

**McLean Community Center Governing Board
Finance Committee Meeting of the Whole
August 24, 2016**

MINUTES

Board Members Present: Paul Kohlenberger, Finance Committee Chair; Laurelie Wallace, Board Chair; Kat Kehoe; Chad Quinn; Jennifer Rossman; and Desi Woltman;

Board Members Absent: Debbie Sanders, Board Vice-Chair; Quentin Levin, Secretary; Sam Gollob; Merrily Pierce; and Lathan Turner

Staff Members Present: George Sachs, Executive Director; Ashok Karra, Comptroller; Jennifer Garrett, Performing Arts Technical Director; Catherine Nesbitt, Special Events Manager

Guests Signed In: Jane Edmondson, Chief of Staff, Office of Supervisor John Foust, and Georgie Nance, citizen.

Mr. Kohlenberger convened the August 24, 2016 Finance Committee Meeting of the Whole at approximately 7:40 p.m.

ADOPT AGENDA

Mr. Kohlenberger reviewed the agenda, which was approved unanimously.

PUBLIC COMMENT

Ms. Edmondson introduced herself. Ms. Nance said she was attending because of civic interest.

PRESENTATION OF DRAFT FY18 BUDGET PROPOSAL

Mr. Karra gave a PowerPoint presentation of the MCC FY18 Budget Proposal. A review of the presentation is shown below.

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 and program spaces 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 cents per \$100 of assessed real estate values. After approval at this meeting, the tax rate recommendation will be presented at the Public Hearing on the FY18 budget on September 12, and formally approved by the Board on September 28.

Renovation Impact

- The Center will be closed effective April 03, 2017; plans provide that it will reopen on October 1, 2018.
- FY17 will be affected from April 3, 2017 – June 30, 2017.
- FY18 programs will be conducted at locations outside the center
- FY19 is expected to resume on October 1, 2018 at the center.
- Instructional Classes are proposed to be held at the McLean Square Shopping Center, 6645 Old Dominion Drive in McLean.¹
- Administration offices will be moved to McLean Square Shopping Center, 6631 Old Dominion Drive in McLean.
- Special Events and Performing Arts administration offices will be moved to Lewinsville Park House, McLean.

Revenue

Revenue is comprised of:

- Taxes projected at 2.3 cents per \$100 of assess values = \$4,393,481(82.1% of total revenue)
- Program, Rental and Interest Revenues=\$958,398 (17.9% of total revenue)

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 planned for FY18. (The rental costs to hold these two programs offsite over three days far exceed the usual revenue for the events.)
- 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 is proposing to hold programs at various venues. Revenues will be generated from Theatre trips and Vinson Hall Performances.

Youth Events

- The Gingerbread House programs are on hold during FY18 (will not have access to a kitchen, which is needed for the event). 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 increased 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.

¹ Final decisions on all spaces are still pending.

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 include 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 has been increase. Enrollment is being maximized to use the most cost effective transportation.

Visual Arts

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

Information that is more detailed is included in a copy of the PowerPoint presentation posted to the homepage on the MCC Website under "What's New." www.mcleancenter.org.

After discussion, the following recommendation from the Finance Committee was presented:

MOTION: that the Governing Board

- **Adopt the draft MCC FY18 budget proposal as presented by staff on August 24, 2016;**
- **Direct staff to post the draft proposal to the MCC website by September 5, 2016; and**
- **Take action on the draft FY18 budget at its meeting on September 28, 2016.**

Decision: The motion passed unanimously, with one abstention. [Mr. Kohlenberger abstained due to a perceived conflict of interest due to his role with the Greater McLean Chamber of Commerce.]

NEW OR OLD BUSINESS

- The MCC is closed September 5 for Labor Day.
- The Public Hearing on the MCC FY18 Budget Proposal is on Monday, September 12 at 7:30 p.m.

There being no further business, Mr. Kohlenberger adjourned the meeting at approximately 8:40 p.m.