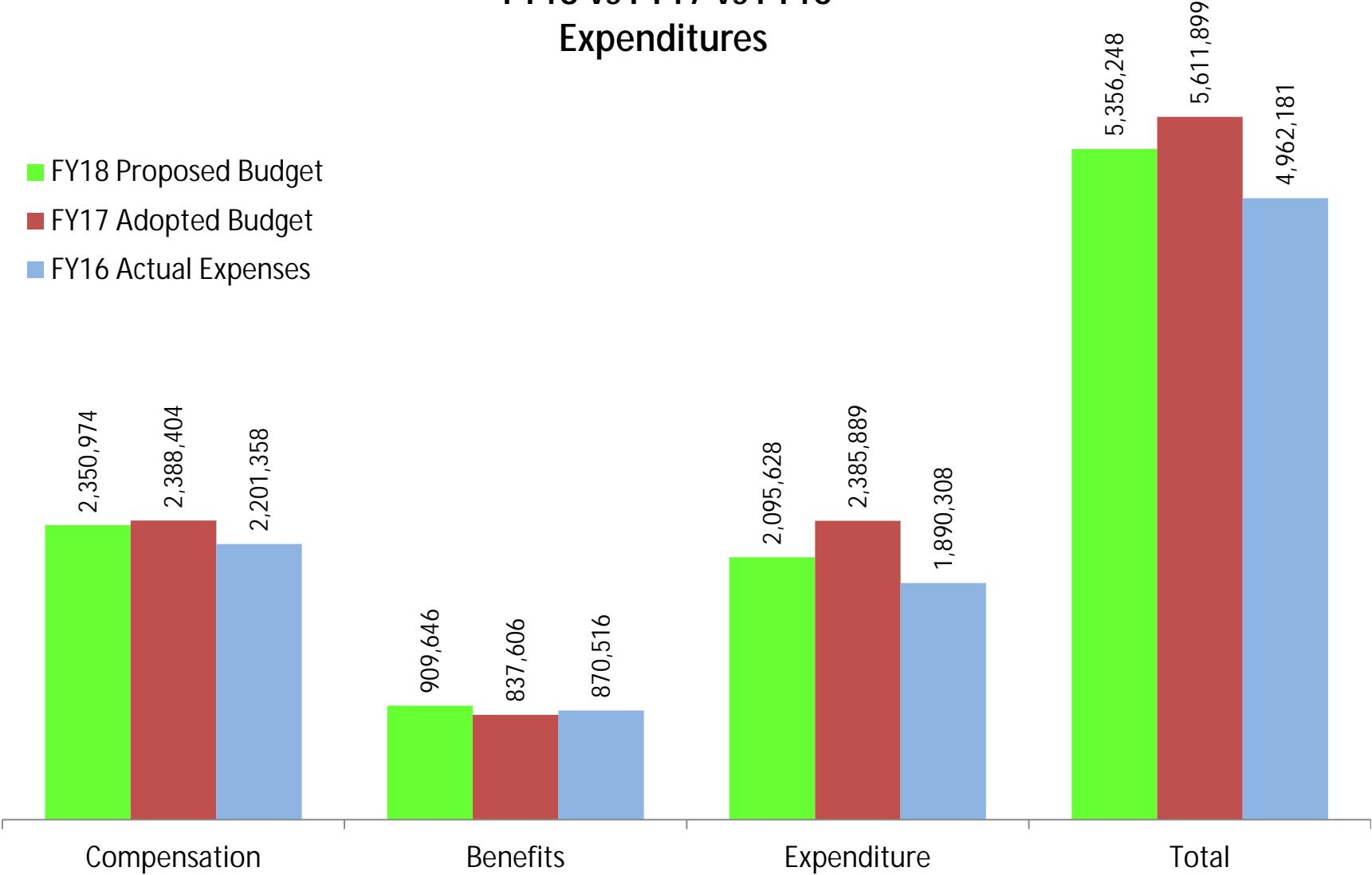
- The Summer Camp Program has been enhanced. Operating expenses for FY18 are projected at 50.2% compared to FY16 expenses of 43.3% of total expenses. The number of participants have been increase. Enrollment is being maximized to use the most cost effective transportation.

Visual Arts

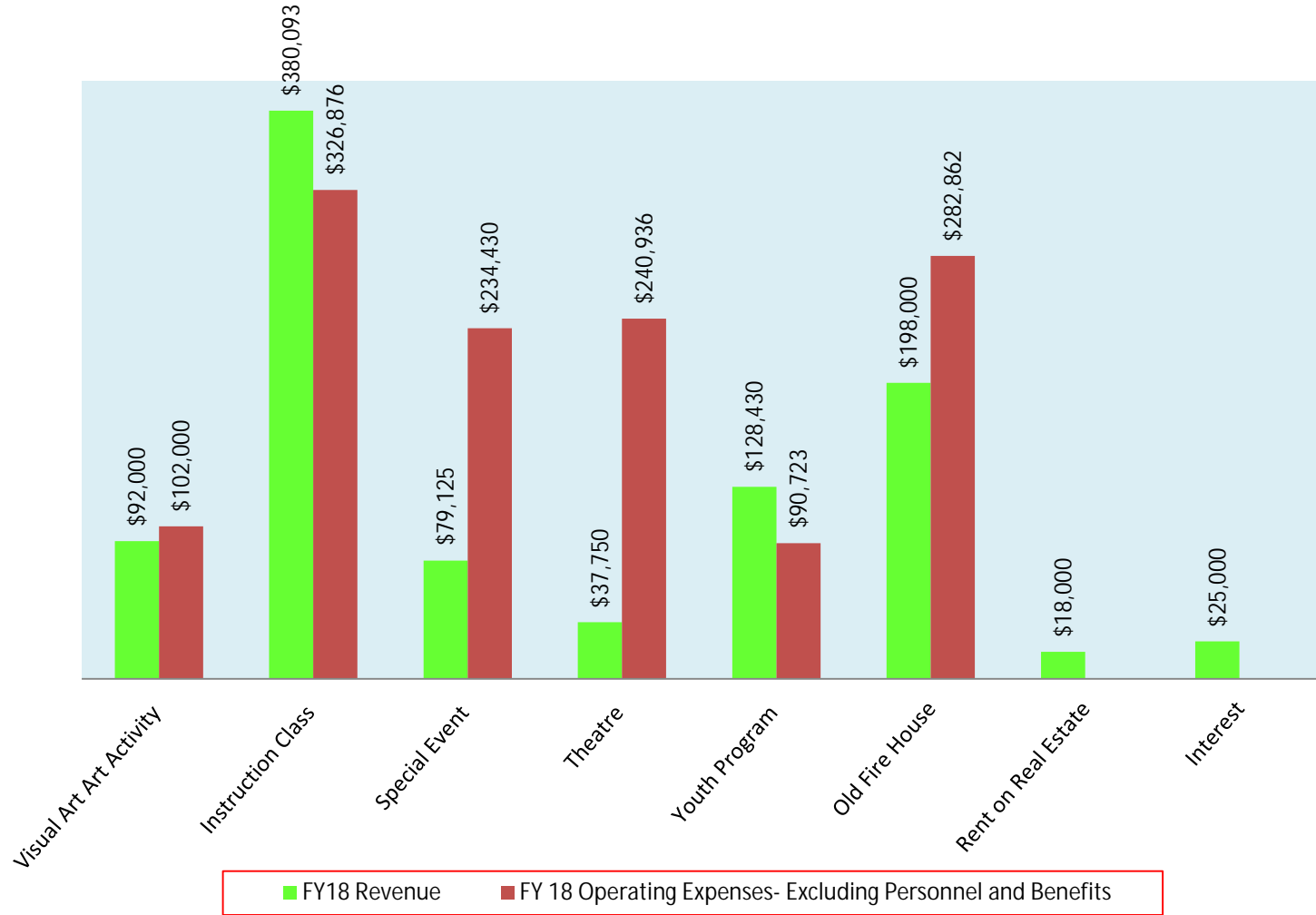
- \$20,000 is budgeted for sponsorship of MPA Artfest.

FY18 vs FY17 vs FY16 Expenditures

- FY18 Proposed Budget
- FY17 Adopted Budget
- FY16 Actual Expenses



FY 18 Program Revenues & Expenses



**McLean Community Center
Financial Summary FY 2016 - FY 2018**

Preliminary Projections

	<i>FY2016</i>		<i>FY 2017</i>		<i>FY 2018</i>	
	Actual		Adopted Budget		Budget	
Operating - REVENUE						
Real Estate Tax	4,381,848	78.1%	4,393,481	76.6%	4,393,481	82.1%
Interest on Investments	33,182	0.6%	12,000	0.2%	25,000	0.5%
Total Tax and Interest Revenue	4,415,030	78.7%	4,405,481	76.8%	4,418,481	82.6%
Recreational Class Fees- Instructional Programs	490,318	8.7%	535,600	9.3%	380,093	7.1%
Special Events	69,874	1.2%	115,000	2.0%	79,125	1.5%
Performing Arts - Theatre	133,887	2.4%	119,060	2.1%	37,750	0.7%
Youth Program Fees	109,190	1.9%	113,850	2.0%	128,430	2.4%
Teen Center - OFTC	165,867	3.0%	215,000	3.7%	198,000	3.7%
Visual Arts Activity Fees	124,914	2.2%	145,000	2.5%	92,000	1.7%
Total Program Revenue	1,094,050	19.5%	1,243,510	21.7%	915,398	17.1%
Miscellaneous (Facility Rentals, Ad Revenue, etc.)	101,979	1.8%	88,300	1.5%	18,000	0.3%
TOTAL REVENUE	5,611,059	100.0%	5,737,291	100.0%	5,351,880	100.0%

This Forecast is based upon reasonable assumptions, given current economic conditions; however, it reflects only our best judgment at the present time and constitutes no representation or warrant of what operating results will, in fact, be.

**McLean Community Center
Financial Summary FY 2016 - FY 2018
Preliminary Projections**

	FY2016		FY 2017		FY 2018	
	Actual		Adopted Budget		Budget	
Operating - Expenditure						
Administrative Services	917,533	18.5%	1,036,051	18.5%	976,662	18.2%
Facilities Services	628,199	12.7%	673,723	12.0%	871,740	16.3%
Public Information	390,498	7.9%	432,922	7.7%	451,803	8.4%
Recreational Class - Instructional Programs	715,864	14.4%	763,937	13.6%	701,957	13.1%
Special Events	453,619	9.1%	481,820	8.6%	493,389	9.2%
Performing Arts- Theatre	926,089	18.7%	1,139,805	20.3%	835,196	15.6%
Youth Program	326,015	6.6%	356,780	6.4%	360,436	6.7%
Teen Center - OFTC	462,259	9.3%	561,861	10.0%	563,064	10.5%
Visual Arts Activity	142,111	2.9%	165,000	2.9%	102,000	1.9%
Program + Support Expenditures	4,962,185	100.0%	5,611,899	100.0%	5,356,248	100.0%
Capital Expenditures (Equipment)			55,000			
Capital Expenditures (Capital Replacement)	13,494		500,034			
Capital Expenditures (Renovation)	466,328		7,620,018		0	
Carry Over						
Total Capital Expenditure	479,822		8,175,052		0	
Total Expenditures including Capitals	5,442,007		13,786,951		5,356,248	
Personnel Expenses	3,071,873		3,226,010		3,260,620	
Operating Expenses	1,890,308		2,385,889		2,095,628	
Personnel Expenses Verification	3,071,877		3,226,010		3,260,620	
Operating Expenses Verification	1,890,308		2,385,889		2,095,628	

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**McLean Community Center
Financial Summary FY 2016 - FY 2018
Preliminary Projections**

	<i>FY2016</i>		<i>FY 2017</i>		<i>FY 2018</i>	
	Actual		Adopted Budget		Budget	
FUND STATEMENT						
Tax Rate per \$100 of Assessed Value	2.3		2.3		2.3	
Beginning MCC General Fund Balance	10,441,983		10,611,035		2,561,376	
Total Revenue	5,611,059		5,737,291		5,351,880	
Total Operating Expenditures	(4,962,185)		(5,611,899)		(5,356,248)	
Net Surplus (Shortfall) from Operations	648,874		125,393		(4,368)	
Less :Capital Expenses	(479,822)		(8,175,052)		0	
Net Surplus/(Shortfall) for Financial Year(incl. Capitals)	169,052		(8,049,659)		(4,368)	
MCC General Fund Balance	10,611,035		2,561,376		2,557,008	
Break Down of Fund						
	<i>FY2016</i>		<i>FY 2017</i>		<i>FY 2018</i>	
	Actual		Adopted Budget		Budget	
Ending Balance Capital Equipment Reserve Fund	112,221		59,746		107,038	
Ending Capital Improvement Reserve Fund	9,973,815		1,976,633		1,924,973	
Operating Contingency Reserve- Effective 2014	525,000		525,000		525,000	
Total Fund Balance	10,611,035		2,561,376		2,557,008	
Unreserved Ending Bal.Surplus/(Shortfall)-Gen Fund	0		(0)		0	

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McLean Community Center

Capital Improvement Projects

Project Description		Budget	Committed /Spent	Balance	2014	2015	2016 Actuals	2017	2017 Adjustments	2018
SWSG Study - MCC Renovation	CI	\$50,806	\$50,806	\$0						
Land Acquisition-Land WPFO		\$6,000	\$6,000	\$0			\$3,083	\$2,917		
FFX DPWES- BDCD Project Management Fee	CI	\$177,920	\$177,920	\$0	\$9,764	\$22,780	\$61,269	\$84,107		
Inspection / Plan Review - DPWES	CI	\$45,000	\$45,000	\$0			\$13,974	\$31,026		
County Engineering & Construction	CI	\$319,440	\$319,440	\$0	\$314		\$3,561	\$315,565		
Architects - Design Fee	CI	\$775,923	\$775,923	\$0		\$126,828	\$362,780	\$286,315		
Asbestos & Misc.-DPWES	CI	\$35,000	\$35,000	\$0			\$6,489	\$28,511		
Renovation General Contractor ³	CI	\$6,112,705	\$6,357,949	-\$245,244			\$0	\$6,357,949		
Utilities		\$128,800	\$128,800	\$0			\$15,172	\$113,628		
Building Equipment	CI	\$400,000	\$400,000	\$0				\$400,000		
MCC Renovation		\$8,000,788	\$8,246,032	-\$245,244	\$10,078	\$149,608	\$466,328	\$7,620,018	\$0	\$0
Drainage-Relocate Utility Cables, Prepare Storm Water Drainage and Landscaping ¹	CI	\$16,473	\$16,473	\$0	\$0					
Theatre Scene Shop Office+Ladder	CI	\$65,488	\$65,488	\$0	\$56,169					
OFTC AV / BOOTH - Video	CI	\$23,539	\$23,539	\$0	\$0					
Environmental Study - MCC Asbestos Study	CI	\$5,529	\$5,529	\$0	\$0					
SWSG Study - ADA Compliance	CI	\$7,212	\$7,212	\$0	\$2,256					
OFTC Restrooms ADA-Design & Construction	CI	\$101,700	\$101,700	\$0	\$2,315	\$10,857	\$13,494	\$75,034		
Theatre Metal Shelving	CI	\$7,825	\$7,825	\$0						
Theatre Floor-Part of Stage Project(2012)	CI	\$5,888	\$5,888	\$0						
HVAC Balcony Phase(2 - Installation)-2012 Estimates	CI	\$150,000	\$0	\$150,000	====>	====>		\$0		
Capital Improvement		\$383,654	\$233,654	\$150,000	\$60,740	\$10,857	\$13,494	\$75,034		\$0

McLean Community Center Capital Improvement Projects

Project Description		Budget	Committed /Spent	Balance	2014	2015	2016 Actuals	2017	2017 Adjustments	2018
HVAC Booths - Theatre -HVAC (Ph1, 2 & 3 -Design)	CR	\$15,269	\$15,269	\$0	\$7,648					
HVAC Booths - Theatre Phase(1-Installation)	CR	\$33,887	\$33,887	\$0	\$0					
Restrooms + ADA Restrooms	CR	\$510,089	\$510,089	\$0	\$477,500	\$29,251				
Community Hall Partitions	CR	\$96,467	\$96,467	\$0	\$0					
OFTC Awning	CR	\$7,386	\$7,386	\$0	\$3,693					
Alden Theatre Sound System	CR	\$208,870	\$208,870	\$0	\$205,426					
Theatre Booth - HVAC Administration Cost	CR	\$4,740	\$4,740	\$0	\$0					
Alden Theatre Roof Fire Proofing ²	CR	\$163,800	\$163,800	\$0	\$163,800					
Sound System-Construction Administration - SWSG	CR	\$2,083	\$2,083	\$0	\$2,083					
OFTC Roof	CR	\$115,551	\$115,551	\$0	\$4,400	\$111,151				
MCC Carpet	CR	\$96,155	\$11,155	\$85,000	\$11,155	=====>		\$0		
Rehearsal Hall - Wood Flooring - Quotes being obtained- Estimates	CR	\$35,000	\$0	\$35,000		=====>		\$0		
Signage - 2012 Estimates	CR	\$175,000	\$175,000	\$0		=====>		\$175,000		
Sump Pumps	CR	\$10,330	\$6,667	\$3,663	\$6,667					
Wireless Stage Intercom	ER	\$14,000	\$18,929	-\$4,929		\$18,929				
Refrigerators	ER	\$9,829	\$9,173	\$656		\$9,173				
Theatre Rigging System	CR	\$250,000	\$250,000	\$0				\$250,000		
Total Capital Replacement		\$1,748,456	\$1,629,066	\$119,390	\$882,372	\$168,504	\$0	\$425,000		\$0
Capital Projects		\$10,132,898	\$10,108,752	\$24,146	\$953,190	\$328,969	\$479,822	\$8,120,052		\$0
Light Console - Shown in Facilities - In Facilities as Computer Supplies	ER	\$44,715	\$44,715	\$0	\$44,715					
Rear Projection Screen - Shown in Facilities as Computer Supplies	ER	\$6,409	\$6,409	\$0	\$6,409					
Video Projector - Shown in Facilities as Computer Supplies	ER	\$12,711	\$12,711	\$0	\$12,711					
Dish Machine	ER	\$4,743	\$4,743	\$0						
Stove Top Burner	ER	\$7,500	\$0	\$7,500		\$0				
Ice Machine	ER	\$3,406	\$3,406	\$0						
Theatre Stage Speakers	ER	\$26,000	\$15,300	\$10,700		\$15,300				
			\$0							
Motorized Projection Screen	ER	\$20,000	\$20,000	\$0				\$20,000		
Digico SD-8 Work Surface- Audio Console	ER	\$35,000	\$35,000	\$0				\$35,000		
Total Equipment Replacement		\$160,484	\$142,284	\$18,200	\$63,835	\$15,300	\$0	\$55,000		\$0
Total Capital Expenses		\$10,293,382	\$10,251,036	\$42,346	\$1,017,025	\$344,269	\$479,822	\$8,175,052		\$0

Notes:

FY 17 Revised Real Estate Tax Valuation reflects the increase county published projections.

Effective FY16 The Capital Equipment Reserve was to be maintained at 2% of Revenue.

Effective FY16 the Contingency Fund Reserve is to be maintained at \$525,000

Assessed Value of Properties in Small District 1A

FY 17(Budget) - \$19,102,093,290

FY18 Real Estate Revenue is based on the same assessed values.

FY 2018 Budget – Expenditures

- Operating Expenses represent the expenses used to operate MCC on an annual basis. They include regular costs like utilities, instructor fees, and expenses associated with events like McLean Day. The funding for operating expenses is budgeted and approved for a single financial year.
- Personnel Expenses include salary compensation, taxes and benefits, such as health and retirement and workman's compensation.
- Capital Expenses are monies used to buy or replace large items like air conditioning units, the Alden sound system, and larger projects like the planned renovation of the MCC facility. They are budgeted to be spent either in a single financial year or, sometimes, to be spent across multiple years. An unfinished Capital project can have its funding moved to the next financial year if this is deemed necessary to complete the purchase/work.

FY 2018 Budget – Taxes

- Tax Revenues = Total Tax Assessment of Properties in MCC Tax District multiplied by tax rate.
 - Example: For a house assessed at \$1,000,000, MCC tax assessment at 2.3¢ per \$100 would be \$230.
- MCC uses tax assessment projections for FY 2017 provided by the County.
- Actual Assessments for FY 2018 will not be announced until early 2017 (for first 6 months of FY 2018) and early 2018 (for final 6 months of FY 2018).
- As a result, at this time, tax revenue for FY 2018 is a projection.

Looking Forward

- The Renovation of the MCC has been projected to be \$8,246,032. The reserves are being used for this purpose and other capital equipment or improvement projects. MCC will, in future years, have to consider an increase in tax rate to have expenditures equal revenues.
- This decision will be influenced by many variables, especially changes in assessed value of property in MCC tax district in FY 2018 and beyond.