

Highlights: MCC Board Approved
Budget
for Fiscal Year 2019 (7/1/18–6/30/19)



McLean
Community
Center

The Center of It All

Prepared for MCC Governing Board

Wednesday, Sept. 27, 2017 at 7:30 p.m.

Executive Summary

- MCC continues the strong history of financial stewardship, with one of the lowest tax rate of our peer groups.
- We will continue to operate a budget surplus while finishing the renovation of the new center.
- FY19 will see \$ 5,711,801 revenue and \$5,609,732 expenses, for a surplus of \$102,069.
- We recommend maintaining the tax rate at 2.3c per \$100 of assessed value in FY19.

FY 2019 Budget – Overview

- There will be no capital equipment expense shown in the FY19 budget.
- All renovation and capital projects are expensed in FY18. The FY18 Budget reflects the following:
 - * Capital Improvement(Renovation) \$ 6,975,484
 - * Capital Improvement(Other Projects) \$86,365
- Rental of office, program space is spread over the three fiscal years:
 - FY17(Actual spent - \$142,365 +moving expenses(including IT, Phones) \$32,697.
 - FY18(12 months) - \$ 439,897
 - FY19(six months for Admin, programs and Lewinsville and 4 months for Color Wheel dance classes) - \$ 211,283 + moving and storage expenses \$35,000

FY 2019 Budget

RENOVATION IMPACT

- The Center closed on April 03, 2017 and proposed to open on October 01, 2018.
- FY17 was affected from April 03 2017 – June 30 2017.
- FY18 programs are being conducted at locations outside the center
- FY19 is expected to resume normal operations on January 01, 2019 at the center.
- Instructional Classes are being held at the McLean Square Shopping Center, 6645 Old Dominion Drive, McLean.
- Administration offices are located in McLean Square Shopping Center, 6631 Old Dominion Drive, McLean.
- Special Events and Performing Arts administration offices are located at Lewinsville Park House, McLean.
- The renovation is projected to finish on target.

FY 2019 Budget- Revenue

The Components making up the Revenues:

- Taxes projected at 2.3c per \$4,587,221 80.3%
- Program, Rental and Interest Revenues \$1,124,580 19.7%

Instruction

- The projected revenues for FY19 is \$400,000. The first six months will be held at the current temporary locations.

Special Events

- The Jewelry (Better than Bling) , Antique and Craft Shows are being consolidated for FY19 into a Cultural Event. The Antique show and Craft show will resume in FY20.
- McLean Day is being proposed to be held for two days. Friday will have only the large rides and Saturday will have all the events of the regular Saturday, Mclean Day, as being done in FY18 (May 2018).
- An October Pet Fest and McLean 5K events are additional events for FY19.

Performing Arts

- Expanding the Outdoor Kids Series(previously Jammin' Jr.) and Outdoor Adult Series Concerts (previously Summer Concerts).
- Expanded Unruly Theatre, Alternate- Shakespeare Festival and Adult Series.

Youth Events

- The Gingerbread House programs are on hold during FY19, as we would not have moved into the center. They will resume in FY20.
- The Children's Flea Market will be held in conjunction with Special Event's Garage Sale.

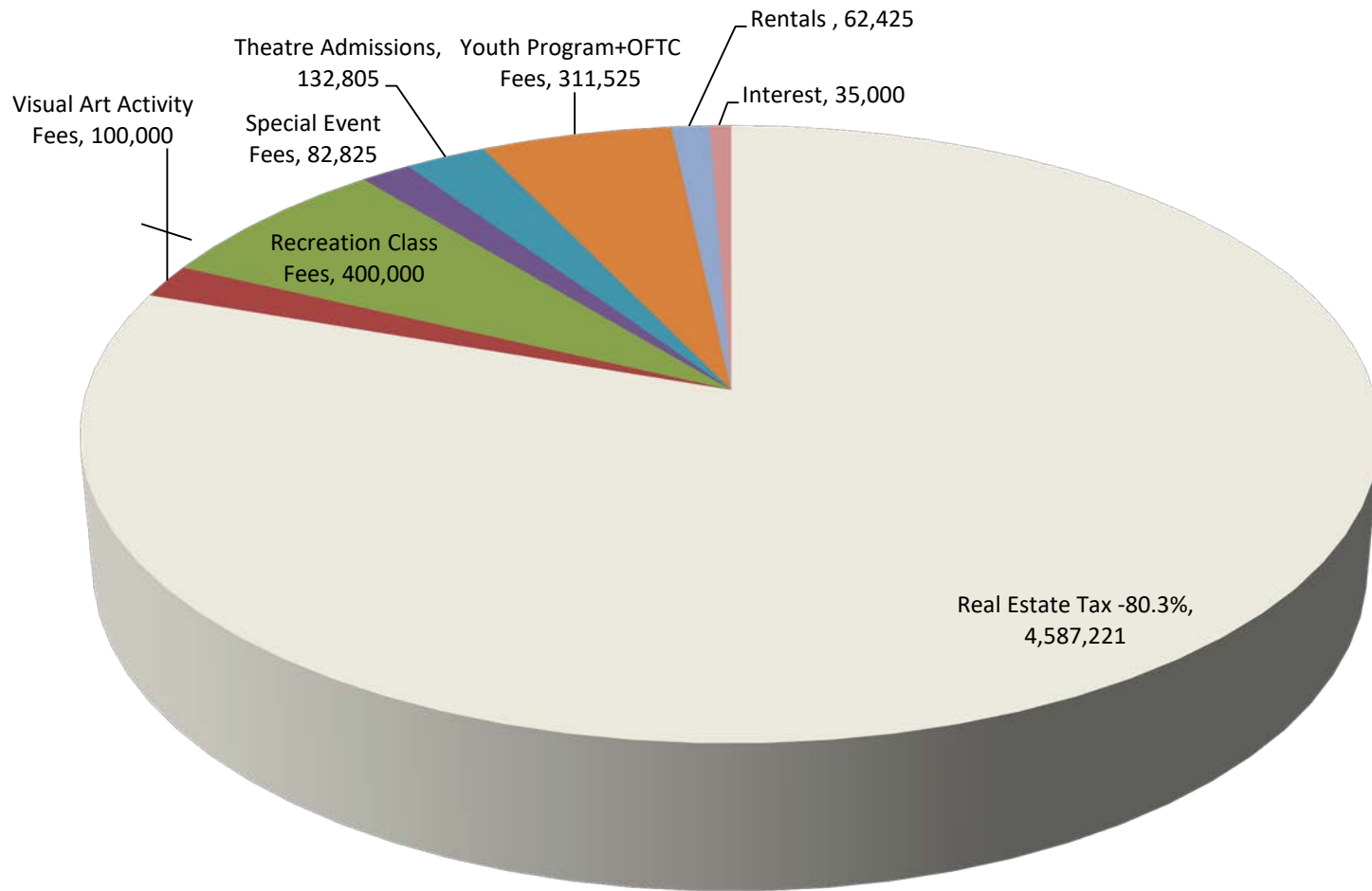
Old Fire House

- The Summer Camps enrollment will be maintained at the increased number by using larger buses for the events.

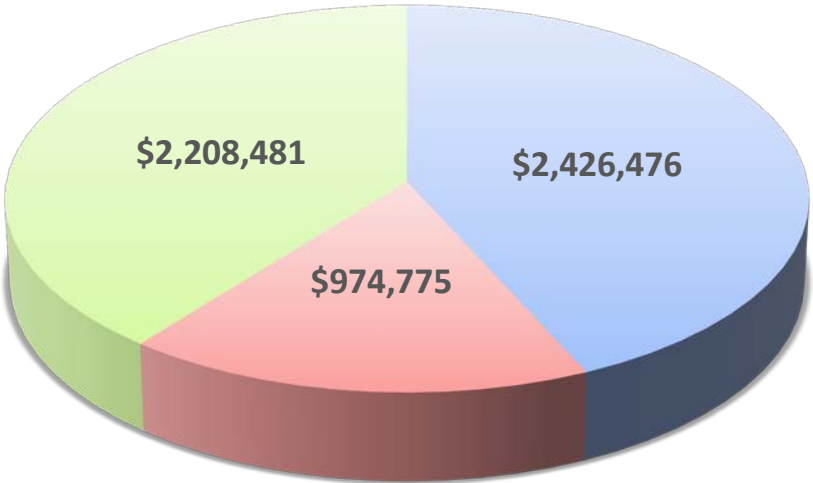
Visual Arts

- Revenue will be lower due to not being in the center for 6 months.

FY 19 Revenues

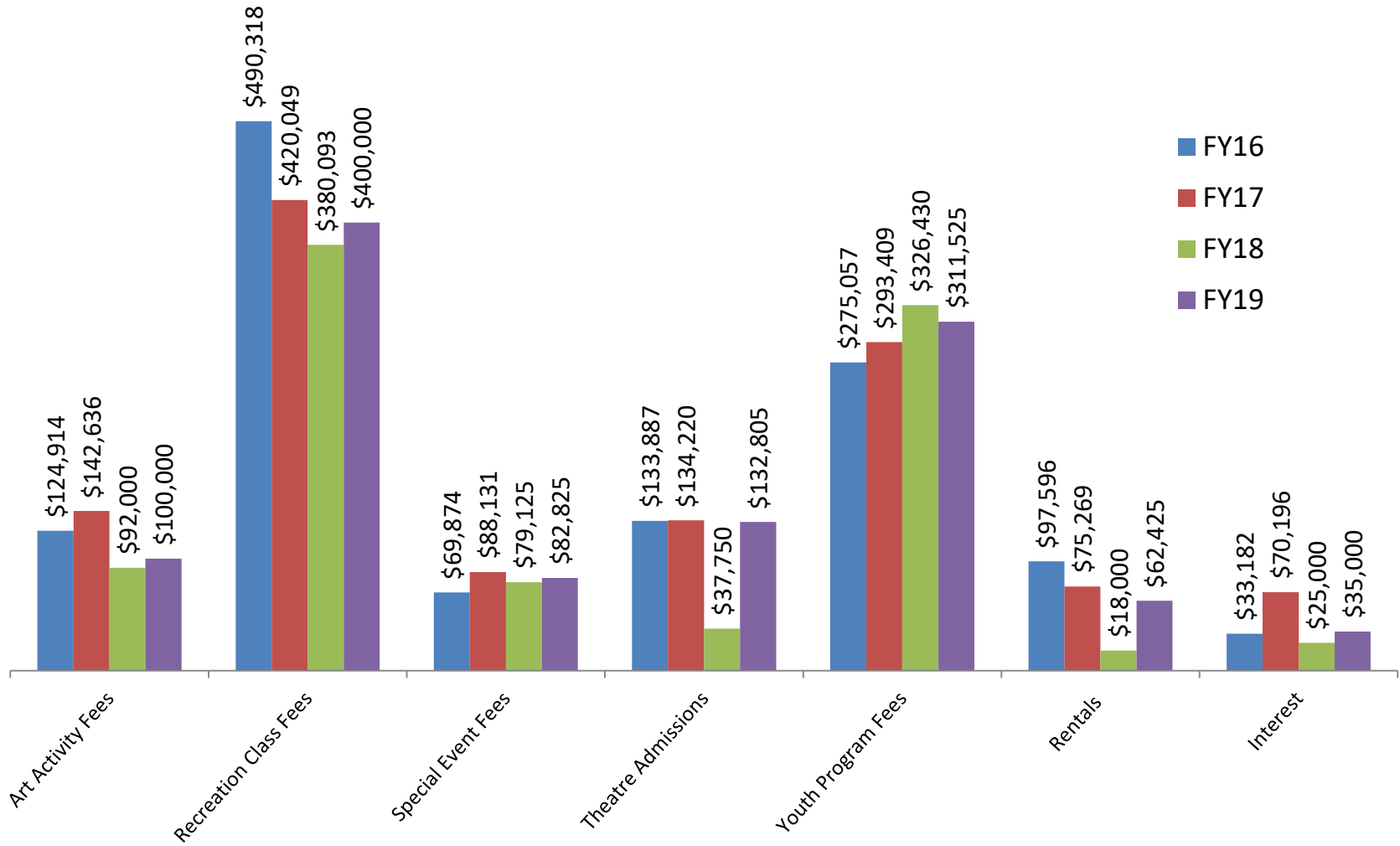


FY19 Expenses



■ Compensation -43.3% ■ Benefits -17.4% ■ Operating Expenses -39.4%

Program Revenue FY16 vs FY17 vs FY18 vs FY19



FY 2019 Budget – Expenditures

Major Expenditures:

Facilities

- Building Maintenance increased proportionately based on square feet.
- FY19 Expenses for utilities proportioned for a six month period effective Jan 1, 2019.
- FY19 - \$211,283 has been budgeted for the Rental space.

Instruction

- Operating Expenses have been adjusted down proportionately to the Revenue. FY19 is projected at \$327K and FY17 was \$335K of total expenses.

Special Events

- Operating Expenses for FY19 are budgeted at \$223K of total expenses, compared to \$205K in FY17. Increases are projected for McLean Day(1.5 days), Cultural Event, October Pet Fest and McLean 5K race.

Performing Arts

- Operating Expenses for FY19 are proposed at \$451K of total expenses as compared to \$361K of FY17. The increase is due to the cleaning of the theatre, refinishing the stage, advertising, printing & binding and contract services.

Youth

- Operating Expenses for FY19 are projected at \$82K of total expenses compared to FY17 actual expenses of \$75K.
- The Ginger Bread House events(2) have been postponed to the next fiscal year.

Old Firehouse

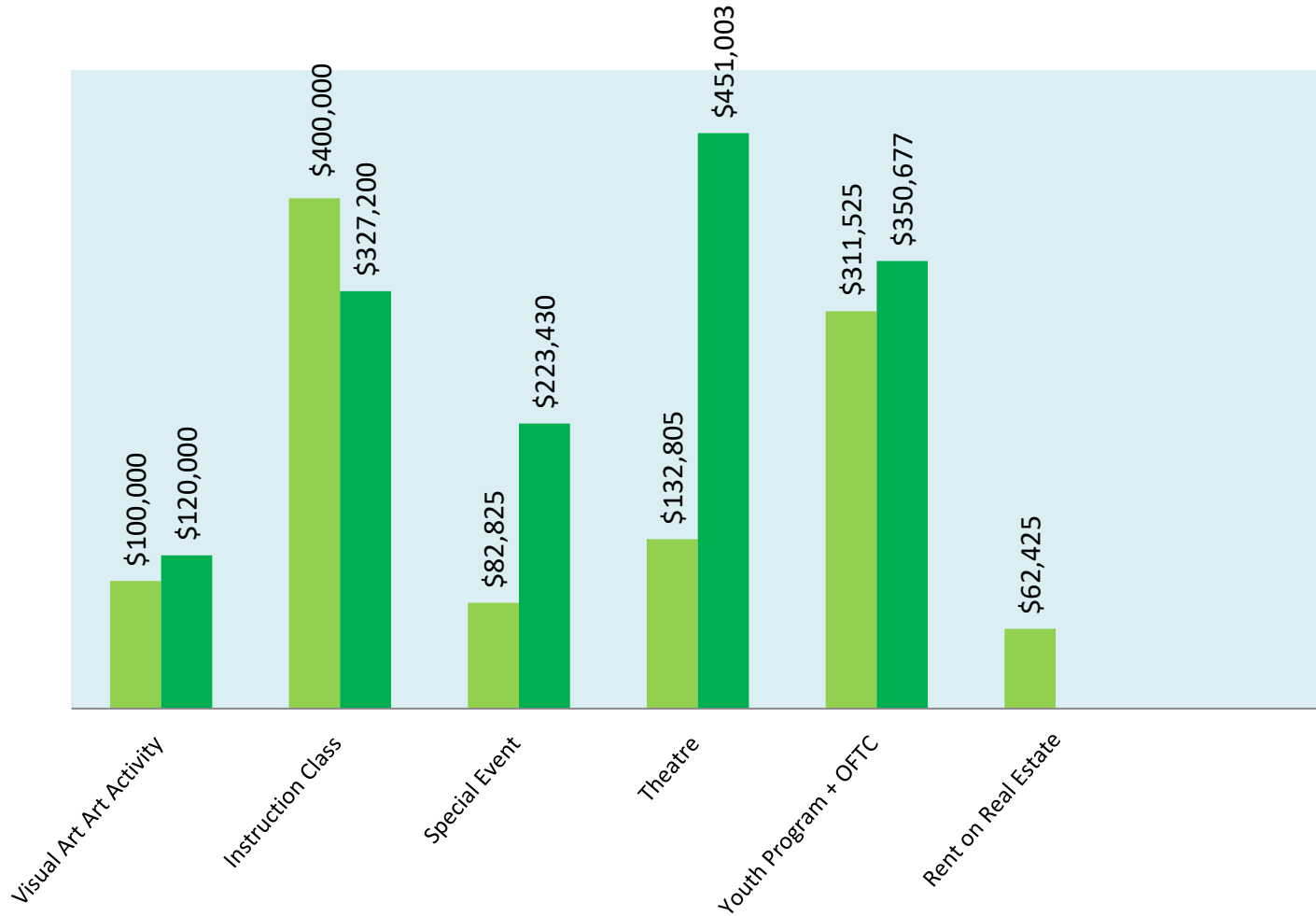
- The popular summer camp program is being maintained. Operating expenses for FY19 are projected at \$268K compared to FY17 expenses of \$246K of total expenses.

Visual Arts

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

FY 19 Program Revenues & Operating Expenses

FY19 Revenue FY 19 Operating Expenses- Excluding Personnel and Benefits



**McLean Community Center
FUND STATEMENT
Funds 40060**

	FY 2017 Actual		FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Proposed Budget Plan	
Beginning Balance - A	\$10,611,033		\$2,534,390	\$10,548,544	\$3,620,629	
Revenue:						
Taxes	\$4,491,257	77.9%	\$4,393,481	\$4,491,257	\$4,587,221	80.3%
Interest	70,196	1.2%	25,000	25,000	35,000	0.6%
Rental Income	55,792	1.0%	18,000	10,000	53,000	0.9%
Instructional Fees	420,049	7.3%	380,093	358,044	400,000	7.0%
Performing Arts	134,220	2.3%	37,750	60,275	132,805	2.3%
Vending	562	0.0%	0	0	0	0.0%
Special Events	88,131	1.5%	79,125	59,125	82,825	1.5%
Gift Donations	50,000	0.9%	0	0	0	0.0%
Youth Programs	113,818	2.0%	128,430	125,470	121,525	2.1%
Miscellaneous Income	22,337	0.4%	0	0	9,425	0.2%
Teen Center Income	179,591	3.1%	198,000	185,000	190,000	3.3%
Visual Arts	142,636	2.5%	92,000	92,000	100,000	1.8%
Total Operating Revenue - B	\$5,768,589	100%	\$5,351,879	\$5,406,171	\$5,711,801	100%
Total Available Funds - C= A+B	\$16,379,622		\$7,886,269	\$15,954,715	\$9,332,430	
Expenditures:						
Personnel Services	\$3,096,847	60.3%	\$3,256,251	\$3,198,013	\$3,401,251	60.6%
Operating Expenses	2,037,828	39.7%	2,095,628	2,074,223	2,208,481	39.4%
Total Operating Expenses - D	5,134,675		5,351,879	5,272,237	5,609,732	
Surplus / (Shortfall) from Operations - B (-) D	633,915		0	133,934	102,069	

McLean Community Center
FUND STATEMENT
 Funds 40060

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Proposed Budget Plan
Capital Equipment Capital Projects	696,403		86,365 6,975,485	
Total Capital Expenditures - E	\$696,403	\$0	\$7,061,850	\$0
Total Disbursements - F= D+E	\$5,831,078	\$5,351,879	\$12,334,087	\$5,609,732
Ending Fund Balance¹ C-F	\$10,548,544	\$2,534,390	\$3,620,629	\$3,722,698
Distribution of Fund				
Equipment Replacement Reserve ²	\$83,674	\$107,038	\$107,038	\$114,236
Capital Project Reserve ³	9,939,871	1,902,352	2,988,591	3,083,462
Operating Contingency Reserve ⁴	525,000	525,000	525,000	525,000
Funds Distributed	10,548,545	2,534,390	3,620,629	3,722,698
Unreserved Balance	(\$0)	\$0	(\$0)	(\$0)
Tax Rate per \$100 of Assessed Value	\$0.023	\$0.023	\$0.023	\$0.023

¹ The Ending Balance fluctuates due to adjustments in revenues and expenditures, as well as carryover of balances each fiscal year.

² The Equipment Replacement Reserve has been established by the McLean Community Center Governing Board to set aside funding for future equipment purchases at 2 percent of total revenue.

³ The Capital Project Reserve is primarily for the Renovation of the McLean Community Center (MCC). The MCC Board has authorized utilizing an amount of \$8.0 million over a multi-year period for the renovation. The Capital Project Reserve also funds other capital projects for MCC and the Old Fire House.

⁴ The Operating Contingency Reserve has been established by the MCC Governing Board to set aside cash reserves for operations as a contingency for unanticipated expenses and fluctuations in the center's revenue stream. The amount was increased to \$525,000.

McLean Community Center

Prepared 9/13/2017

Capital Improvement Projects

Project Description	Budget	Changes	Revised Budget	Bid Budget	Balance carried over 2018	2019	2020
'Land Acquisition-Land WPFO	\$6,000		\$6,000	\$6,000	\$615		
'Inspection / Plan Review - DPWES	\$45,000		\$45,000	\$44,999	-\$5,156		
'Architects - Design Fee	\$775,923	\$12,146	\$788,069	\$788,069	\$201,835		
'FFX DPWES- BDCD Project Management Fee	\$177,920		\$177,920	\$177,920	\$62,259		
'Renovation General Contractor ³	\$6,112,705	\$474,094	\$6,586,799	\$5,100,000	\$4,880,205		
'Utilities	\$128,800		\$128,800	\$128,800	\$113,550		
'Asbestos & Misc.-DPWES	\$35,000		\$35,000	\$35,000	\$27,300		
'Construction Contingency			\$0	\$1,020,000	\$1,020,000		
'Building Equipment	\$400,000		\$400,000	\$400,000	\$400,000		
'County Engineering & Construction	\$319,440	-\$10,000	\$309,440	\$309,440	\$274,876		
MCC Renovation	\$8,000,788	\$476,240	\$8,477,028	\$8,010,228	\$6,975,484	\$0	\$0
Signage - 2012 Estimates	\$175,000			\$175,000	\$66,365		
Motorized Projection Screen	\$20,000			\$20,000	\$20,000		
Total Equipment Replacement					\$20,000	\$0	\$0
Total Capital Expenses					\$7,061,849	\$0	\$0

Notes:

FY 19 Revised Real Estate Tax Valuation reflects the increase county published projections, as of Feb, 2017.

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 18(Budget) Tax Base - \$19,770,527,220

FY 2018 Budget – Expenditures

- Operating Expenses represent the expenses used to operate MCC on an annual basis. They include regular costs such as, facility maintenance, utilities, instructor fees, theatre productions and expenses associated with events like July 4th and McLean Day. The funding for operating expenses is budgeted and approved for a single fiscal year.
- Personnel Expenses include salary compensation, taxes and benefits, such as health, retirement and workman's compensation.
- Capital Expenses are monies used to buy, replace and improve large items like air conditioning units, the Alden sound system, and projects like the planned renovation of the MCC facility. These expenses are budgeted to be spent either in a single fiscal year or, sometimes, to be spent across multiple years. An unfinished Capital project can have its funding moved to the next fiscal 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 FY17 tax assessment projections, provided by the County for FY 2018 tax calculations.
- Actual Assessments for FY 2019 will not be announced until Feb 2018.
- As a result, at this time, tax revenue for FY 2019 is a projection.

Looking Forward

- The Renovation of the MCC had been approved at \$8,477,028. The current bid project is at \$8,010,228. Accumulated reserves are being used for this renovation and other capital equipment or improvement projects. MCC may, 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 2019 and beyond.