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**2022-2023 MCC Governing Board  
Finance Committee  
February 15, 2023 – 6:30 p.m.**

**MINUTES**

- Committee Members Present:** *in-person:* Rasheq Rahman; Charlotte Loving; Melanie Sletten  
*virtual:* Shivani Saboo (*Los Angeles, CA*)
- Committee Members Absent:** Sarah Tran
- Other Board Members Present:** Barbara Zamora-Appel; Lisa Mariam; Anna Bartosiewicz
- MCC Staff Present:** Betsy May-Salazar, Executive Director; Ashok Karra, Comptroller;  
Holly Novak, Executive Assistant
- Guests:** None.

**CONVENE MEETING**

A meeting of the Finance Committee of the Governing Board of McLean Community Center was convened on February 15, 2023, at 6:31 p.m. Governing Board Treasurer Saboo arranged in advance for Vice-Chair Rahman to be the designated lead for this meeting. No changes were requested to the Agenda; it was adopted by acclamation.

**FY2023 PROJECTED YEAR-END FINANCIALS - EXECUTIVE SUMMARY (July 1, 2022 through June 30, 2023)**

This was a discussion of Q3 presentation that Comptroller Karra prepares annually for the county. In February, we project what we are going to do by the end of the fiscal year. The report is divided into revenues; compensation + benefits; and expenses. Comptroller Karra explained each line item in detail and a few specific remarks are noted:

**OVERVIEW**

REVENUE: (In comparison to Adopted Budget).

- Real Estate Taxes are expected to be higher than budget by \$13K.
- Pooled Interest is expected to be higher by \$60K.
- Rental Revenues higher by \$13K
- Program Revenues lower by \$66K

PAYROLL AND BENEFITS

- Projected to be lower by \$257K.

OPERATING EXPENSES

- The total shortfall for FY23 operating expenses is projected to be \$303K.

Major Expenses: exceeding the Adopted Budget

- Postage \$18K
- Park/Rec Equipment \$46K
- Building & Maintenance \$27K
- Employment Services \$47K
- Print Typeset \$18 K

- Other Professional Contracts \$46K  
(Strategic Planning and Web site development)
- Transportation \$26K
- Grounds Parks (Artists Fees) \$83K
- Rental Equipment \$15K
- Printing and Biding \$26K

#### CAPITAL PROJECTS:

- Theatre House Lights LED Renovation budgeted at \$206K is being moved to FY24.
- The Alden Theatre Stage Roof is an emergency Project is now included, \$90K.
- No Additional Funds are required.

#### FUND STATEMENT

Our shortfall is \$18,417. This can change. At the end of the year, we will possibly have a positive rather than a deficit.

These Financial Projections are estimated for the FY23, year ending 06/30/2023.

All projections are with comparison to the FY23 Advertised Budget.

#### Discussion on Revenues:

- \*Instruction financials as shown may change because of people cancelling registrations – this is yet to be determined.
- \*When we did the budget, we did not record McLean Day ride revenue or expense, it was budgeted as an off-set. It is now reflected in both income and expense.
- \*We budget Camp McLean at maximum, but we only had 192 participants this year (some revenue shortfall).
- \*Registration has dropped off generally at OFC; we are working on attracting teens back to OFC.

Discussion on Compensation & Benefits: There was some discussion about current staff vacancies and various open positions which have not yet been hired.

\*IT Specialist: We have not yet filled the IT position; it is still open.

\*Volunteer Coordinator: (*envisioned by Evan Braff*): We have not filled that position yet.

*Comment by Executive director May-Salazar:* The only positions we are filling are vacancies (some being reclassified). At a recent county meeting, we learned there are no new positions approved in FY24. There are many vacancies everywhere; instead, they are moving positions around (county-wide). Executive Director May-Salazar needs time to evaluate what vacancies exist at MCC and how to best fill them to meet the needs.

*Question: Are you able to convert any MCC positions?* Yes – but it still needs to go through approval process at the county level. The Executive Assistant position that arose last year is being converted to Deputy Director (already approved, so we can shift it in scale and size.) The key is “merit” vs. non-merit: it’s not hard to add a “non-merited” position but is virtually impossible to add a new merit position.

*Question: What is a 900 position?* It’s 900 hours; this specifies the number of hours the individual can work: 27 hours per week and no benefits.

All budgeting is done by taking previous year’s (hours/wages) – with 5% increases projected. FY25 will be based on FY23 numbers. Variances can be attributed to unfilled positions and timing of filling positions.

*Question: Evan Braff was working on reclassifying or updating some positions. Hasn’t there also recently been a ‘desk audit?’*

Yes - the Executive Assistant position is now becoming “Deputy Director” open position. Fairfax County recently conducted a compression pay review. A few staff members received adjustments, it was minimal. Evan Braff reviewed all MCC positions.

Discussion on Operating Expenses:

MCC Printed Materials: A discussion took place regarding MCC printed materials. Printing costs have risen. Previously a board decision was made to reduce the number of program guides printed and not mail them to residents. Executive Director May-Salazar stated that she has started to evaluate the impact on attendance and visibility from not mailing the program guide and will work with staff to develop a proposal based on this review that will include a reduced scope in size and materials for future program guide mailings, as well as an evaluation of all printed materials being mailed. Discussion items included: paper type, desire of community to have mailed printed program guides, balance with environmental impact, limitations of usability of QR code, the advantages/limitations of sending by bulk mail – advantage is significantly reduced cost for mailings; limitation is: cannot opt out at MCC because not using specific address (perhaps can opt out at post office).

Camp registrations: This summer, camp registrations are strong. Some camps are already full! However, MCC’s cancellation policy is very accommodating so these numbers do fluctuate.

OFC: *Question: Any financial benefit in moving OFC to lower grade levels (5<sup>th</sup> and 6<sup>th</sup> Grade)?*

Not yet. Although there was a desire for younger kids to come, once it opened up, they didn’t actually come. OFC is going onsite to Cooper Intermediate and Longfellow to lead programs to try to increase attendance. We are also developing the Youth Ambassadors to increase outreach. It is a big age range to try to attract older kids if younger kids are there. The Youth Ambassadors are interested in having OFC as a new place for them. OFC staff is doing an amazing job of testing and trying new things.

Special Events:

*McLean Day Question: Can we raise the costs to booth rentals at McLean Day?*

We tried raising booth rentals once in the past and received lots of negative feedback. We could look at this for next year after we see what happens. We can also seek sponsorships (last year was \$30K for all sponsors).

*Question: How much does McLean Day cost?* \$125K last year. This year will be \$145K or 150K.

New idea about community-based signage along streets:

*Opinion expressed:* There is a sign that says “Take Japanese” on Georgetown Pike. Maybe we could make one of those yard signs! Yes. For example, the Rotary just had them for Chocolate Festival; we use them for the McLean 5K, also Earth Day. It’s best to put it at a traffic light. People will object if you put it on lawns or sidewalks. We have a practice for certain types of signage for MCC events.

Capital Expenses:

The county carries over projects we have not done from year to year.

*Question: Are there no investments yet for 50<sup>th</sup> Anniversary?*

No – The budget is being developed and will be an adjustment for FY24 and a new budget for FY25. We are talking to DMB as to how to document it in our financials. We will have a category to show it within the county’s normal structure.

**Discussion on upgrading all MCC rooms with wireless technology for meetings:**

*Comment by Governing Board Chair:* There has been conversation regarding re-wiring MCC for virtual meetings – is this in the capital budget? While it has been discussed, it is not currently in the budget.

*Opinion expressed:* We do now have the mobile A/V units that work effectively in smaller rooms. Staff will explore what options have been considered and are available and will report back to Capital Facilities Committee.

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**Online booking system to show real-time availability of MCC rooms:**

*Comment by Governing Board Chair:* An online system would help our community. We need to track this in a better way; it should have been in this budget cycle. There is a policy aspect to it and marketing benefit: how the public can view information in using the system. It could be similar to how the library and gazebo through Park Authority to have online reserving capability. People want to do simple room reservation requests online.

*Clarification by Executive Director May-Salazar:* That is a conversation I have started and will need time to work through. It's more nuanced because the decisions on booking are a complex matter of conversations about the balance of what other rooms are already in use and how many people will be using the parking lot. I will work to understand the process of how it is done now and what can be improved. For example, if the theater is booked and the parking lot will be full, even though nothing may actually be reserved in other rooms, we can't display online that various MCC rooms are open on the same day because it would exceed the parking lot capacity.

There was a question about whether MCC requires any kind of non-refundable downpayment. We need to look into this idea because often, the rental rate for a partner is only \$1.00 and it's very easy to cancel. There is much history to this and much expectation. There are many layers of complexity as to how rooms are used here, including different organizations having different parameters about how they can use our facility.

**ALDEN THEATRE ROOF REPAIR PROJECT**

*Summary by Executive Director May-Salazar:* The Alden roof needs repair and one estimate came in. We were asked to get another quote. The scope of work is exactly the same. The first vendor total was \$81K and the second was \$120K. The \$81K is the vendor we want to work with. We have earmarked \$90K. The quotes were shared with the Finance Committee. We are hoping to move forward and not have to until another CFC meeting. MCC has done work with the lower-priced vendor in the past and is confident in their understanding of our building. The additional percentage for 'unknown' costs clause is a standard clause in these types of vendor quotes. It was agreed to now proceed to a MOTION:

**MOTION:** To adopt the budget item of \$90K for the quote from Vendor 1 to repair the Alden Theatre roof.

**Approved by a vote of 3:**

Melanie Sletten, Charlotte Loving, Rasheq Rahman – all voting "AYE."

Sarah Tran was absent; Shivani Saboo (at this late point in the meeting) was absent.

**OLD /NEW BUSINESS**

The floor was opened to any items of old or new business. Nothing was mentioned as a further topic for discussion this evening.

**ADJOURNMENT**

There being no further business, Vice-Chair Rahman adjourned the meeting at 7:39 p.m.

Respectfully Submitted, Holly Novak - Executive Assistant

FY23 Q3 financials as discussed in this meeting are show on the following pages.

## FUND STATEMENT

Category	FY 2022 Actual	FY 2023 FFX Adopted Budget Plan	FY 2023 FFX Revised Budget Plan	FY 2023 MCC 3rd Qtr Projections	FY23 3rd Qtr -FY23 Advt.
<b>Beginning Balance</b>	<b>\$6,531,813</b>	<b>\$5,630,070</b>	<b>\$6,564,242</b>	<b>\$6,564,242</b>	
		<b>X</b>		<b>Y</b>	<b>Y-X</b>
Revenue:					
Taxes	\$5,190,922	\$5,636,842	\$5,636,842	\$5,650,000	13,158
Interest	6,252	20,000	20,000	80,000	60,000
Rental Income	85,875	80,670	89,325	93,980	13,310
Instructional Fees	423,254	467,300	467,300	424,300	(43,000)
Performing Arts	61,856	114,550	114,550	113,076	(1,474)
Vending	0	0	0	0	0
Special Events	89,248	53,400	53,400	92,900	39,500
Gift Donations	0	0	0	0	0
Youth Programs	72,072	138,910	138,910	97,001	(41,909)
Teen Center Income	98,933	212,500	212,500	193,500	(19,000)
Visual Arts	0	0	0	0	0
Miscellaneous Income	0	8,655	0	14,770	6,115
<b>Total Revenue</b>	<b>\$6,028,412</b>	<b>\$6,732,827</b>	<b>\$6,732,827</b>	<b>\$6,759,527</b>	<b>A</b>
<b>Total Available</b>	<b>\$12,560,225</b>	<b>\$12,362,897</b>	<b>\$13,297,069</b>	<b>\$13,323,769</b>	<b>\$26,700</b>
Expenditures:					
Personnel Services	\$3,438,847	\$4,060,877	\$4,060,877	\$3,802,944	B (257,933)
Operating Expenses	2,233,451	2,671,950	2,836,675	2,975,000	C 303,050
Capital Equipment	0	0	0	0	
Capital Projects	323,684	1,100,000	1,539,618	349,558	(750,442)
<b>Total Expenditures</b>	<b>\$5,995,982</b>	<b>\$7,832,827</b>	<b>\$8,437,170</b>	<b>\$7,127,502</b>	<b>(705,325)</b>
<b>Total Disbursements</b>	<b>\$5,995,982</b>	<b>\$7,832,827</b>	<b>\$8,437,170</b>	<b>\$7,127,502</b>	
Surplus/(Deficit) from Operations	\$356,114	\$0	(\$164,725)	(\$18,417)	A-(B+C) (18,417)
<b>Ending Balance<sup>1</sup></b>	<b>\$6,564,242</b>	<b>\$4,530,070</b>	<b>\$4,859,899</b>	<b>\$6,196,267</b>	
Equipment Replacement Reserve <sup>2</sup>	\$0	\$0	\$0	\$0	
Capital Project Reserve <sup>3</sup>	6,039,242	3,530,070	3,859,899	5,196,267	
Operating Contingency Reser	525,000	1,000,000	1,000,000	1,000,000	
<b>Tax Rate per \$100 of Asses:</b>	<b>\$0.023</b>	<b>\$0.023</b>	<b>\$0.023</b>	<b>\$0.023</b>	

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

<sup>2</sup> The Equipment Replacement Reserve had been established by the McLean Community Center Governing Board to set aside funding for future equipment purchases at 2 percent of total revenue. Beginning in FY 2023, this amount will be included in the Capital Project

<sup>3</sup> 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 Teen Center.

<sup>4</sup> 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 \$1,000,000 effective in FY 2023.

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

## McLean Community Center

Jul 22-Jan 23 review - FY23

### Revenue

	FY23 Budget Full Year Jul 22- Jun 23	FY23 Actuals Jul 22 - Jan 23	FY23 Full Year Projections Jul 22- Jun 23	Variance Surplus/(Deficit)	Comments
<b>Departments</b>					
Admin RE Taxes	5,636,842	5,642,933	5,650,000	13,158	
Pooled Interest	20,000	68,028	80,000	60,000	
Admin PIO					
Rentals	80,670	73,576	93,980	13,310	
Instruction	467,300	429,298	424,300	(43,000)	Summer - 681 Attendees , Fall 642, Winter 766
Special Events	53,400	16,380	92,900	39,500	
Performing Arts	114,550	40,827	113,076	(1,474)	
Youth	138,910	97,023	97,001	(41,909)	Camp McLean 192 Attendees. Max 250
Teen	212,500	135,367	193,500	(19,000)	
Miscellaneous	8,655	6,391	14,770	6,115	
Visual Arts	-				
<b>Total</b>	<b>6,732,827</b>	<b>6,509,823</b>	<b>6,759,527</b>	<b>26,700</b>	Over Budget

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**Mclean Community Center  
Jul 22-Jan 23 review - FY23  
Compensation and Benefits**

	FY23 Budget Full Year Jul 22- Jun 23	FY23 Actuals Jul 22 - Jan 23	FY23 Full Year Projections Jul 22- Jun 23	Variance (Savings)/Deficit	Comments
<b>Departments</b>					
Admin	1,085,910	482,324	957,206	(128,704)	IT Manager, Exec Assistant vacancy-
Admin PIO	362,197	188,679	376,013	13,816	900Hour Position added
Facilities	531,762	272,061	539,021	7,259	
Instruction	368,306	159,055	319,917	(48,389)	
Special Events	286,017	150,342	275,213	(10,804)	
Performing Arts	769,466	394,608	743,471	(25,995)	
Youth	253,368	79,784	139,241	(114,127)	
Teen	403,851	234,590	452,862	49,011	
<b>Total</b>	<b>4,060,877</b>	1,961,443	3,802,944	(257,933)	Under Budget

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**McLean Community Center**  
**Jul 22-Jan 23 review - FY23**  
**Operating Expenses**

	FY23 Budget Full Year Jul 22- Jun 23	FY23 Actuals Jul 22 - Jan 23	FY23 Full Year Projections Jul 22- Jun 23	Variance (Savings)/Deficit	Comments
<b>Departments</b>					
Admin	158,250	147,259	187,750	29,500	Employment Svc \$25K,
Admin PIO	212,023	217,450	230,860	18,837	Employment Svc \$22K, Printing \$12K, Other Prof Contracts- Website \$20, Trining \$3.5K
Facilities	342,190	130,803	314,443	(27,747)	
Instruction	456,302	212,332	422,419	(33,883)	
Special Events	375,062	108,287	411,300	36,238	Equip \$21K, MD Tents \$8K,
Performing Arts	835,057	349,704	951,124	116,067	Postage \$20K, equip\$26K, Repairs \$20K, Contracts \$ 80K
Youth	111,240	74,416	94,535	(16,705)	
Teen	321,549	272,485	340,160	18,611	Transportation \$\$17K
Visaual Arts	25,000	22,500	22,500	(2,500)	
<b>Total</b>	<b>2,836,673</b>	<b>1,535,236</b>	<b>2,975,091</b>	<b>138,418</b>	<b>Over Budget</b>

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

Working Document for Finance Committee 02.15.2023