



**2023-2024 MCC Governing Board
Meeting-of-the-Whole: FY2025 Budget
September 6, 2023 – 6:30 p.m.**

MINUTES

- Board Members Present:** *in-person:* Anna Bartosiewicz; Kathleen Cooney Porter; Lisa Mariam; Rasheq Rahman; Eleanor Ague; Sophia Bruno; Katie Gorka; Gloria Marrero Chambers; Matt Colsia
virtual: Kristina Groennings
- Board Members Absent:** Ari Ghasemian
- MCC Staff Present:** Betsy May-Salazar, Executive Director; Ashok Karra, Comptroller; Holly Novak, Executive Assistant; Matt Hockensmith, incoming Comptroller; Catherine Nesbitt, Special Events Manager; Jennifer Garrett, Technical Director; Sarah Schallern Treff, Performing Arts Director; Andrew Carter, Old Firehouse Center Manager; Jimmy Reed, OFC Activity Facilitator
- Guests:** James Lawless (MCA); Keira Buggs; Wendy Borchardt; Sarah Bloom

CONVENE MEETING

MCC Governing Board Treasurer Kathleen Cooney Porter convened a “Meeting-of-the-Whole” of the Governing Board of the McLean Community Center on September 6, 2023, at 6:32 p.m. She announced the meeting was being audio-recorded. No changes were requested to the Agenda; it was adopted by acclamation.

REVIEW MPA ARTFEST2023 MOU **summary remarks by Executive Director May-Salazar*

Background: Every year, MPA offers ArtFest in McLean Central Park. MPA is the arts provider in partnership with MCC – a 501(c)3 organization in our building: operating upstairs Gallery, offering art classes and facilitating one annual event (ArtFest). Traditionally, MCC provides \$25K in support toward that event. The contract must be examined and renewed each year, being signed by the Executive Director following review by MCC Governing Board. It is timely now to approve and move forward. This is the same agreement that has been signed in the past several years.

A question was asked about what the money is specifically used for. While not shown in detail, the monies are used toward MPA’s costs and underwriting of ArtFest (their total cost for this event is approx. \$70-\$80K). Costs include: tents; rentals of carts; food service; security; marketing promotion.

MOTION: To approve the proposed MOU submitted by MPA which defines MCC’s financial support for ArtFest2023.

Approved by a vote of 10: Anna Bartosiewicz; Kathleen Cooney Porter; Lisa Mariam; Rasheq Rahman; Eleanor Ague; Sophia Bruno; Katie Gorka; Gloria Marrero Chambers; Matt Colsia; Kristina Groennings - all voting “AYE.”

Ari Ghasemian was absent.

REVIEW FY2025 BUDGET PROPOSAL ***FY2025: July 1, 2024 through June 30, 2025**

MCC staff members were introduced: Ashok Karra – our long-time Comptroller; Matt Hockensmith (new incoming Comptroller) – currently in dual encumbrance with Ashok for next few months to get fully-trained in the role. Matt has been on our Special Events team for four years. He has excellent strategic thinking and a financial background with an MBA and outstanding professional experience prior to joining MCC. We are very excited to promote from within, and that MCC offers the ability to do cross-training. Fairfax County requires an enormous amount of training for the Comptroller role. Catherine Nesbitt runs our Special Events; Jennifer Garrett is The Alden Theatre Technical Director. Sarah Schallern Treff

is our Performing Arts Director. Andrew Carter is Manager of Old Firehouse Center (OFC) and Jimmy Reed is an Activity Facilitator at The Old Firehouse Center.

Executive Summary: *remarks by Executive Director May-Salazar

We will review the FY25 budget at a high level. Approximately 80% of MCC's budget is funded through a special assessment in property taxes for Small District 1A-Dranesville residents. This is one of the lowest rates of our peer groups – about \$.023 for \$100 of assessed property value. For a \$1M house – it is \$230. This rate has been maintained since 2015. The balance of MCC's funds comes from program fees and rental fees. The past several years have been anomalies (renovation of MCC building, followed by COVID-19 closures and pivots). MCC began to see a recovery in operations and programming in 2nd half of FY23. FY24 is picking up to the pre-COVID levels and FY25 is budgeted and expected to be a full year of normal operations.

Because of the timing of when we develop our budgets, the FY25 budget was developed in comparison to FY23 actuals. You will see some disparities when you look at the FY24 approved budget because that was approved a full year ago when we were in the midst of COVID-19 and didn't have solid comparables to develop that budget. FY25 program revenues are budgeted at \$1.17M, which is an 11% increase over FY23. FY25 total expenses are projected at \$8.3M, including \$800K for Capital Facilities projects. Details will be provided later in this presentation regarding Capital Facilities projects.

FY24 and FY25 are years of stabilization of our programming, with the continued development of new initiatives that have recently been added (such as Fiesta del Sol, SIA program), and a time to look at all programming and operations through a lens of the strategic plan.

FY25 and FY26 will include MCC's 50th anniversary year. Many of our new initiatives will revolve around this year-long celebration in 2025. The budget includes a \$400K allocation of funds over three years – FY24, FY25 and FY26 – towards this celebration. The 50th anniversary budget is being presented outside of the balanced operating budget and is anticipated to use the Fund balance or reserves.

Finally, this budget includes a requested increase for McLean Project for the Arts (MPA) – our arts partner, to help with increased costs related to the annual MPA ArtFest held in McLean Central Park. This is a signature McLean event held annually and MCC is committed to help make this event sustainable. Inclusion of this increase in this FY25 budget will allow MCC and MPA to continue conversations related to the funding increase – not an automatic increase to their line. That would come through the contractual agreement that we would then bring back to this group.

Following this Executive Summary, detailed charts were shown; questions and points of clarification were addressed. General philosophy and purpose of MCC operations provided context for understanding specific budget numbers. Budget presentation is attached at end of document and is shown on MCC website: <https://mcleancenter.org/wp-content/uploads/2023/08/FFX-FY25-Draft-Budget-Financial-Presentation-9.6.23-Mtg.pdf>

REVENUE: \$7.543M – mostly coming real estate taxes. We have an excellent revenue stream because assessed values in Small District 1A-Dranesville are high. Interest is \$134K, which is also positive for MCC; it is the Fund balance that is carried over. We were at \$6.8M for FY23 – which is good growth for MCC. We used FY23 as a benchmark for FY25. Rentals of MCC and OFC: local organizations pay minimally for usage (only \$1.00); the rest comes from other companies, agencies and individuals that rent. The Alden Theatre is also rented out. Old Firehouse Center is a leased space from Fairfax County. MCC rents the OFC space and receives the revenue for those rentals.

EXPENSES (three components): 1. compensation + benefits 2. Operating expenses (programs) 3. support expenses. Admin = front desk, IT, Finance, administrative services; IT tech equipment replacement (county-driven for the infrastructure of technology – wireless system). Telecom usage = telephone bills; desktop phones. Facilities = to run the MCC building (electricity, repairs of HVAC, water, gas, waste disposal.) OFC has its own separate operational budget. Printing & binding = the election costs have been going up every year since more people are becoming interested in the Governing Board election. Holly Novak does a great job – starting in January through May. We break out everything by postal codes (mailings of ballots); postcards and advertisements about the election – such costs rise annually.

PIO = includes website maintenance and development + social media + advertising; technical support (Meltwater, Hoot Suite); postcards; program guides, commercial media (advertising in newspapers, local magazines), Marketing = promotional items.

50th Anniversary is shown as \$198K, which is the expense for FY25. The only thing that is changing for FY24 is \$95K for the 50th Anniversary because there will be expenses in this current fiscal year FY24, starting from now and for FY25, FY26. Total budget for 50th Anniversary is \$400K, over all three years.

Instructional Classes: This is the only department where revenue is set higher than the direct cost contractor expenses. The rest of MCC event offerings incur greater expenses than they bring in because MCC's purpose is to act for the benefit of our community.

***Questions about how attendance for all classes is calculated.**

Clarification by Executive Director May-Salazar and Comptroller Karra: We are adjusting our attendance tracking to have better comprehensive data - an attendance report that shows actual daily attendance (500 people being at MCC today). Not wanting to change it mid-year, we will continue the current method. In FY24, start looking in-depth at how we count the classes. We've created a proposed attendance sheet and will explore how it integrates into the budget presentation.

Comment by Board Chair Rahman: It's challenging because each type of class is different. Are we looking at McLean residents – where there is a discount on each class? If you're trying to do an ROI on each class, that's difficult to measure. But it is wise to understand which are the more heavily attended classes and which are not.

*SIA is also different because it has a \$50 membership fee for one year which gives access to several classes. SIA is an anomaly to MCC's other program offerings and should be pulled out of the calculations.

***Understanding resident/ non-resident fee differences; how staff salaries impact the budget**

Question: Are we subsidizing the classes so that we charge less than they cost? No – we are not subsidizing classes.

Clarification by Chair Rahman and Executive Director May-Salazar: 1. What you are referring to is the fact we have two different rates (resident vs. non-resident), so there is a natural 'subsidy' if you are a McLean resident. While there is a different cost structure, overall, it is 80%/20% when you calculate it all in (what MCC is charging vs contractor fee). This is not exact because it depends on how many McLean residents vs. non-McLean residents are taking a class. At the macro-level, about 10% of our total budget is net positive – meaning that we are not additionally subsidizing. 2. Regarding most programming, that extra amount goes to support our staff because we are not building our staff time into those calculations. There is no risk on classes (because there is a minimum number of people required to make a class go forward, and if they don't meet that minimum, the class doesn't happen). For any instructor-led classes, we are not in a negative on those items. We are not really making money on the classes, because that differential does not account for paying staff salaries that support and oversee those programs. If you want to look at the true cost of classes, then you must include staff benefits and compensation (personnel costs) which are dictated by Fairfax County. When Comptroller Karra presents this budget to the county, they will come back and make an adjustment (compensation; retirement benefits based on the number and type of employees MCC has) before they present it on the county website.

Special Events: Touch a Truck; McLean Day, 4th of July etc. – most presented for free or at little cost. Expenses include rental of equipment (tents; security; Porta-johns; equipment). The exhibiting vendors pay a fee to participate.

Question: How do the McLean Day ticket sales for the rides happen?

We have a contract with a minimum of \$37,500 that we pay them. They sell a lot more tickets than that; for anything over \$37,500, we get back 25%. This is a five-year county-wide contract with this vendor. Each year the fee increases incrementally (percentage increase incrementally every year = which is the cost for their staff, equipment and insurance). They have not raised prices on tickets in three years; they also offer a discount to the public if tickets are ordered in advance of the event - \$20 for all-day.

Question: Does MCC pay \$37,500 in advance or do they start selling tickets to that amount and then above that, start revenue-sharing? MCC is not actively paying them – they just accrue ticket sales up to \$37,500 and then the difference is what they pay back to MCC. If we sell below that amount, then MCC is obligated for the \$37,500.

Question: Regarding liability if someone gets injured on a ride – is that on the contractor or MCC?

Fairfax County is our insurer. The county contractor also has the required insurance (which is not insubstantial). All our vendors go through the county process - they are insured and MCC is indemnified. This vendor supports other events

besides McLean Day (Bull Run Park; 4-H event). When we negotiated the contract, all those dept. heads met with the vendor and obtained a contract that is good for the entire county for fair-type events.

Performing Arts = it is expensive; to maintain a theater is not cheap. What MCC gives to the community is significant: all events are \$25 or \$30 – priced much lower than other venues. We are careful to stay in line with our overall budget every year. The Alden Theatre brings in great artists and offers an excellent return on investment for everyone.

Youth Events = (includes events and Camp McLean) Transportation is one cost during the camps because they use chartered buses to transport the kids to various destinations and trips + recreational activities outside of OFC.

OFC = afterschool club now offered for 5th through 9th graders. Budget includes trips and recreational activities. Family events are Bingo, Block Party, Festival of Frights, Winter Block Party, Summer Camps, facility rentals (mostly birthday parties).

50th anniversary = we will have expenses for it over the next three years (totaling \$400K).

Remarks by Executive Director May-Salazar: An ad hoc committee worked hard developing 50th Anniversary plans.

The celebration will span all of 2025 and will highlight all our strategic initiatives. Key signature events are being developed that will have a lasting impact, engage the community, celebrate the history of MCC and look to the future. Key events and projects include: a large community picnic; community art projects at MCC and OFC; video developed during 2024, interviewing people, showcasing MCC for future promotions, on our website; updated timeline; commemorative planting; time capsule. The 50th Anniversary branding and theme will weave through all of MCC's programming during the entire anniversary year. Total budget over three fiscal years is \$400K. We are including FY26 in this budget presentation so that you can see the full scope of the 50th Anniversary and how it will play out over the three years leading up to 2025. Our fiscal year starts July 1 (one-half is FY25; one-half is FY26).

CAPITAL IMPROVEMENT PROJECTS – FY2025

*The proposed capital improvement projects have been reviewed in-depth by Capital Facilities Committee and the facility upgrade projects as presented are recommended for FY2025. *remarks by Executive Director May-Salazar*

The full budget shows revisions to FY24 and proposed items for FY25. We have carry-forward items – things that have been approved in the past. Theatre projects (\$557K) are all carry-forward items that have already been approved in previous fiscal years. The work in the theater is limited to August when it is dark and not fully-programmed. There were projects we had hoped to do this summer but because of procurement and getting the contracts in place, it was moved to next August (we are carrying forward that full \$557K).

Other projects: \$367K in carryover projects that were approved in the fiscal year. We are working with CFC to propose changes to the FY24 budget that result in a slight decrease in the allocations; and I will run through what those changes are:

1. We are looking to do an energy project reallocation (\$250K was previously approved as a placeholder to explore EV charging stations). When it was approved a few years ago, it was understood that we needed to put something in MCC's budget to show our interest. The county assures us now that we can still be considered for the EV charging stations as part of their project but we don't need to have 'placeholder' money in MCC's budget. We are removing the \$250K that was tied to the EV charging stations but keeping \$50K to be able to do an overall energy study to look at: What would be a good retrofit for this building? What energy cost savings could we see in this? Fairfax County is re-vamping their energy initiatives. We have a meeting on Friday 9/8 about what the new opportunities are. Executive Director May-Salazar will be able to come back to the Governing Board in future meetings to let you know more about these new initiatives.
2. \$40K stormwater drainage project – we've had issues of flooding on both sides of the building. County will do the front side -Ingleside Ave. (re-grading and better drainage system on Ingleside yard – so that water flows away from the building instead of into the building). Next steps may include architectural additions to keep water from pooling at the window walls if needed. On the wooded side of the building, the issue is mostly the sidewalk – which is slanted in the wrong direction so water pools toward our wall. That part of the project is MCC's responsibility: it involves pulling up the sidewalk, slightly regrading to slant in the other direction. We are in process of getting a firm price for this work (county estimate is \$40K).

3. \$50K for a new Sensory Room at OFC – we have experimented with sensory spaces at many of our events. We offer a Sensory Day at OFC. There is an audience that’s very interested in those spaces and looking for ways to have such experiences. We’ve done advance work of visiting sensory rooms at Providence Community Center and have seen very good examples of what is possible. Some other locations have therapeutic staff who work one-on-one with people in those spaces. We are not proposing that, but it will be a great resource for all our visitors and particularly for SPARC at OFC (they are really interested in a sensory room). Many SPARC participants are in wheelchairs and have assistants with them. They are very interested in the Sensory Room because they could hire a facilitator and use that space. The space is currently a computer lab. We are replacing the PC’s with laptops for the after school program. Now we are making it a more interactive room that will have a lot of versatile components – a full-usage space. SPARC stands for: Specially Adapted Resource Clubs.
4. We are requesting a \$50K allocation as a community investment in McLean Central Park for an enhanced playground (being planned now as part of MCP renovation beginning this fall). Overhaul will include an amphitheater (Jennifer Garrett has been a key advisor). The playground has a certain \$level the county is paying for. The McLean Central Playground Team, a group of moms in McLean, are working with the Fairfax County Park Foundation to advocate and raise money beyond that to make it have a lot of ADA compatibility (a spongy floor and special swings like Clemyjontri for adaptive playground equipment) and to include both the youth playground and tot-lot on the site. This group has raised about \$270K toward their \$400K goal. MCC would like to contribute \$50K. It is a very good investment as a one-time project for MCC (\$50K signifying our 50th Anniversary). It’s the right amount that will help this fundraising group get to the finish line. We want to embrace the idea that MCP and Dolley Madison Library, walking trails are all part of one campus and the playground is something we use in our programming.
5. \$25K related to signage (part of our “Be Visible” initiatives). OFC has a new logo to be premiered at Block Party! OFC will have a lit sign – we are excited about this project! Also includes a refresh of MCC signage.

FY25 new allocations

6. Placeholder item (without budget at this time) to replace the MCC sign in McLean Central Park. The goal is to have an electronic digital sign at intersection of Route 123 and Old Dominion Drive – whereas now we have a sign that requires printed signs that must be physically changed-out to advertise upcoming events. This is part of the MCP Master Plan but is not within the scope of the current renovation. Staff has a meeting with FCPA to begin discussion regarding upgrading MCC sign. We will come back to Capital Facilities Committee once we have a cost estimate. MCC has a full design that was done several years ago but was never completed; that is a model to start with.
7. The major project being proposed for FY25 is \$800K for essential ADA upgrades to OFC bathrooms and entrance. Wheelchair-bound SPARC cannot use the restrooms; and they can’t get into the front door without assistance. It is imperative to have ADA accessibility. In 2014, complete drawings were done. Last year it was re-priced by the county and the plans are up to code: \$800K is the new proposal. We have also been working with the county trying to find funding. OFC is on a 10-year renewable lease with the County. MCC put the full amount into the FY25 budget because we are completely committed to doing this project with or without county funds. However, we have excellent support from Supervisor Foust. He has created a statement to go before the BOS to request \$500K towards our costs out of surplus funds from FY23. The county has a certain amount of money in surplus and is determining how to allocate that. We are very grateful that Supervisor Foust has been an amazing cheerleader for this effort! Once it’s approved, we will re-visit the plans and work with our stakeholders to make sure the ADA upgrades will meet their needs and to make sure we are doing it right. We will reduce our requested budget once we know what the true costs are going to be. If it is less than \$800K then that money would come back into MCC funds.
Question: Is the \$800K for FY25 because the other expenses were part of FY2024?
 Yes – The only new things for FY25 are the ADA accommodations and the digital sign. All projects are evaluated each year; if they don’t happen due to timing they roll forward.

Comment by Chair Rahman: When we met with Supervisor Foust, he was shocked and appalled that we have been using this county building for so long [OFC] and yet it is not ADA-accessible, given the amount of activity that goes on there. It’s a great investment of MCC resources, which is why I have pushed this project as the Board Chair.

FUND STATEMENT: **each line was explained by Comptroller Karra*

This is the starting point and result of all expenditures and projects. FY24 proposed budget was zero-balanced (revenue and operating expenses were zero/equal). *Clarification by Board Chair Rahman:* Our goal is to keep our General Fund balance at about \$5M - as a buffer in our reserves so that if anything did happen, we would still have some operating money to work with (to meet payroll).

Clarification by Board Chair Rahman and Executive Director May-Salazar about 50th Anniversary:

You will notice also - for 50th anniversary, it does not displace any other expenditure. It is 'below the line' to make clear that any investments we're making for the 50th Anniversary are not displacing something we would have normally done for those operating years. We didn't want to have to build a balanced budget with 50th anniversary in it because that would mean we would be cancelling other things in order to do the celebration. However, often we end up in a positive situation, so it is likely we will be absorbing some of those costs by the end of the year anyway.

Question: P. 6 financial summary: Operating expenditure under "public information": Why such a big jump to the proposed FY25?

Partially because of website maintenance (the website is constantly requiring updates to changing technology).

Clarification by Executive Director May-Salazar: There are other items: an additional staff person in FY2025 that is not in the budget right now because we're having some retirements. It's a further commitment to "be visible" [strategic plan] – so we are looking at ways to get the word out about who MCC is (increased marketing).

Explanation of annual budget process: This is the end result of a lot of work that is done by every program department.

1. The background process starts when we close our books for the year on June 30 (fiscal year ending). Once the numbers are finalized by the county, they give us the FY23 year-end numbers. This is what we begin to work with because we know the numbers are accurate.
2. Then we start discussions with departments around July 17, for one week. We go through with each department to envision programs.
3. The following week, they go back and put budget numbers to it event-by-event. There are many charts of thorough detail. Program managers go through each program to project expenses (Harvest Happenings - \$200 for supplies, etc.). They combine everything to develop numbers for their department, which roll up into MCC as a whole.
4. Then a big portion of the budget calculation comes from real estate tax revenues: the county gives us the real estate tax numbers for FY24 in January 2023 (the actual assessed values of Small District 1A-Dranesville) Then we go in and make adjustments. Real estate taxes are 80% of whatever revenue MCC gets, so we must rely on that.
5. Based on that, after the programmers determine exactly what they want do for each program, and once we combine all expenses, we go back and adjust. If we run into a shortfall, we look carefully at: you need to start thinking about these programs; you are up-and-down. You've got too much from FY23 - why have you gone up? The programmers will give us reasons why; if it is justifiable, then we accept it. If not, we will cut and advise them to go back and trim their numbers. That is a big challenge because each department wants their numbers to look good. They have many ideas they want to offer – it costs money!
6. This discussion takes place with each department and by 2nd week of August, we are have a draft budget. Then we start working on preparing it for Finance Committee. We also look at the numbers for capital expenses: Alden Theatre projects and Facilities capitals and we get estimates.
7. Once that is established, we propose it at CFC meeting. Capital Facilities Committee approves the CFC budget. Then we present it to the Finance Committee. All of it is rolled-up into this single summary budget document. If you need details, no problem! It is in-depth. It's all about transparency – if you are not convinced of something, you are most welcome to come in and review the detailed background numbers.
8. Then we come to tonight's Meeting-of-the Whole and after that, at the next meeting on September 27, the proposed budget is presented in a Public Hearing.

What is the value of the average house in McLean? \$1.37M 18,210 households in McLean

2023 Tax Base = \$27,156,310,170 (TOTAL assessed value in Small District 1A-Dranesville)

With a thorough discussion of proposed FY2025 budget having concluded, Treasurer Cooney Porter stated the following MOTION:

MOTION: To present FY2025 Fund statement at a Public Hearing to be convened in-person on Wednesday, September 27, 2023 at 6:30 p.m. at the McLean Community Center.

Approved by a vote of 10:

Anna Bartosiewicz; Kathleen Cooney Porter; Lisa Mariam; Rasheq Rahman; Eleanor Ague; Sophia Bruno; Katie Gorka; Gloria Marrero Chambers; Matt Colsia; Kristina Groennings - all voting "AYE.

Ari Ghasemian was absent.

SEQUENCE: We will present this FY2025 budget detail again at the Public Hearing on September 27. We will keep the public comment period open for one week after September 27 (through October 6). At the October 25 Regular Meeting of the MCC Governing Board, we will officially vote on approval of the FY2025 budget. It goes as a DRAFT to Fairfax County – it will not be finalized by the county until May/June 2024.

OLD / NEW BUSINESS

Chair Rahman opened the floor for any items of old or new business to be discussed. Nothing was mentioned as a further topic for discussion for this evening.

PUBLIC COMMENT

Treasurer Cooney Porter explained how Small District 1A-Dranesville residents are always welcome to contribute their input as taxpayers who support the McLean Community Center. She announced the following opportunities to submit public feedback specific to the proposed FY2025 budget:

1. Written comments by Small District 1A-Dranesville residents may be submitted from now through October 6: feedback@mcleancenter.org
2. Verbal comments in-person by Small District 1A-Dranesville residents may be spoken at an upcoming meeting to be held in-person at MCC: Public Hearing on FY2025 Budget Wednesday, September 27 6:30 p.m.

The opportunity was opened for any Small District 1A-Dranesville residents who wished to express comments about the FY2025 proposed budget as presented this evening.

No one present requested to speak.

Explanation of process on September 27: We present the budget and then there is an opportunity for the public to ask questions or make a comment. An individual may request in advance to speak, or they may submit a comment in writing which will be included in the Minutes record. Individuals may call in advance if they wish to be placed on the speaker list for September 27 or they can just attend that evening and express a comment. Each person will be allotted three minutes to speak.

Summary: Chair Rahman encouraged the board members to go through the budget material and reach out to Treasurer Cooney Porter, to the Chair, or to Executive Director May-Salazar if they have questions. Budget presentation will be given at September 27 Regular Meeting and Public Hearing on FY2025 Budget. Final vote on the proposed FY2025 budget will be at the October 25 Regular Meeting.

ADJOURNMENT

Treasurer Cooney Porter announced that all business for tonight had concluded and adjourned the meeting at 7:55 p.m.

Respectfully submitted, Holly Novak - Executive Assistant

Highlights: MCC Board Proposed Budget for Fiscal Year 2025 (7/1/24–6/30/25)



McLean
Community
Center

The Center of It All

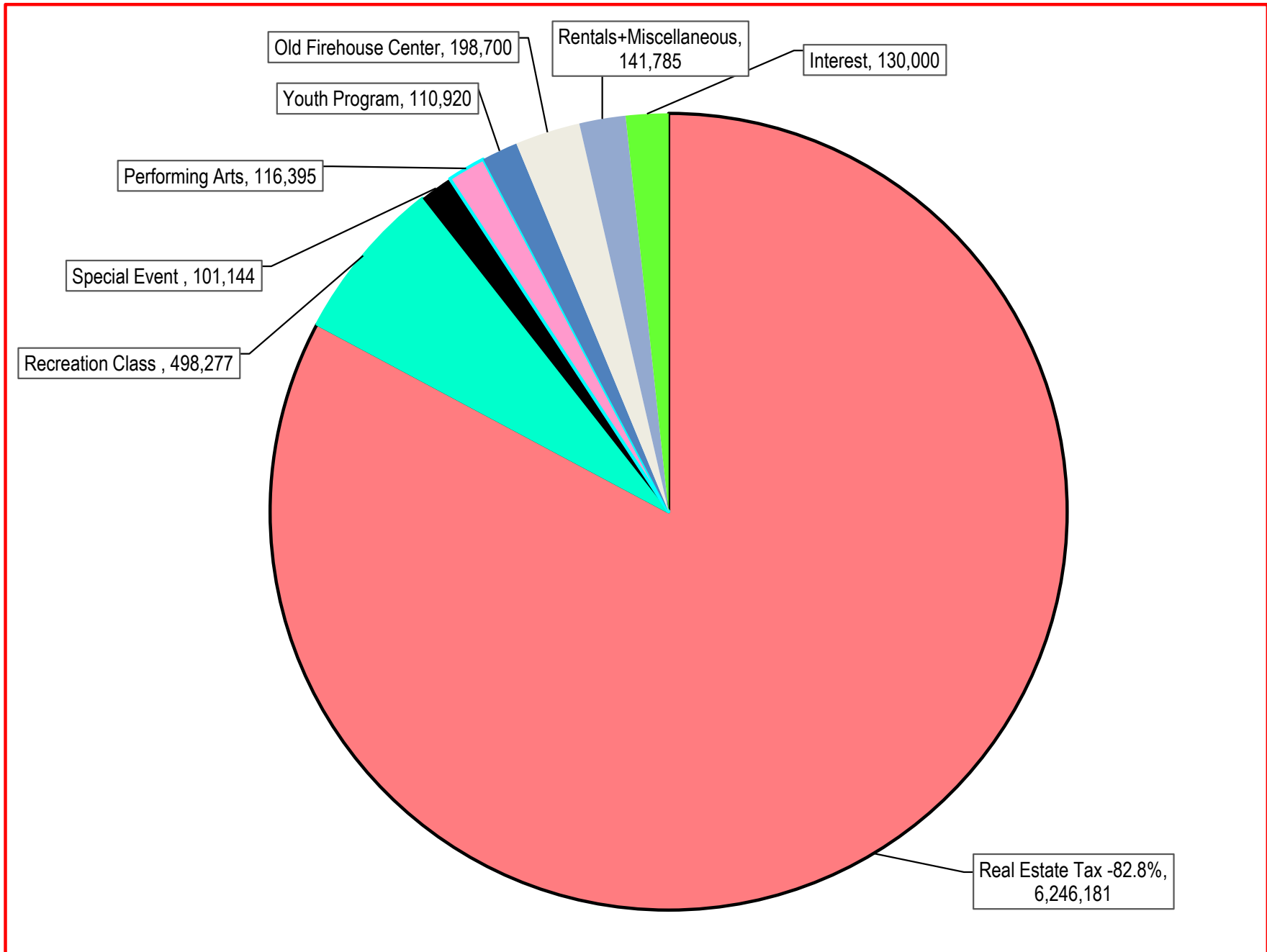
Prepared for MCC Finance Committee Meeting of the Whole

Wednesday, Sept. 06, 2023 at 6:30 p.m.

Executive Summary

- MCC maintains a strong history of financial stewardship. We have one of the lowest tax rates of our peer groups at 2.3c / \$100 of Assessed Values. This rate has been maintained since 2015. We propose to maintain the same rate for FY25.
- FY20 – FY22 were challenging years for MCC, as for the whole economy. COVID-19 affected the center's operations from March through June of FY21 and continued to impact FY22 with lower usage for safety. Recovery began in the second half of FY23.
- FY25 is budgeted to be a FULL year of normal operations. The registration for FY24 is picking up to pre-COVID operating levels prior and is expected to continue in FY25.
- FY25 Program Revenues are projected at \$1,167,221, a 11% increase over FY23.
- Total FY25 Revenues are projected to be \$7,543,402 a 9.5% growth over FY23.
- FY25 Expenses are projected to be \$8,304,621. This includes \$800,000 towards Capital Projects.
- The 50th Anniversary Budget of \$400,000 includes allocation of funds of \$95,000 in FY24, \$190,000 in FY25, and \$115,000 in FY26. This allocation of funds is for a one-time annual event and in addition to the operating budget. This presentation reflects FY24 and FY25 only.
- Visual Arts contribution towards the MPA Artfest is \$35,000.

FY25 Revenue



Financial Summary FY23-FY24-FY25

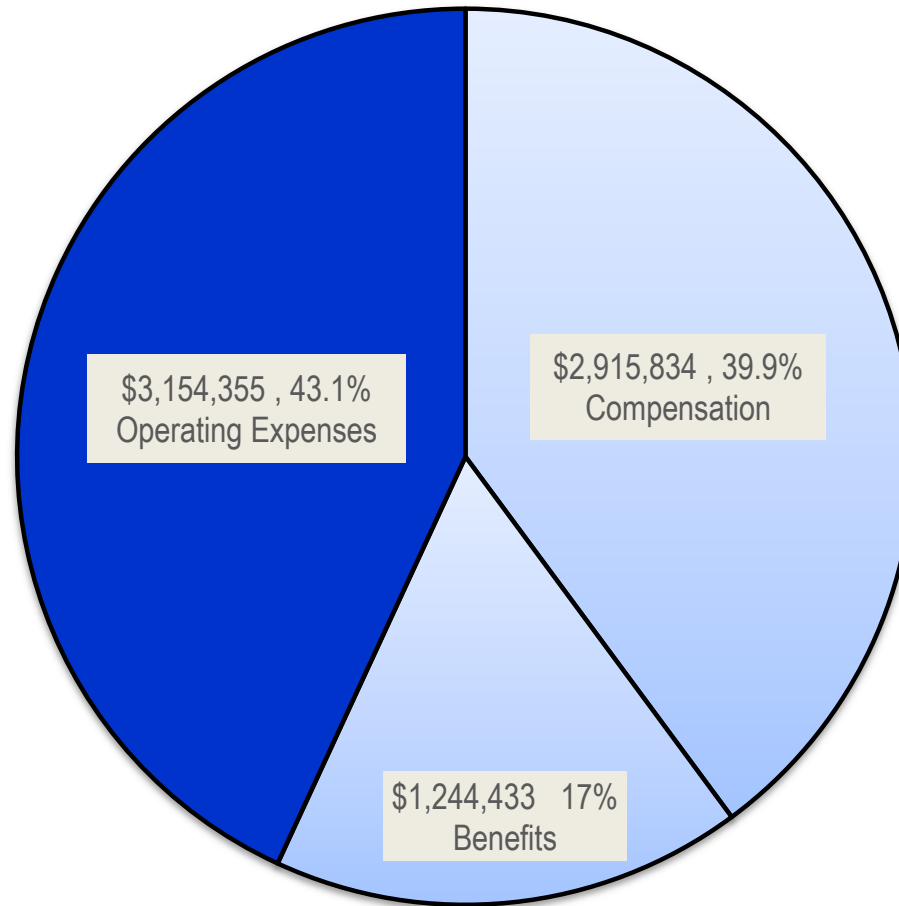
McLean Community Center

Financial Summary FY23-FY24 FY25 Preliminary Projections

	FY2023		FY2024		FY2025	
	Actuals		Adopted/ Advertised		Proposed	
Operating - REVENUE						
Real Estate Tax	5,705,134	82.8%	5,980,732	82.0%	6,246,181	82.8%
Interest on Investments	134,834	2.0%	20,000	0.3%	130,000	1.7%
Total Tax and Interest Revenue	5,839,968	84.8%	6,000,732	82.3%	6,376,181	84.5%
Recreational Class Fees- Instructional Programs	480,158	7.0%	532,723	7.3%	498,277	6.6%
Special Events	101,378	1.5%	96,500	1.3%	101,144	1.3%
Performing Arts - Theatre	96,073	1.4%	132,750	1.8%	116,395	1.5%
Youth Program Fees	94,217	1.4%	138,910	1.9%	110,920	1.5%
Old Firehouse Center Fees	152,812	2.2%	296,000	4.1%	198,700	2.6%
Net Program Revenue after Refunds & Discounts	924,638	13.4%	1,196,883	16.4%	1,025,436	13.6%
Miscellaneous (Facility, Perf Arts, OFC Rentals)	124,534	1.8%	97,500	1.3%	141,785	1.9%
TOTAL REVENUE	6,889,140	100.0%	7,295,115	100.0%	7,543,402	100.0%

This forecast is based upon reasonable assumption, given the current economic condition; 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.

FY25 Expenses



■ Compensation 39.9 ■ Benefits 17.0 ■ Operating Expenses 43.1%

McLean Community Center
Financial Summary FY23-FY24 FY25 Preliminary Projections

	FY2023		FY2024		FY2025	
	Actuals		Adopted/ Advertised		Proposed	
Operating - Expenditure						
Administrative Services	1,078,231	17.3%	1,334,980	18.1%	1,330,860	17.7%
Facilities Services	708,399	11.4%	849,428	11.5%	810,505	10.8%
Public Information	616,039	9.9%	563,289	7.6%	713,717	9.5%
Support Expenditures	2,402,669	38.6%	2,747,697	37.2%	2,855,082	38.0%
Recreational Class - Instructional Programs	708,814	11.4%	850,797	11.5%	782,270	10.4%
Special Events	663,829	10.7%	755,007	10.2%	844,893	11.3%
Performing Arts- Theatre	1,468,397	23.6%	1,753,231	23.7%	1,692,372	22.6%
Youth Program	187,919	3.0%	366,772	5.0%	278,030	3.7%
Old Firehouse Center	777,767	12.5%	796,611	10.8%	826,975	11.0%
Visual Arts Activity	22,500	0.4%	25,000	0.3%	35,000	0.5%
50th Anniversary		0.0%	95,000	1.3%	190,000	2.5%
Program Expenditures	3,829,227	61.4%	4,642,418	62.8%	4,649,539	62.0%
Program + Support Expenditures	6,231,896	100.0%	7,390,115	100.0%	7,504,621	100.0%

This forecast is based upon reasonable assumption, 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.

FY25

The Components Making Up the Revenues:

- Taxes projected at 2.3c per \$100 of Assessed Value \$6,286,181 82.8%
(Based on the 2023 adjusted assessed value of Dranesville district 1A)
- Program, Rental and Interest Revenues \$1,297,221 17.2%
FY25 Program Revenue is projected to be 10% higher than FY23.

Administration- Finance – Registration- Front Desk – IT

Total Budget \$1,330,860

Compensation & Benefits \$1,158,410

Operating Expenses \$172,450

Including Key Expenses:

Postage (Board Elections) \$20,000

PC Replacement - County \$40,000

Tech Infrastructure - County \$15,000

Telecom Usage Fees \$32,000

Telecom Equipment Fee - County \$17,000

Printing & Binding \$ 8,000

- Admin. Operating Expenses are 5.4% of Total Operating Expenses.

FY25

Administration Public Information Office

Total Budget	\$713,717
• Compensation & Benefits	\$ 458,707
• Operating Expenses	\$ 255,010
• Including Key Expenses:	
Postage	\$ 40,000
Printing	\$ 65,000
Contract Services	\$ 85,000
Comm. Media	\$ 50,000
Marketing	\$ 6,000

Admin PIO Operating Expenses are 8.09% of Total Operating Expenses

Facilities

Total Budget	\$810,505
• Comp. & Benefits	\$532,005
• Operating Expenses	\$278,500
• Including Key Expenses:	
Building Contracts	\$120,000
Other Repairs.	\$ 65,000
Electricity	\$ 60,000
Gas	\$ 15,000
Water	\$ 4,000
Refuse Disposal	\$ 8,000

Facility Operating Expenses are 8.8% of Total Operating Expenses

FY25

Instruction Classes

Program	FY25 Proposed Budget			
	Potential offerings	Attendees	Expenses	Revenue
AIM Dance	250	720	\$192,007	\$242,166
Body Moves Fitness	102	297	\$34,337	\$39,374
Dog Solve-Self Defense	10	64	\$5,949	\$3,259
FunFit	13	66	\$10,528	\$16,714
Joel Olson (Cooking)	116	53	\$39,535	\$43,541
Sports	15	32	\$3,624	\$4,060
Music Together	83	261	\$38,358	\$39,983
Fencing	16	43	\$9,271	\$12,644
Magnus Chess	7	109	\$36,973	\$45,900
SIA (Offered in Seasons) - 87 Members	336	2,976	\$10,167	\$3,352
Emily Weeks Fitness	10	184	\$2,693	\$3,087
CPR Class / Baby Sitting	16	-		
Mad Science	-	160	\$33,863	\$44,176
	-	-		
Operating Expenses			\$57,804	
Instructional Department TOTAL	973	4,965	\$475,108	\$498,258

Total Expenses \$782,270

Compensation

And Benefits \$ 306,915

Operating Expenses \$475,108

Key Expense Incl:

Supplies \$ 10,000

Finance Charges \$ 33,400

(Registration Fees)

Commercial Media \$ 5,000

Instructors Fees \$417,551

Printing \$ 3,900

Instruction expenses are 15.1% of Total Operating Expenses.

FY25

Special Events

Program	FY25 Proposed		
	Attendees	Expenses	Revenue
July 4th	2,500	\$92,000	
Fall Garage Sale/Parking Lot	1,100	\$4,000	\$1,200
McLean Pet Fest	1,000	\$32,200	\$1,200
McLean 5K	500	\$11,600	
McLean Uncorked	250	\$20,500	\$3,600
Downtown Partner Block Party		\$20,000	
Winter Lights	1,200	\$21,150	
Antique Show- pass through to McDonald Fund	1,000	\$6,000	6000
McLean Holiday Craft Show	2,300	\$12,500	\$6,000
Earth Day	250	\$10,000	
Spring Garage Sale	800	\$4,000	\$1,200
McLean Day	10,000	\$233,250	\$87,944
Fiesta Del Sol		\$60,000	
Operating Expenses		\$14,450	
Total Expenses	20,900	\$541,650	\$101,144
50th Anniversary		\$ 190,000	
Total Expenses with 50th Anniv		\$731,650	

Total Expenses \$844,893

Compensation and Benefits \$303,250
Operating Expenses \$541,650

Key Expense Incl:

Postage \$ 9,300
Supplies \$ 28,000
Uniforms \$ 4,000
Printing \$ 13,500
Commercial Media \$ 29,230
Artist/Vendor Contracts \$261,000
Rental of Equipment \$155,500
Service Other Agencies \$16,300

Special Event Op. Expenses are 17.2% of Total Operating Expenses.

FY25

Performing Arts

Program	FY 25 Proposed			
	Attendees	Expenses	Revenue	# of events
Adult Series	2,300	\$166,500	\$51,500	10
Family Series	1,800	\$123,310	\$28,000	16
"Live"	300	\$25,645	\$6,350	1
Summer concerts/Outdoor adult shows	1,000	\$30,815	-	5
Outdoor family shows + Juneteenth artists	800	\$31,650	-	4
Martin Luther King Jr-Programs	250	\$53,630	\$5,650	1
Youth productions	571	\$36,385	\$4,700	28
UTP	1,105	\$22,895	-	76
Speakers and lectures	400	\$1,847	\$6,500	2
Classes	656	\$7,265	\$6,000	49
Macdonald Competition	154	\$7,425	\$600	5
Camp (Camp Shakespeare)	340	-	\$2,200	20
Movies	1,250	\$1,440	-	25
Community Arts	N/A	\$550	\$7,800	N/A
Rentals	1,250	\$500	\$2,480	9
Library Speakers	300	\$6,660	-	1
Chamber Music	300	\$19,560	\$1,500	5
Celebrations	600	\$37,440	\$3,500	5
Innovations	750	\$42,100	\$5,400	7
Overhead		\$208,328		
TOTALS	14,126	\$823,945	\$132,180	269
<i>Travel and Training</i>		\$31,406		
<i>One-time purchases of equipment</i>		\$41,200		
Grand Total		\$896,551		

Total Expenses: \$1,692,372

Compensation and Benefits \$795,821
Operating Expenses \$896,551

Expense:

Postage \$27,850
Equipment \$109,875
Maintenance Repairs \$55,950
Finance Charges \$18,325
Commercial Media \$103,620
Advertising Promotions \$12,300
Transportation \$6,110
Artists Fees \$438,090
Meals \$10,630
Equipment Rental \$21,300
Training \$31,406
Printing (Brochures etc.) \$41,842
Professional Membership \$5,365

Perf Arts Op. Expenses are 28.4% of Total Operating Expenses.

FY25

Youth Programs

Program	FY 25 Proposed		
	Attendees	Expenses	Revenue
Harvest Happenings	725	\$11,714	\$500
Holiday Gingerbread Santa Event - Photoshoot/Cookie Decorating	120	\$4,287	\$2,000
Spring Fest	250	\$6,808	\$2000
Pop Up Community events- Touch a Truck	500	\$8,574	\$1,400
Parent/Child Dance	1200	\$3,675	
Youth Sub Total	3020	\$41,314	\$8,650
Camp McLean	288	\$63,850	\$102,270
Total	3,308	\$105,164	\$110,920

Total Expenses \$278,060

Compensation & Benefits \$172,866
Operating Expenses \$105,164

Key Expense Incl:

Supplies \$16,100
Uniforms \$ 4,200
Financial Services \$ 5,366
Commercial Media \$ 7,000
Transportation \$ 25,000
Vendor/Artists \$ 17,406
Meals \$ 5,300
Rental of Equipment \$ 2,660
Professional Training \$ 3,000
Service Other Agencies \$ 4,410
Rec Activities \$ 8,315

Youth Operating Expenses are 3.3% of Total Operating Expenses.

FY25

Old Firehouse Center

Program	FY 25 Proposed		
	Attendees	Expenses	Revenue
After School (ASP)	1,000	\$ 9,000	\$ 12,500
Family Events	2,000	\$ 63,305	\$ -
Friday Night Activities (FNA)	2,500	\$ 32,250	\$ 35,000
Break Trips (BT)	500	\$ 34,000	\$ 18,000
Rental WD (Facilities)	7,000		\$ 5,000
Rental WE (FAC)	6,000		\$ 50,000
OFC Camp (CAMP)	1,000	\$ 130,100	\$ 133,200
Facility Maintenance Expenses		\$ 126,020	
Total Expenses	20,000	\$ 394,675	\$ 253,700

OFC Operating Expenses are 12.5% of total Operating Expenses.

Total Expenses	\$826,975
Compensation & Benefits	\$432,300
Operating Expenses	\$394,675
Expense:	
Furniture Equipment	\$ 5,000
Building Mtn & Supplies	\$ 5,000
Supplies	\$ 36,300
Uniforms	\$ 3,000
Building Mtn. Contracts	\$ 23,000
Building Repairs	\$ 14,000
Financial Services	\$ 12,600
Commercial Media	\$ 20,000
Transportation	\$ 70,000
Vendor/Artists	\$ 20,000
Meals	\$ 40,500
Electricity	\$ 18,500
Water	\$ 1,000
Professional Training	\$ 5,500
Printing	\$ 7,000
Vehicle Expenses	\$ 6,000
Rec Activities	\$ 80,000

FY25

Old Firehouse Center Programs

After School Program

After School Program-2nd year into switch from 7-12 graders to 5-9 graders.

Break Trips

Break Trips (Teacher Workdays, Winter & Spring Break examples include: iFly, Regal/AMC Theaters, Summit Ropes, ICE at the Gaylord, Dave & Buster's, Hershey's Chocolate World, Ultimate Archery, Laser Tag, Ice Skating, VR Zone, Splatter Paint, Uptown Alley, Main Event, WISP Winter Adventure, Altitude Trampoline, Timeline Arcade, Indoor Waterpark, Go Karting, Paintball, iPlay America, Defy Trampoline

Friday Night Activities

Friday Night Activities (events only teens participate in): 5th and 6th grade dances, Friday Night Trips, HS events (Trips) Haunted House, Sporting Events, Zavazone, Laser Tag, Movie Theater (Parties) Monster Mash, Ugly Sweater, Snowball, St. Patty's, Luau

Family Events

Includes Old Firehouse Block Party, Festival of Frights/Trunk or Treat, Winter Block Party, Sensory Day, Family Bingo and Snack & Paint.

Summer Camp Trips

Examples include : Metro Richmond Zoo, Paddle Boarding, Dave & Buster's, Busch Gardens, Autobahn Speedway, Philadelphia Food Tour, Defy Trampoline, Kings Dominion, Skate Zone, Dole's Outpost, Treetop Zoofari, Funland Fairfax, White Water Rafting at WISP, Ultimate Archery, Speedworld, Ocean City, Uptown Alley, Regal/AMC Theaters, Urban Air, Catoctin Wildlife Preserve, Washington Nationals Baseball, Water County USA, Splatter Paint, Climbzone, Pedal Boating at National Harbor, Paintball, Tree Trekkers, Top Golf, Hershey Park, Medieval Times, Shadowland, Splashdown Waterpark, Magic Elm Skateland, Turkey Hill Factory, Richmond Food Tour, Pinstripes

Facility/Rentals is broken into different categories: facility numbers include the events hosted by OFC (Open Game Days, Open Game Nights, Mah Jongg Wednesdays), SPARC. Weekday rentals include any paid, partnership or 501(c)3 usage of the building Monday through Friday. Weekend rentals include any paid, partnership or 501(c)3 usage of the building Saturday and Sunday.

FY24 - FY25 - FY26 50th Anniversary Celebration

Event/Activity	Est. Date	FY24 Budget	FY25 Budget	FY26 Budget	TOTAL BUDGET	Strategic Goal
Community Picnic	Fall 2025		\$10,000	\$40,000	\$50,000	Welcome all of McLean & Its Global Community
Video	Spring 2025	\$25,000	\$25,000		\$50,000	Showcase Excellence
Timeline (website)	2025	\$10,000	\$15,000		\$25,000	Showcase Excellence
Community Art Project(s)	Spring 2025	\$50,000	\$80,000		\$130,000	Invite Discovery/Be Visible
Commemorative Plantings	Fall 2025			\$30,000	\$30,000	Model Sustainability & Good Stewardship
Time Capsule	Fall 2025			\$3,500	\$3,500	Welcome all of McLean & Its Global Community
Historical Lecture/Video Preview/Light Reception	Early Spring 2025		\$15,000	\$0	\$15,000	Welcome all of McLean & Its Global Community
Advertising/Marketing		\$10,000	\$20,000	\$15,000	\$45,000	Be Visible
Contingency			\$25,000	\$26,500	\$51,500	
Totals		\$95,000	\$190,000	\$115,000	\$400,000	

McLean Community Center

Capital Improvement Projects

Project Description	FY24 Budget	FY24 Revised-Carry Over	New Items Proposed for FY24	Final FY24 CIP	FY25 Proposed
THEATRE PROJECTS					
AV/IT/Dante Cat 6e Wiring Infrastructure Installation in Theatre Installation	\$150,000	\$221,567		\$221,567	
House Light/Worklight LED Renovation - Installation (Replacement)		\$250,000		\$250,000	
Theatre Chain Hoist System		\$22,000		\$22,000	
Railing Behind Theatre Seats		\$12,956		\$12,956	
Theatre Cyclorama motorized Roll Drop		\$30,000		\$30,000	
Replacement of Controllers for Dimmer Rack	\$20,500	\$20,500		\$20,500	
Total Theatre Projects	\$170,500	\$557,023	\$0	\$557,023	\$0

McLean Community Center					
Capital Improvement Projects					
Project Description	FY24 Budget	FY24 Revised-Carry Over	New Items Proposed for FY24	FY24 CIP	FY25 Proposed
MCC - OFC PROJECTS					
AV Upgrades/Projector - Old Firehouse			\$19,431	\$19,431	
ADA Upgrades - Old Firehouse				\$0	\$800,000
Sensory Room - Old Firehouse			\$50,000	\$50,000	
Stormwater Drainage Project			\$40,000	\$40,000	
McLean Central Park Playground - Community Investment			\$50,000	\$50,000	
Storage Sheds - 2 - Theatre and Sp Events		\$35,000		\$35,000	
Electric Vehicle Charging Stations		\$150,000	(\$150,000)	\$0	
Electric Supply Upgrade for Charging Stations		\$100,000	(\$100,000)	\$0	
MCC Energy Study			\$50,000	\$50,000	
Roof Above the Alden Stage		\$81,765		\$81,765	
Signage - MCC, OFC				\$25,000	
Digital Sign - McLean Central Park					TBD
Total MCC - OFTC Projects	\$0	\$366,765	(\$40,569)	\$351,196	\$800,000
Total Capital Expenses - Theatre + MCC Projects	\$170,500	\$923,788	(\$40,569)	\$908,219	\$800,000

Capital Projects Description

Theatre Projects – Carry-Over

- \$557,023 of carry-over project funding approved in prior years. Including Cat6e wiring, LED house/work light renovation, theatre hoist system, theatre seat railing, cyclorama motorized roll drop replacement, dimmer rack controller replacement. The majority of this work has to take place in the August timeframe when the theatre is dark and between seasons.

FY25 New request

- \$800,000 for essential ADA upgrades to Old Firehouse Bathrooms and Entrance. Request in process to Fairfax County BOS for partial support from FC FY23 General Fund Carry-Over Funds. If granted this allocation will be reduced.
- TBD – Digital Sign in McLean Central Park. Working with Fairfax County Park Authority to replace existing sign with digital sign.

FY24 Reallocation of Funds – results in (\$40,569) reduction in allocations.

- Energy Project reallocation - \$250,000 that was previously approved as placeholder to explore electric vehicle charging station being reduced to \$50,000 and reallocated to an overall MCC energy study. This placeholder allocation is not necessary to be considered in Fairfax County's study for EV station locations.
- \$40,000 – Stormwater Drainage project regrading of land and sidewalk on back side of MCC. (Fairfax County is funding the Ingleside portion of project).
- \$50,000 new allocation for Sensory Room at Old Firehouse.
- \$50,000 new allocation as a community investment in the McLean Central Park for enhanced playground as component of McLean Central Park renovation beginning in Fall 2023.

McLean Community Center
Financial Summary FY23-FY24 FY25 Preliminary Projections

	FY2023		FY2024		FY2025
	Actuals		Adopted/ Advertised		Proposed
FUND STATEMENT					
Tax Rate per \$100 of Assessed Value	2.3C		2.3C		2.3C
Beginning MCC General Fund Balance	6,564,243		7,022,923		6,019,704
Total Revenue	6,889,103		7,295,115		7,543,402
Total Operating Expenditures	(6,231,896)		(7,295,115)		(7,314,621)
Net Surplus (Shortfall) from Operations	657,207		(0)		228,781
Less: 50th Anniversary	0		(95,000)		(190,000)
Less :Capital Expenses	(198,527)		(908,219)		(800,000)
Net Surplus/(Shortfall)(incl. Capitals)	458,680		(1,003,219)		(761,219)
MCC General Fund Balance	7,022,923		6,019,704		5,258,485
Annual Capital Equipment					
Capital Improvement Reserve Fund	6,022,923		5,019,704		4,258,485
Operating Contingency Reserve	1,000,000		1,000,000		1,000,000
Total Fund Balance	7,022,923		6,019,704		5,258,485

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

The Capital Project Reserve is primarily for Capital Improvements at the McLean Community Center (MCC). and the OFC.

The Operating Contingency Reserve was established by the 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. Fy24,Fy25 and FY26 have funds allocated for the 50th Anniversary.

This forecast is based upon reasonable assumption, 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.

FY25 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 and Old Firehouse facilities. 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.

FY25 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 per year.
- MCC uses FY23 tax assessment projections, provided by the County, for FY 2025 tax calculations.
- Actual Assessments for FY25 will not be announced until Feb. 2024.
- As a result, the tax revenue for FY 2025 is a projection.

Notes:

The Contingency Fund Reserve is to be maintained at \$1,000,000 effective FY21 third Quarter.

Assessed Value of Properties in Small District 1A

Residential Base - \$25,923,706,710

Non-Residential Base - \$1,233,603,460

2023 Tax Base - \$27,157,310,170

Total Households 18,310

Average value of household \$1,373,966

Tax paid by each household at .23C per \$100 = \$316 per year.

Other Considerations

- Other considerations?