

Highlights: MCC Board Proposed Budget for Fiscal Year 2020 (7/1/19–6/30/20)



McLean
Community
Center
The Center of It All

MCC Governing Board

Wednesday, Sept. 26, 2018 at 7:30 p.m.

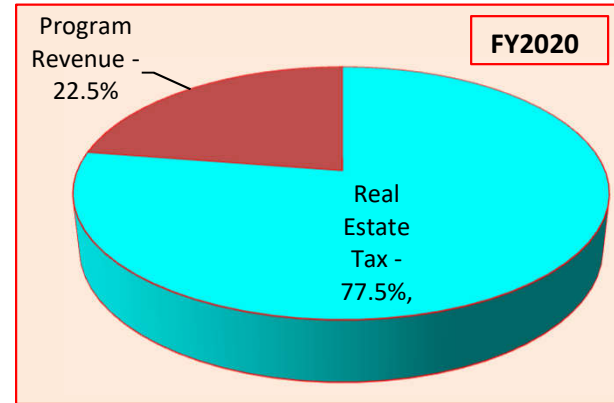
Executive Summary

- MCC continues the strong history of financial stewardship, with the lowest tax rate of our peer groups.
- Revenue in FY20 is projected at \$ 6,099,100 and \$6,004,410 expenses, for a surplus of \$94,690.
- The proposed budget retains the real estate tax surcharge at a rate of 2.3 cents per \$100 of assessed value, a rate roughly 15% below the historical average.
- The \$8 million renovation and expansion of the MCC's main facility will be completed in FY2019, leaving projected capital reserve of \$4.08 million to start FY2020.

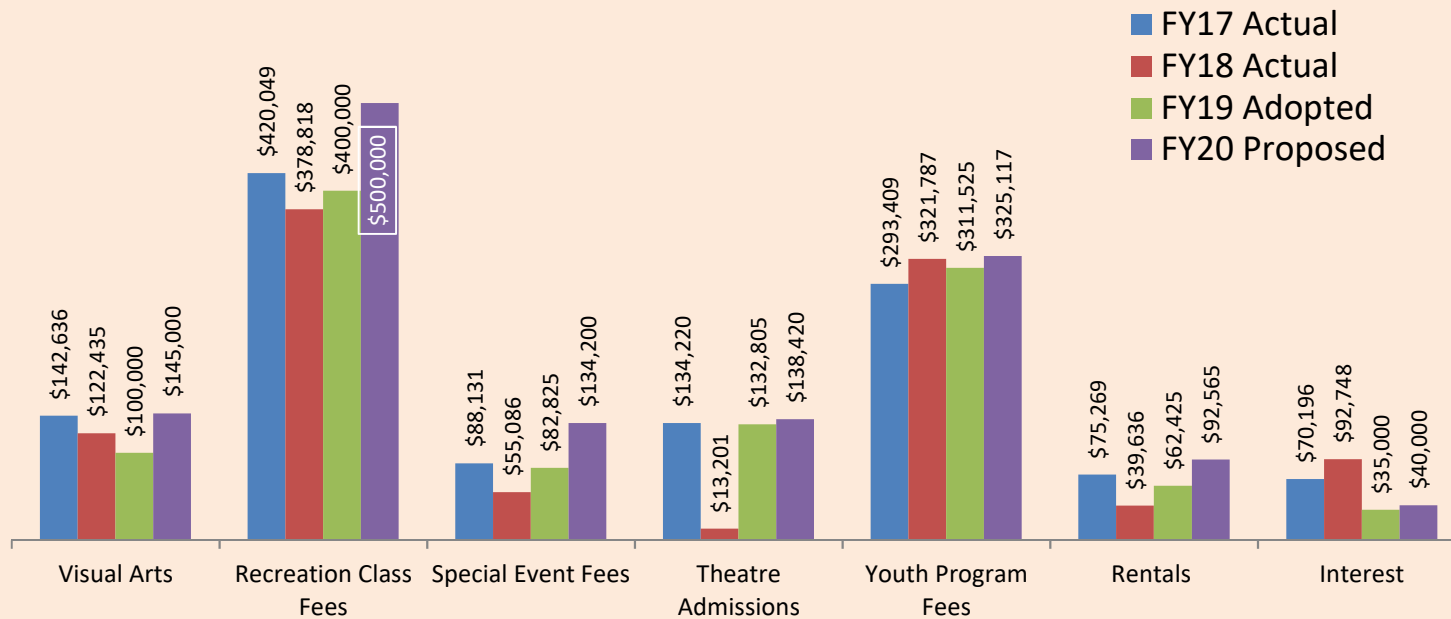
FY 2020 Capital Facility and Expenditure Summary

- The FY2020 Budget envisions capital expenditure of \$301,300.
- With the renovation and expansion project presently on-time and under budget, capital expenditures at MCC's main facility are focused on equipment replacement and upgrades.
- The 5 year lease of the Old Firehouse has ended. MCC has secured a new 10 year lease, earlier this year. In FY2020, the MCC plans capital projects that will maintain and enhance this heritage and cultural resource for the long-term benefit of the community. These include landscaping, accessibility, life-safety system and security enhancements.

MCC Revenue-at-a-glance



Program Revenue FY17 vs FY18 vs FY19 vs FY20



FY 2020 Budget- Revenue

Taxes

- Real Estate Taxes projected at 2.3c per \$100 of assessed value \$4,723,798 representing 77.5% of total revenue.
(Based on the assessed value of Dranesville Small District 1A properties on 01/20/2018.)

Program, Rental and Interest Revenues

- Total \$1,375,302 representing 22.5% of total revenues. This is an increase of \$250,722 over FY19 adopted budget revenue, driven primarily from an increase in special events and programming.

Instruction

- The projected revenue for FY20 is \$500,000. 420 classes are projected to be offered FY20, compared to 411 in FY17.

Special Events

- 5 Events are being added for FY20.
Pet fest, 5K Race, Winter Lights, Health Fair, Passport Series. The Antique show and the Craft show will return. (Revenue is projected at \$134K compared to \$88K in FY17).

FY2020 Budget- Revenue

Programs (Contd.):

Performing Arts

- Propose to have 105 events in FY20 compared to 59 in FY17.
- Revenue projected at \$138K.

Youth Events

- The Holiday Gingerbread House program will return in FY20 and 4 events will be added: Science Day, Reading Nights, Pop ups and Father Daughter Dance.
- Revenue Projected at \$135K compared to \$114K in FY17.

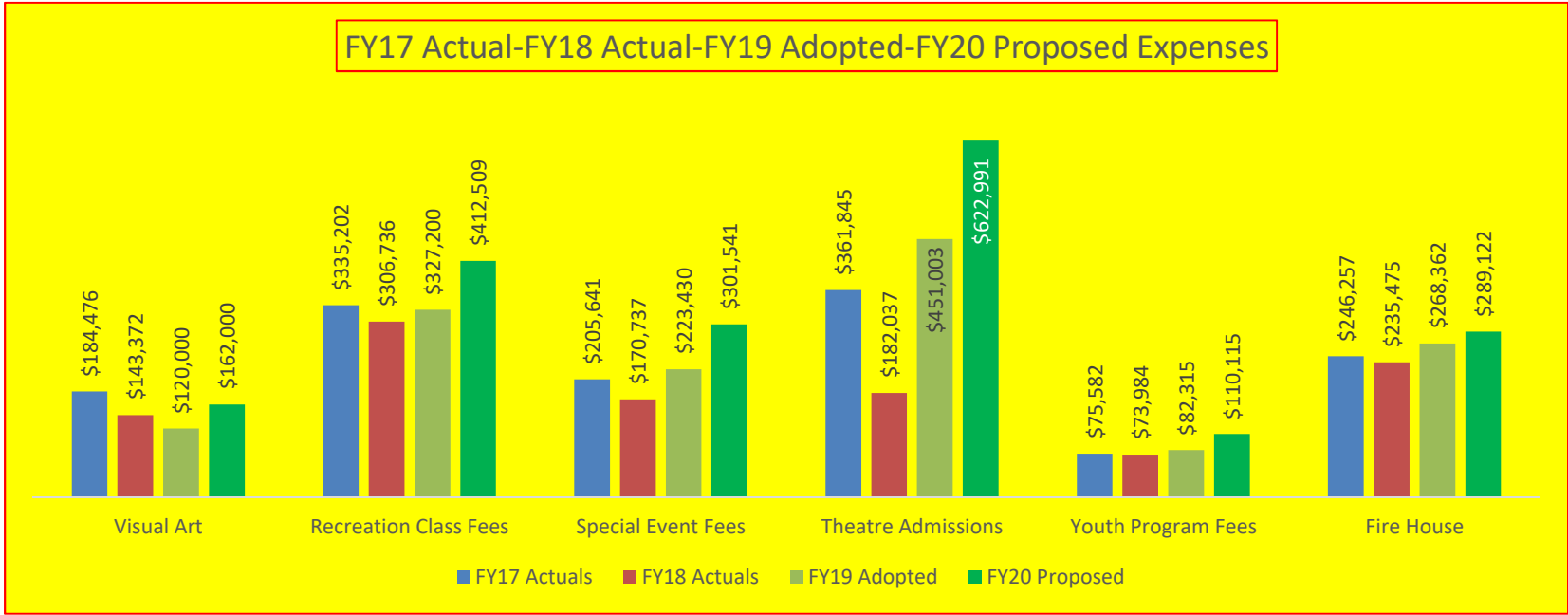
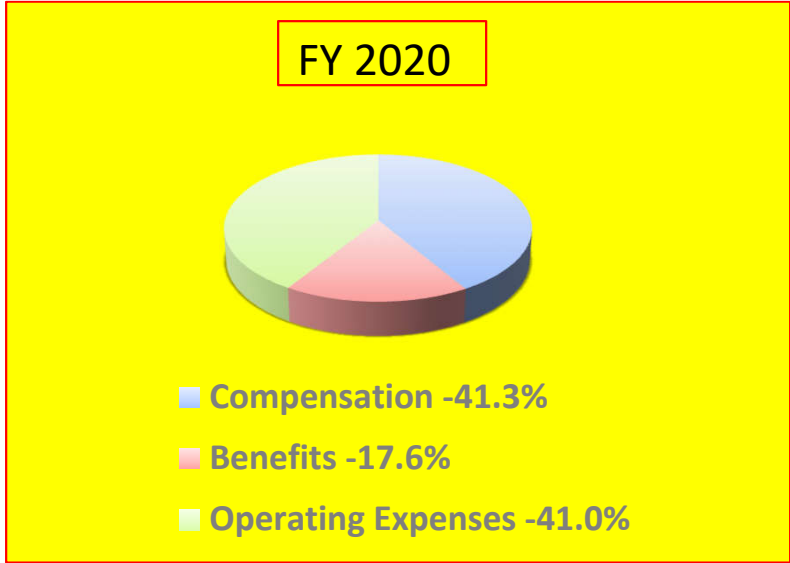
Old Fire House

- Revenue estimates at \$190K compared to \$180 in FY17.

Visual Arts

- Revenue is projected at \$145K, compared to \$142K in FY17.

MCC Operating Expenses at-a glance



FY 2019 Budget – Departmental Expenditures

Operating expenses:

Admin- PIO

- FY20 Advertising Budget is \$174K, compared to \$160K in FY17.
- Projecting compensation and benefits for a Full time Communication Specialist I.

Facilities

- FY20 projected at \$260K, compared to \$194K in FY17.
- Projected increase in maintenance and utilities due to larger facility. Increase based on
 - 60K square feet.
 - Projecting for a weekend Rec Aide position- \$17K.
 - Projecting for a part time custodial, during the day.

FY 2019 Budget –Expenditures

Program Expenses

- Total \$3,832,920, representing 63.8% of total expenses. This is an increase of \$505,454 versus FY19 adopted budget expenses.

Instruction

- Total FY20 is projected at \$412 K and FY17 was \$335K of total expenses, reflecting a greater level of class offerings.

Special Events

- Operating Expenses for FY20 are budgeted at \$301K compared to \$205K in FY17.
- Increases based on the seven additional events to be conducted in FY20:
Pet Fest, McLean 5 K, Winter Lights, Craft Show, Health Fair, Passport Series and Antique Show

Performing Arts

- The number of events have been increased in FY20 to 105 compared to 59 in FY17.
- Contracts for all performing arts events is projected at \$287K.
- Other increases are due to one-time purchases of equipment and supplies.

Youth

- The number of events in FY20 are 9 compared to 6 in FY17.
- The operating expenses for FY20 are \$110K compared to \$75K in FY17.

Old Firehouse

- Operating expenses for FY20 are projected at \$289K compared to FY17 expenses of \$246K.
- Increase mainly due to one-time equipment replacement and upgrades.

Visual Arts

- \$17K is budgeted for continued sponsorship of MPA Artfest.

Financial Summary FY18-FY20

McLean Community Center								
Financial Summary FY 2018 - FY 2020								
Preliminary Projections								
	FY 2018		FY 2019		FY 2019		FY 2020	
	Actual		Adopted Budget		FFX Revised Budget		Proposed Budget	
REVENUE								
Real Estate Tax	4,543,820	81.6%	4,587,221	80.3%	4,587,221	80.3%	4,723,798	77.5%
Interest on Investments	92,748	1.7%	35,000	0.6%	35,000	0.6%	40,000	0.7%
Total Tax and Interest Revenue	4,636,568	83.3%	4,622,221	80.9%	4,622,221	80.9%	4,763,798	78.1%
Recreational Class Fees- Instructional Programs	378,818	6.8%	400,000	7.0%	400,000	7.0%	500,000	8.2%
Special Events	55,086	1.0%	82,825	1.5%	82,825	1.5%	134,200	2.2%
Performing Arts - Theatre	13,201	0.2%	132,805	2.3%	132,805	2.3%	138,420	2.3%
Youth Program Fees	141,134	2.5%	121,525	2.1%	121,525	2.1%	135,117	2.2%
Teen Center - OFTC	180,653	3.2%	190,000	3.3%	190,000	3.3%	190,000	3.1%
Visual Arts Activity Fees	122,435	2.2%	100,000	1.8%	100,000	1.8%	145,000	2.4%
Total Program Revenue	891,327	16.0%	1,027,155	18.0%	1,027,155	18.0%	1,242,737	20.4%
Miscellaneous (Facility Rentals, Ad Revenue, etc.)	39,636	0.7%	62,425	1.1%	62,425	1.1%	92,565	1.5%
TOTAL REVENUE	5,567,532	100.0%	5,711,801	100.0%	5,711,801	100.0%	6,099,100	100.0%

Financial Summary FY18-FY20

McLean Community Center Financial Summary FY 2018 - FY 2020 Preliminary Projections								
Expenditure (Compensation+Benefits+Operating expenses)	FY 2018		FY 2019		FY 2019		FY 2020	
	Actual		Adopted Budget		FFX Revised Budget		Proposed Budget	
		% of total Exp		% of total Exp		% of total Exp		% of total Exp
Administrative Services	832,093	16.6%	991,774	17.7%	993,267	17.6%	939,953	15.7%
Facilities Services	862,442	17.2%	824,140	14.7%	832,226	14.7%	747,658	12.5%
Public Information	405,170	8.1%	470,699	8.4%	485,538	8.6%	483,880	8.1%
Support Expenditures	2,099,705	41.9%	2,286,613	40.7%	2,311,031	40.9%	2,171,491	36.2%
Recreational Class - Instructional Programs	682,655	13.6%	719,117	12.8%	719,117	12.7%	812,150	13.5%
Special Events	424,694	8.5%	494,044	8.8%	500,616	8.9%	563,119	9.4%
Performing Arts- Theatre	774,115	15.5%	1,071,587	19.1%	1,079,227	19.1%	1,304,698	21.7%
Youth Program	289,167	5.8%	363,460	6.5%	363,460	6.4%	330,392	5.5%
Teen Center - OFTC	592,861	11.8%	559,257	10.0%	562,004	9.9%	660,561	11.0%
Visual Arts Activity	143,372	2.9%	120,000	2.1%	120,000	2.1%	162,000	2.7%
Program Expenditures	2,906,864	58.1%	3,327,466	59.3%	3,344,425	59.1%	3,832,920	63.8%
Program + Support Expenditures	5,006,569	100.0%	5,614,079	100.0%	5,655,456	100.0%	6,004,410	100.0%
Capital Expenditures (Equipment)			0		0		0	
Capital Expenditures (Capital Replacement)							301,300	
Capital Expenditures (Renovation)	2,980,201		0		3,748,446		0	
Total Capital Expenditure	2,980,201		0		3,748,446		301,300	
Total Expenditures including Capitals	7,986,770		5,614,079		9,403,902		6,305,710	

Financial Summary FY18-FY20

McLean Community Center Financial Summary FY 2018 - FY 2020 Preliminary Projections				
	FY 2018	FY 2019	FY 2019	FY 2020
	Actual	Adopted Budget	FFX Revised Budget	Proposed Budget
FUND STATEMENT				
Tax Rate per \$100 of Assessed Value	2.3	2.3	2.3	2.3
Beginning MCC General Fund Balance	10,192,822	3,456,005	7,773,580	4,081,479
Total Revenue	5,567,532	5,711,801	5,711,801	6,099,100
Total Expenditures	(5,006,569)	(5,614,079)	(5,655,456)	(6,004,410)
Net Surplus (Shortfall) from Operations	560,962	97,722	56,345	94,690
Less :Capital Expenses	(2,980,201)	0	(3,748,446) *	(301,300)
Net Surplus/(Shortfall) for Financial Year(incl. Capitals)	(2,419,239)	97,722	(3,692,101)	(206,610)
MCC General Fund Balance	7,773,583	3,553,727	4,081,479	3,874,869
Ending Balance Capital Equipment Reserve Fund	111,351	114,236	114,236	121,982
Capital Improvement Reserve Fund	7,137,229	2,914,491	3,442,243	3,227,890
Operating Contingency Reserve- Effective 2014	525,000	525,000	525,000	525,000
Total Fund Balance	7,773,580	3,553,727	4,081,479	3,874,869
* Projections subject to change				

Renovation/Expansion Project

Project Description	Budget	Paid thru 2018	2019
			Proj Expenses **
Land Acquisition-Land WPFO	\$6,000	\$5,416	\$584
Inspection / Plan Review - DPWES	\$45,000	\$50,517	-\$5,518
Architects - Design Fee	\$775,923	\$747,000	\$41,069
FFX DPWES- BDCD Project Management Fee	\$177,920	\$126,937	\$50,983
Renovation General Contractor	\$6,112,705	\$3,230,288	\$1,869,712
Utilities	\$128,800	\$15,250	\$113,550
Construction Permits		\$2,146	\$4,924
Constructions - COntactantsDPWES	\$35,000	\$33,820	\$1,180
Construction Contingency		\$60,180	\$959,820
Building Equipment	\$400,000	\$0	\$400,000
County Engineering & Construction	\$319,440	\$94,318	\$198,052
MCC Renovation	\$8,000,788	\$4,365,872	\$3,634,356
OFTC Landscaping			\$20,000
Motorized Projection Screen	\$20,000		\$20,000
Total Capital Expenses			\$3,674,356
** These projections are subject to change			

Capital Improvement Projects

McLean Community Center Capital Improvement Projects			
Project Description	2019	2020	2021
	Proj Expenses	Projects	Projects
Theatre Dressing Room Design			\$18,000
Dressing room bathroom ADA construction			\$200,000
Green Room Hospitality Cabinets			TBD
AV/IT/Dante Cat 6e Wiring Infrastructure Installation in Theatre.			\$40,000
House Light/Worklight LED Renovation - Design and Engineer (Replacement)			\$25,000
Harlequin Dance Floor MicroMini Scrubber Machine		\$7,600	
Box office reconfigure/reno to correct ADA			TBD
Lobby Monitors for Late Arrivals (new)			\$4,000
Replacement Brakes on PowerLifts		\$110,000	
Front Video Projector (replacement)		\$20,000	
Kitchen- Design			\$30,000
Kitchen			TBD
OFTC Bathrooms		\$47,700	
OFTC Security and Fire Systems		\$34,000	
OFTC Landscaping	\$20,000		
dLive Audio Console System (replacement)			\$26,000
Personnel Lift - replacement			TBD
OFTC HVAC		TBD	
MCC HVAC		\$82,000	
Capital Improvement	\$20,000	\$301,300	\$343,000

Notes:

FY 20 Revised Real Estate Tax Valuation reflects the increase county published projections, as of Feb, 2018.

Effective FY20 The Capital Equipment Reserve is to be maintained at 2% of Revenue.

Effective FY20 the Contingency Fund Reserve is to be maintained at \$525,000

Assessed Value of Properties in Small District 1A

FY 18(Budget) Tax Base - \$20,538,253,900

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 funds 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 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 FY18 tax assessment projections, provided by the County for FY 2020 tax calculations.
- Actual Assessments for FY20 will not be announced until Feb 2019.
- As a result, at this time, tax revenue for FY 2020 is a projection.

Looking Forward

- The Renovation of the MCC had been approved at \$8,477,028. The current bid project is at \$8,000,288. 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 2020 and beyond.