
**2022-2023 MCC Governing Board
Meeting-of-the-Whole: FY2024 Budget
September 7, 2022 – 6:30 p.m.**

MINUTES

- Board Members Present:** *in-person:* Barbara Zamora-Appel; Shivani Saboo; Sarah Tran; Charlotte Loving; Melanie Sletten; Rasheq Rahman; Lisa Mariam; Anna Bartosiewicz; Kristina Groennings
- Board Members Absent:** Bill Glikbarg; Ari Ghasemian
- MCC Staff Present:** Evan Braff, Active Executive Director; Ashok Karra, Comptroller; Holly Novak, Exec. Assistant; Sarah Schallern Treff, Performing Arts Director
- Guests:** Paul Kohlenberger; Camila Alfonzo Meza (Supervisor Foust's office); Sowjanya O'Neill (MCA)

CONVENE MEETING

Chair Zamora-Appel convened a "Meeting-of-the-Whole" of the Governing Board of the McLean Community Center on September 7, 2022, at 6:31 p.m. She announced the meeting was being audio-recorded. No changes were requested to the Agenda; it was adopted by acclamation.

REVIEW FY2024 BUDGET PROPOSAL *FY2024: July 1, 2023 through June 30, 2024

Treasurer Saboo explained how the proposed FY2024 budget had been reviewed in-depth by the Finance and Capital Facilities committees in prior meetings over the past month. There have been no changes to the proposed budget; it is presented tonight in preparation for a vote on October 26, 2022. Then on October 31 it will be submitted to the county after final approval. This meeting is a further opportunity to ask questions for clarification. *Comptroller Karra presented the proposed FY2024 budget; copies are available for public view on MCC website.*

Executive Summary: The format is the same year-over-year, to make it easy to follow. We have maintained 2.3 cents per \$100 of assessed value. FY20, FY21 and FY22 were challenging for MCC and for the economy as a whole. If we have savings in programs, it goes back into Reserve Fund. We have always budgeted everything hoping to have a full year of operations without difficulties. FY24 is expected to be a full year. FY23 will hopefully also be a full year of operations. We are projecting a 20% increase in revenue from FY23 (new programs; aggressive projection).

Program revenue = offerings where MCC makes money (about \$1.3M: classes; youth programs; camps; theater).

Revenue: Total revenue we expect to be \$7.36M. Interest – projecting only \$20K. Where the 20% increase is coming from: real estate taxes; interest on investments; growth in classes (almost \$100K); Special Events; Performing Arts; camps (huge growth projected). Overall growth is from \$6M to \$7.36M

Expenditures includes compensation + benefits + program + support expenses. Admin. expenses are based on projections from the county. This number could change between now and November (when the county recalculates compensation). The county also determines a calculation for retirement and health benefits.

Question: Why does "facilities services" go down?

It all depends on how the MCC building functions: yesterday we had \$17K repairs for drywall due to rainfall leakage (which was never anticipated.) It's not a capital expense; such operational expenses do happen and we must

anticipate it. We could see savings if actual expenses are less. Ongoing contracts: HVAC; landscaping; charges for gasoline – all increase MCC’s expenses. We hope these expenses will come down because we have had big projects in the past year.

Clarification by Acting Executive Director Braff: Previous years were unanticipated due to COVID-19: making the building safe. The slight adjustments shown are getting back to baseline; not a significant drop but being judicious so we can move monies into another area if it’s a priority. Facilities is a line item where we have some flexibility regarding the reserve.

PIO – includes website maintenance and development + social media + advertising. Advertising is getting more expensive. We are offsetting it by less printing of brochures and Program Guide (which has doubled in cost). \$13K was for summer guide; same anticipated expenses for Spring Program Guide is \$26K in FY23. The problem is paper shortage and printing costs going up. While we may have succeeded in reducing the printing toward the goal of being sustainable, the costs are still going up. Hopefully if things improve, we will have some savings there.

Special Events; The Alden Theater = Some projects are projected 1 ½ years out. In FY23 we will review our budget to see how we will actually do it. Calendar year 2025 is MCC’s 50th Anniversary year.

Youth Programs is planning for a full camp program. OFC transportation has increased greatly (we budgeted \$40K but it came in at \$70K). After-school trips and camp trip expenses are going up – water parks are charging more. We are trying to increase registration and enrollment. We anticipate huge growth of revenues coming from OFC: we normally accept 25 kids – we are increasing the capacity to 40 kids. Some programs have waiting lists. We have increased participation; but expenses will go up also.

Philosophical approach to revenues: Most of this is subsidized from real estate taxes: even though the revenues will go up, so will expenses. Goal is 81% of revenue coming from real estate taxes; 18% coming from programs. That means everything is subsidized because we don’t try to get back anything by charging people for programs (in staffing and compensation). Residents pay their taxes and MCC’s programs are the benefit they receive.

Question: Regarding affordability of programs: you have shown how it costs more to go to youth events. What is the actual cost per camper or per kid vs. the amount that is being charged for them to go? This analysis would help in what the board member is trying to bring to the table: affordability. Where can do better? Where are we already doing better?

- The board wishes to see how much it costs per participant. We will analyze and report about an actual percentage. It’s part of a further analysis we can provide (showing what someone pays vs. what the actual cost is). That is a good thing to look at: how much is tax subsidizing and how much is coming from revenue?
- We do cost sheets by event: water park (revenue is \$\$; staff members; meals; actual entrance fees; transportation costs). We can provide that information.
- What we don’t charge the participants for is compensation and staff salaries – we are only charging them a portion of the actual costs of the program. (slides 10-13)

PIO office – web redesign; support for website; technical support (Meltwater; Hoot Suite); giveaways, MCC swag.

Facilities – \$140K is all the contracts we have: HVAC, elevator maintenance, landscaping (regular operating maintenance). Other repairs – this number can raise or fall depending on how the building is functioning. If we are breaking down floors or impacting structural components – then it becomes part of Capital Expenses because it is affecting the building structure itself.

Instructional Classes: More details are shown compared to last year: seniors (SIA); bridge; Mah jongg, technology. The goal is to have a full busload of kids to a popular destination (which may be more expensive = the right

program to make sure the kids are attracted to it).

The majority of registration is done by credit card (5%-6% processing fees on those charges). Music Together (most popular) – we can't offer it this year because the instructor did not sign the contract. MCC has no alternative offering, so we are losing \$35K. Hopefully, Music Together will return in Spring 2023.

Special Events: \$75K spent for 4th of July; MCC received no revenue from it. Scavenger Hunt (not offered in FY24). We are giving back to the public on these events. Special Events department has three full-time employees and some part-time helpers. The rest are all volunteers or other staff who help out as needed. Typical expenses are rental of equipment (tents; golf carts); services of other agencies (police; security; buses); FCPA rental fees.

Performing Arts: MCC has a classic theater – maintenance is expensive! Every project (LED lights; chain hoist system) are safety factors that are required by code; we must maintain the theater facility. Performing Arts media = advertising; artist fees. Unruly Theater Production (teen improv comedy group) = training and performing exposure for kids. UTP offers free shows to the public and workshops for community groups (for budding artists). Macdonald music competition will hopefully be held again in FY24. "Celebrations" = cultural heritage. Focus on the military (speakers from the military). "Innovations" = new programs coming up: commissions and performing arts opportunities that are not found many other places. Training = keeping up with technology advances; attending conferences to meet agents and preview many performers (for potential artists to appear here). As a service, The Alden Theater staff teaches people in the community about how to operate technical equipment.

Youth Events: all subsidized; Camp McLean (240 kids) – this is where MCC makes some money. But there is much competition in the local area for summer camps (many people register for 3-4 places simultaneously and then cancel). It happens and we expect that! Some percentage of our registrations will always be a cancellation.

OFC: Changing after school program to 5th -9th grades (instead of 6th-12th grade); attendee numbers are estimates. OFC has added a 5th/6th grade dance, sensory day, potential other pop ups (FY23). Programs for teens are subsidized.

Question: Regarding Facility rental at OFC: there is a big difference: rental income is \$16K but it costs us \$100K to service that?
Depending on what type of rental it is, it may not be a true cost-recovery rental. Any program with kids requires a ratio of 1 adult present for every 6 kids; the staffing charges are required. When we offer OFC as a rental location, we must have 1 or 2 staff present.

Question: Where are the replacement electric buses and when are they coming? FCPS has a program for electric buses.

We don't know. OFC has two old buses which are expensive to maintain. Acting Executive Director Braff has asked Deputy Director of Transportation - trying to find out where the county is on this matter. The county has a specific replacement policy about buses –the process MCC needs to go through now is to actually pull the repair invoice history documentation and build a business case about a discussion for replacement and how to move one bus over to electric.

Clarification by MCC staff: The transportation costs shown here are county contracted bus transportation companies. Liability is covered; to transport children, we must use county contractors.

Summary: MCC is not here to make money on any of the programs (unlike the private sector). Overall – it is whatever is possible for MCC to offer, and the best we can do for the community for every dollar spent. If we have savings, it's because a program gets cut (and expenses are cut). So, then we get a surplus. We expect to spend all of it (to create a zero-based budget). Our tax rate will still remain at 2.3 cents per \$100 of assessed value.

- For future years: show actual costs per participant. As we build on to this budget presentation, we can add a column to show the actual cost per participant. (budget presentation for FY25)

CAPITAL IMPROVEMENT PROJECTS – FY2024

Vice-Chair Rahman said the proposed capital improvement projects have been reviewed in-depth by Capital Facilities Committee and the facility upgrade projects as presented are recommended for FY2024.

There are no “non-theater” projects in FY24; some are being done this year (FY23). Cat 6E wiring infrastructure: \$150K is actual installation; Design is taking place in FY24 \$62K.

EV charging stations and electric supply upgrade for charging stations are allocated as placeholders.

A county representative will come to give a briefing to the board on the status of EV charging stations and solar panels on the roof.

A/V portable unit can be expensed in Q3 FY23; it will not be a significant expense and it is a good use of county funds for this requested technology. At January-February 2023 meetings, we can see what has been done and can still be done. At Q3 we will find out what we have in real estate taxes. Yesterday’s report: \$2.8M collected; \$2.8M still to be collected (real estate taxes). That will give us a surplus and we will have a good read on actual expenses. As a one-time expense: This is the time for MCC to come back with things we need to discuss (prioritized projects).

Question: So that means that we wouldn’t actually put these portable A/V systems in until March-April 2023?

Yes: we will have done the homework and be ready to buy if we have money in Q3 to do so. At Q3 we will also talk with county DMB = capitals and operations. We must inform the county Director of Finance as to where we project shortfalls.

Question: If or when we get the A/V for those conference rooms, will anyone from the community be able to utilize it if they are renting those spaces? Yes – it will be portable and available for all groups using MCC rooms.

ADA upgrades at OFC restrooms: The baseline information we have is too old. We are hoping to have a new concept design and numbers by third week of September 2022.

FUND STATEMENT: Everything MCC does compresses into this single chart. We must make sure we have enough of a reserve (market collapses; real estate taxes drop) for MCC to exist for one year: payroll + Operating expenses. \$6M is needed in reserve in case we have any kind of adverse economy.

\$5,563,699 Capital Improvement Reserve Fund

\$1,000,000 Operating Contingency Reserve >> Ending balance: \$5,642,638

Explanation by Vice-Chair Rahman: We had \$750K for roof repairs; \$30K allocated for shade sails on plaza (which are not versatile enough for that space; we also have the amphitheater coming in); \$40K for a mural – we can look at a large art piece for 50th Anniversary. Those items were removed.

2022 Tax Base = \$24,822,250,710 !! TOTAL assessed value in Small District 1A-Dranesville.

For a \$1M house, the owner contributes to MCC \$230 per year. Commercial assessed value is only \$1B.

How to approach projected spending for MCC’s 50th Anniversary celebration:

Clarification by Acting Executive Director Braff: We must talk about the 50th Anniversary: after Sept. 14 committee meeting, we can discuss budget – how much allocating for the 50th Anniversary and being mindful of making sure that it’s not having a significant impact on normal programming at MCC. We can discuss if there are any costs we want to build into next year. Comptroller Karra will consult with the county about how to account for this one event (anniversary year): we don’t want normal MCC Operations being affected. We want to maintain efficiency in Operations. We need to know: How much we will be spending across two fiscal years... and how to account for it? We also must discuss with the board as a whole: Are there other considerations that we need to consider as part of the budget that we haven’t factored in?

Differential: in-district resident pricing vs. out-of-district participant pricing: *Question: When so many of the programs are subsidized, what is the percentage that the fees are reduced? If you are in the tax district, is it 25% less?*

Non-residential – it varies on the classes (between \$5 or \$10). I can't generalize. It depends on the type of class – We can get those numbers. That is a good question. Alden Theatre has a minimum of 20%.

- Acting Executive Director Braff recommends having a chart to show the fee differential. It's a good practice to look at this on an annual basis.

Discussion of new programs for FY24 (all hit-and-miss): Each department submitted new ideas; this will be part of Programs & Outreach Committee discussion on September 14.

The Earth Day raffle was successfully concluded (we have a record of time/date). Someone on Facebook inquired about it and it's unclear what was MCC's response. > Kyle Corwin can advise on this particular matter.

After School Program at OFC: Currently OFC has two vehicles that go to different schools for pick-up.

- We can return to address the topic of OFC After School program: we need to figure out a way for school buses to be a drop-off point at OFC (looking at local bus routes). Internally, we are reviewing attendance and what else we can do to market it better. We will address this in coming weeks.

New program ideas & requests: Mike Fisher has gone through each new idea suggested and it will be discussed in Nov. 2 Programs & Outreach meeting. Staff is researching new ideas. Everyone should know what is going on – we want to be transparent.

FREE AND REDUCED COST PROGRAMMING

Consistent with the general discussion of MCC's annual budget parameters, a board member expressed a desire to further increase MCC's impact in the community by offering more free and reduced-fee classes and that MCC staff be directed to pursue this imperative. In explaining rationale this new priority, a MOTION was put forward:

MOTION: MCC fees should not be barrier to the participation at this Center. Ongoing strategies should always be developed, implemented, and evaluated to ensure that it provides some classes and lectures that are free or offered at a minimal cost. Therefore, I am making a MOTION for the MCC staff to conduct a fee analysis study, especially of programs at the MCC. This fee analysis should include the following and be shared with the board in January or February, 2023.

- Explore and implement more free classes/lectures some one-off and some perhaps short, multiple sessions. For example, these classes/lectures could be taught by/presented by Master Gardeners, others who are willing to share their expertise, and AARP (and open to all residents no matter their age).
- Compare fees and revenue streams of similar type facilities within the region.
- Analyze MCC fee waiver utilization over the last five years and make recommendations to increase awareness of this opportunity.
- Provide any possible recommendations to assist in mitigating financial barriers for center participation.

Approved by a vote of 9:

Barbara Zamora-Appel; Lisa Mariam; Rasheq Rahman; Kristina Groennings;
Melanie Sletten; Charlotte Loving; Sarah Tran; Anna Bartosiewicz; Shivani Saboo;
– all voting "AYE."

Bill Glikbarg and Ari Ghasemian were absent.

Discussion:

Question: Are you asking for information from staff? Yes – not a problem. We can develop that information.

With thorough discussion of the proposed FY2024 budget having concluded, Treasurer Saboo stated the following MOTION to present the FY2024 budget proposal to the public, in advance of a vote on final approval at a Regular Meeting of the MCC Governing Board on October 26, 2022.

MOTION: To present FY2024 Fund statement at a Public Hearing to be convened on Wednesday, September 28, 2022 at 6:30 p.m. at the McLean Community Center.

Approved by a vote of 9:

Barbara Zamora-Appel; Lisa Mariam; Rasheq Rahman; Kristina Groennings;
Melanie Sletten; Charlotte Loving; Sarah Tran; Anna Bartosiewicz; Shivani Saboo;
– all voting “AYE.”
Bill Glikbarg and Ari Ghasemian were absent.

OLD / NEW BUSINESS

1. ***website design – an e-mail was sent out last Friday for the board to contribute your observations and comments. Your feedback is important.**

Question: Are you looking for things that should be improved or the look and feel of it?

All feedback is useful. Be cognizant that the experience on your phone is very different than the experience on your computer. We may want to think about two different usability strategies.

2. **Free feminine products offered in MCC facilities:** *(returning to this topic for further discussion)*

Across the country, there is a huge movement to have FREE feminine hygiene products in all women’s restrooms. Treasurer Saboo would like to get the board’s thoughts on this. Treasurer Saboo will talk to MCC staff about this idea and then bring it back to the board in the future.

Nothing else was mentioned as a further topic for discussion this evening.

PUBLIC COMMENT

Chair Zamora-Appel opened the opportunity for any Small District 1A-Dranesville residents who wished to express comments about the FY2024 proposed budget as presented this evening to do so now. No one requested to speak.

CLOSED SESSION

Chair Zamora-Appel announced that this meeting would now transition into “Closed Session.” She read aloud the following MOTIONS to go into “Closed Session” and took a vote on it:

Motion Going into Closed Session:

Chairperson or designee: I move that the McLean Community Center Governing Board go into Closed Session, pursuant to the following two Virginia Code Sections.

1. Virginia Code Section 2.2-3711(A)(1) for the purpose of the discussion of prospective candidates for employment by the McLean Community Center Governing Board. The subject matter to be discussed is the decision to hire a new Executive Director of the McLean Community Center, a description of the desired candidate, and the hiring process including interview dates.

2. Virginia Code Section 2.2-3711(A)(12) for the purpose of discussion or consideration of information to be used, administered, and prepared by the McLean Community Center Governing Board which is subject to the exclusion in subdivision 4 of Virginia Code Section 2.2-3705.1. The subject matter to be discussed is the creation and content of interview questions that will be employed to determine the qualifications or aptitude of prospective candidates for employment as the Executive Director of the McLean Community Center.

Vote to go into “Closed Session”: Approved by a vote of 9

Barbara Zamora-Appel; Lisa Mariam; Rasheq Rahman; Kristina Groennings;
Melanie Sletten; Charlotte Loving; Sarah Tran; Anna Bartosiewicz; Shivani Saboo
– all voting “AYE.”
Bill Glikbarg and Ari Ghasemian were absent.

After the MOTIONS were stated aloud and voted on, all members of the public and MCC staff were asked to exit the room. At this point, only MCC Governing Board members remained in the room.

Closed Session began at 7:49 p.m.

Closed Session ended at 8:29 p.m.

RECONVENE INTO PUBLIC SESSION

Chair Zamora-Appel announced that the public and MCC staff were now welcome to re-enter the room. After people re-entered the room, the cleansing MOTION to reconvene into Public Session was stated aloud by Chair Zamora-Appel and a vote was taken to come out of “Closed Session:”

Motion Coming Out of Closed Session:

Chairperson or designee: In accordance with Virginia Code Section 2.2-3712, I move that the members certify that, to the best of each member’s knowledge, only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed session meeting by the McLean Community Center Governing Board.

Vote to come out of “Closed Session”: Approved by a vote of 9

Barbara Zamora-Appel; Lisa Mariam; Rasheq Rahman; Kristina Groennings;
Melanie Sletten; Charlotte Loving; Sarah Tran; Anna Bartosiewicz; Shivani Saboo
– all voting “AYE.”
Bill Glikbarg and Ari Ghasemian were absent.

ADJOURNMENT

Chair Zamora-Appel announced that all business items for discussion this evening had concluded and adjourned the meeting at 8:33 p.m.

Respectfully submitted, Holly Novak - Executive Assistant