

Both Reston and MCC tax districts include residential and commercial. A key difference is that Reston has a lot more businesses in their special tax district than MCC does. MCC receives commercial taxes as well as residential but it's very small, whereas Reston has a lot more large, corporate-type companies (exception: MARS and a few other large corporations in McLean). Capital One is not in our tax district (it would be nice!) Tax and interest account for 84.6% of MCC's total revenue compared to 88.8% for RCC despite their tax rate being more than twice that paid by MCC's tax district. The actual cost to citizens of RCC vs. MCC is the focus of this presentation.

***best-in-class practices**

Question: Is there anything 'best-in-class' from a financial standpoint that you would try to explore for here?

Not necessarily – because in many ways MCC is very different than RCC. The particular difference is in how we program: a lot of what MCC does in programming has costs associated that are due to contracted instructors, whereas RCC hires many more of their instructors. That would shift some costs to their [Reston's] payroll (personnel). While we do have a few staff members who are instructors, most of ours are contracted.

***other notable differences:**

- *It's surprising how much MCC is able to do with a much lower tax rate than what RCC. RCC has maintained their 4.7-cents/\$100 of assessed value tax rate since 2003; it was higher before then: 5-cents per \$100 assessed value.
- *It's good to see that more of MCC's revenue (14.2%) is generated from actual programming than RCC.
- *Reston Community Center's theater operates differently with having much more community-based programming. They also have a smaller facility.
- *RCC doesn't have a facility comparable to OFC. They do have a secondary facility (Lake Anne building) that is more arts based.
- *One difference is that RCC does a lot out in the community: they have a mobile vehicle that goes out into the community. They are also exploring a big project of potentially another location in downtown Reston.

***positive impact of MCC's relationship with McLean Project for the Arts**

What is not shown in this comparison is MCC's partnership with MPA. MPA provides the majority of our visual arts programming. MPA is an extension of our offerings in this facility as well as our impact in downtown McLean – and that will continue to build. This mutually beneficial relationship is primarily in-kind and does not impact our expenses or revenue significantly.

***RCC has aquatics expenses – MCC does not.**

Question: Do you know if the aquatics is actually generating positive revenue for Reston Community Center? It might be a loss, but it's probably something they consider that they do for the community.

36.5% of RCC's revenue is derived from aquatics. It's clear the aquatics is significantly supported through their tax revenue (maintenance, upkeep of the pool facility). RCC aquatics: \$427K revenue > \$333K of that comes from enrollment passes to use the facility; another \$94K comes from rentals. 1/4 of their revenue is rentals.

INSTRUCTIONAL PROGRAM FEE ANALYSIS

**remarks by Instructional Programs Manager Erin Bieger*

[Refer to Presentation Slides included in minutes]

Operating philosophy: Through a lens of tying all MCC Strategic Plan goals directly into program planning, we are very data-driven in our planning - making sure our financial decisions are fiscally responsible and keeping track of all our numbers because it is the community's money. We want to be very mindful of that and be good stewards of their funds in all programming.

DISCUSSION - several questions were raised and points of clarification requested about the attendance numbers, the nomenclature used, and how they are calculated:

Question: I'm confused about that – because that works out to 90 people per class? What am I misunderstanding? How do you get to 25,000 attendees with 263 classes?

The total 263 classes are all classes offered from July – December. The attendees figure is not course registrants;

rather, we are tracking each visit. For example, if they are coming to a dance class 3 times per month X number of participants in the class = that's how it adds up to 25K visits.

Clarification by Executive Director May-Salazar: Think of it as a course with ten occurrences; so, each student would attend class ten times. It is attendance – not registration. These figures are counting the number of visits.

Clarification by Comptroller Hockensmith: These figures are tied to our Attendance report that is provided at every Governing Board meeting: we look at how many people came into the building (for a class; theater performance; special event) = each unique time they came in to attend. That may be one individual ten times: if they attended a dance class that met once per week, that would be four times in that month. Then they also came to a Special Event – they would be counted again, or if they came to an Alden Theatre performance, they would be counted for that.

Question: I think it would also be interesting to know number of 'unique' individuals who are attending. Because I would assume you get a bunch of people who take one course after another repeatedly. I'd be curious to know the number of unique attendees.

Clarification by Executive Director May-Salazar: We can also provide these figures, they serve a different, valuable purpose. I do think the overall 25,000 figure is critically important – to record the actual number of visits. Because we were previously reporting only registrants that doesn't capture our literal day-in-and day out volume of people whom we are serving on a daily basis.

Clarification by Treasurer Pin: And in theory, each 'visit' has a revenue number associated with it; so that would be \$23 for each. That's what it comes out to.

Executive Director May-Salazar considers attendance broadly in three important aspects: 1. Number of individuals who are signed-up for a class (a smaller number) 2. Are they repeat people? (also a smaller number) 3. Total visits (as being currently quantified). The attendance report reflects total walk-in presence. It shows how many people our facilities must be equipped to serve continuously.

RECOMMENDATION: Board Chair Jeffery noted that some aspects of this discussion have recurred often and it would be helpful to create "defined terms."

Explanation of programs 'life cycle': Program planning – our class projections are informed by a structured review that draws on costs, enrollment trends, core satisfaction data (survey all class registrants to get direct feedback). We try to look at all past data to make sure we are spending money wisely and doing what the community wants.

Programs are planned months in advance, using historical class data to see what classes are in demand and not in demand. We typically give our classes two cycles (Fall; Spring) to observe. If they are consistently low, we will try to work with the vendor to see: 1. Can they lower their minimum required to hold the class? 2. We work with PIO to increase promotion to build more interest. If neither of these things can be solved, then we will cancel the class, although it's just postponing: in the future we will look at whether we can bring back the vendor to try again to offer the class.

Costs: Unlike RCC, MCC uses Fairfax Co. contracted vendors for the majority of our offerings: they must go through a formal RFP process and negotiate contract terms and pricing to be compliant with the county and MCC. Costs are calculated by attendee and multiplied by class session. We charge patrons the vendor's cost + 20%. An additional fee applies for out-of-district residents (approx. 10%). Costs are based on the negotiated contract price; all classes are calculated this way.

Question: Are costs for McLean classes based on in-district participants? Yes.

SIA – Seniors In Action: MCC's new full-time SIA program coordinator, Grace Britten, was introduced.

***feedback and continuous improvement**

Grace Britten will hold a feedback session next week to receive direct input from the senior adults on what interests them and what they like and don't like about SIA programming. **We will be able to offer more free programming for them, while still offering the cost-associated programs. We want to be able to reach every senior who walks through the door, and now we will be able to do that through this full-time team member.**

***Emphasizing "connection" through SIA**

Community is MCC's greatest asset – the fact that we are in such close proximity which allows for more

engagement and participation in SIA programs. SIA is supported through general funding to ensure access to all recreational programming for all the members to come in.

Highlights about SIA program:

*SAIL classes – always \$54 out-of-district/\$45 in-district pricing. This is amazing – you see them change in mobility and actually notice the difference that exercise is making in their everyday life! We wanted to keep costs low for them, but also a little competitive because we have such high waitlists. In rolling-out this pricing structure we've had very positive feedback. There is high demand for these classes.

*Field Trips: We wanted to keep the cost low, but demand is high. \$90 (charged by other places) is too much and often doesn't include lunch. Our pricing (\$46 out-of-district)/\$42 in-district) includes transportation (bus company rental); lunch is covered in that price; admission museum ticket is also included. We've been able to take our seniors to DC and other places – to get them out of the McLean bubble. They love it! We are very excited and blessed to be able to offer this. We always review the fees against data from around the area as well as feedback and comments from participants.

*culinary classes: *Question: Does Chef Olson pick the [cooking] topics or does MCC do that?*

Chef Joel Olson selects the culinary topics and he tries not to repeat – except for summer camps (same offerings as last year's summer camp) because they are so popular. He will repeat popular offerings but tries to switch them up. Many participants are repeat people! Chef Olson responds to feedback from the community when choosing the cooking topics. He does work with us to adjust the 2-hour cooking classes for SIA: perhaps offering easier selections for them (i.e. with arthritis, not as much knife cutting).

*Tiny Chefs is a different vendor (presented in a classroom) -teaches kids the basics of how to manage in the kitchen.

Treasurer Pin complimented Comptroller Hockensmith and Erin Bieger for looking at other areas of the county - not calling them MCC's 'competition' - but rather our 'collaboration!' It's always good to see what they're doing elsewhere and learn from it; and improving our benchmarks. Thank you for doing that – it took a lot of extra work.

PERFORMING ARTS FEE ANALYSIS **remarks by Performing Arts Director Sarah Schallern Treff*

[Refer to Presentation Slides included in minutes]

Theater ticket pricing is determined with a customer-focused philosophy rather than event cost. It's a totally different model than instructional but somewhat similar to SIA. Factors considered: ticket prices for the same artists at different venues; past performances of the same artist and feedback received on those ticket prices. We do surveys after every performance, with questions about pricing.

Our goal is making certain types of performances more accessible to the public. Classical music is not as popular with younger people, so to make it more accessible the ticket prices are only \$7 for tax district residents. People can bring their kids and try classical music. This price is also more accessible for older adults on fixed incomes.

Ticket pricing: three ticket types - standard (general public); senior adult rate; tax district resident rate (always the lowest – and always at least 25% less than the standard ticket price).

Question: Is the senior designation the same across all MCC programs? Classified by age?

SIA – starts at a lower age: 50+. Alden Theatre ticket “senior” pricing is 60+ in-line with other venues. The resident rate is always less expensive than the ‘senior’ rate – so, when people ask for a senior ticket we inquire if they are a tax district resident? If so, then they we give them something even cheaper - “resident” rate ticket.

Promotions: The Alden offers occasional promotions – although never lower than the resident rate.

We do this for marketing and tracking how our marketing is going. Sometimes we give the artist a code to determine how many people are attending through the artist's personal networks and outlets.

Fees: Only non-residents pay fees – it's no more than \$3 per ticket. Tax district residents don't pay any fees for tickets – buy online; choose your seats. We also offer our shows through VetTix – a national organization that offers free tickets to shows for active-duty military, veterans and their families. We do that for every show but as to how many we donate, it depends on what we predict the attendance will be.

Free events: movies; upcoming speakers in partnership with FCPL; chamber music (keeping it very accessible).

One-man shows: light wire theater (hugely popular); The Accidental Hero

Big names/Big production: in June 2026 we will show the movie “Napoleon Dynamite” and the actors who played characters will be here and will do a little show!

DISCUSSION – QUESTIONS & POINTS RAISED

Question: What is the cost for each artist contract?

It varies widely. But it does not directly impact ticket pricing – our ticket pricing is customer-focused and very consistent. We stay within our budget. The contracts are a range and matrix of everything we are trying to offer and how it all fits together in one season – everywhere from \$3K to \$30K, depending on the artist(s).

Question: I’m just curious in case someone asks: How do I do a show? Or, if they want to rent it out for a theater?

Renting is a whole different thing. As to booking acts – we just got back from the APAP booking conference in New York. If people are not there (at that conference) we ask them to send an EPK video to us. If they are appearing locally elsewhere, we try to go see them in-person (because a video is totally different than viewing a live show).

Question: The acts are never compensated through ticket sales, so MCC has total autonomy - correct?

Yes – and that’s a Fairfax County policy. That is a model a lot of other places use, but we don’t use that.

Regional comparisons in ticket sales: In terms of number of seats The Alden is on the smaller side of the range. University (multi-use facilities) and municipalities are the types of venues we compared. Our ticket prices are right in-line with them; also in-line with Reston Community Center. We are lower on the processing fees.

Question: What is the takeaway from this? We are in-line on ticket fees, but what do we think allows other venues to charge a higher ticket price? Not that we want to follow it – I’m just curious.

That’s a very good question. It’s very different across venues – universities will have a highly subsidized tickets for students. Part of what MCC does is look at same acts (nationally; locally) and what the ticket prices are, so it’s on par. It may be a matter of not having the same act. We also have a goal of being more accessible than other venues.

KEY DISTINCTION: The Alden is a “presenting” organization – we have acts on tour that come here to do performances and then go on to other cities. A “producing” organization is one that creates a show (such as Arena Stage) – from the bottom-up they are creating a show: casting it; building the set; hiring designers. Whereas all that has already happened once an act comes to The Alden as a ‘presenter.’

That’s part of the reason for the choice of the comparisons – NOT comparing to other local production-oriented theaters. The only show The Alden produces is our Youth Show. Other venues: Barns at Wolf Trap. We sometimes have some of the same acts as Birchmere but they are basically a music venue. The Alden offers a much wider variety.

Comment: The university venues are probably a mix – they both produce and present.

This comparison does not include community arts – such as Center for the Arts (their theater school wouldn’t be included in this comparison). Everything shown in this analysis is presenting organizations.

KEY DISTINCTION ON PRICING

*The Alden audience seating capacity: size-wise, larger venues can seat over 1,000 people. For a place that seats 8,000 people, you bring in different acts who will charge a lot more. They are booking in those larger venues because the interest level is different. That would exclude even considering coming to The Alden because they are looking to sell-out approx. 1,000 tickets. That reason could skew prices higher and we probably wouldn’t compete.

*The Alden Theater has a smaller stage size; the larger venues have a larger stage that can accommodate much larger acts. For example, Capital One Hall brings in actual Broadway shows.

*RCC presents more local community arts: from now through mid-June RCC has 28 community arts performances, whereas over the entire year MCC has only 6 – 8 community arts performances. As RCC’s theater is a smaller space than ours, they generally present smaller, less complicated productions. RCC also does movies and artist talkbacks (discussion with the artist). The orchestra and chorale at RCC use the community room – not their theater.

*Multiple performances on same day: Reston Community Players gets three productions from now through June 15, including presenting performances on the same days as other shows. We don’t operate that way. The Alden could possibly do a chamber music performance on a day where McLean Community Players is also performing. But they would have to move their sets to accommodate a different performer earlier in the day, as well as the programming time being sufficient.

*RCC has a bigger breadth of local organizations that qualify – community groups who perform. MCC previously had several groups that qualified but now we have only one (MCP). Reston Community Players enjoys much continuity and is a very strong organization. Whereas McLean Community Players had difficulty during the pandemic; they are now growing and re-building their presence.

Summary by Executive Director Betsy May-Salazar:

MCC has two very different models and how prices are set – Instructional has the very specific formula where we are charging to cover the costs + 20%. That is not necessarily picking up on all our staff time and other costs but the theory is that Instructional is supporting itself through the fees. The Alden Theater is completely different – we are pricing it based on demand and interest from the community – and never will we be able to charge enough to cover costs.

Summary by Treasurer Peter Pin:

To me, it's great that you are curious. I love the financial view to understand some interesting aspects out there. Maybe in some respect some of it is better; maybe it's not. But I do hope you will look at some of those great things you saw. It's wonderful that you continue to do analysis and be open to learning new things. We have a lot of great stuff here but there are always other things out there. If you see something you want to pursue and you need help from the Governing Board, we are happy to help you dig-in. Thank you! I appreciate your taking the extra time to do that level of work.

In the future, Comptroller Hockensmith aims to similarly look at Special Events and Youth programming and how we determine pricing. **It's something we want to continue doing on a yearly basis to make sure MCC is staying not just competitive, but also accessible.** Just the process of going through this and looking briefly at RCC has been intriguing for further analysis. As those findings come about, we will be happy to present them.

*Reston Community Center seems to work more with outside organizations than does MCC

Question: I'm intrigued by your comment that Reston Community Center does more in terms of working with outside organizations.

Clarification by Executive Director Betsy May-Salazar: Reston has a sponsorship program where they support other community organizations and events. This model is: 1. It's a way to spread the funds; 2. You garner a lot of support from the community for the value of the taxes.

What MCC has done: It's partially what was behind our conversation and putting money into McLean Central Park; into the playground; and into MPA. MCC supports Arts Fairfax (annual luncheon); we support downtown parade in December > those are all new initiatives within the last few years of us looking close to home. For the downtown parade where we don't have the capacity to take it on, we will give financial support for the parade. RCC supports local high school theater departments; and they support parades that are not run by RCC but supported by them. Also, the Reston area is completely different – there are many organizations that do such work. In McLean, MCC is the *only* entity – which is why all local organizations turn to us, saying: you to do this! There is also a difference in capacity and staffing – RCC's staff is much larger than ours.

*validity of RCC as a comparison model

Question: That's what I was trying to get at: I would be fascinated to look at the expense side for RCC comparison – they are charging twice as much per resident (per dollar value); so, is it that the aquatics pool just eats that much money?

It would take a whole business analysis to compare the differences with MCC - it's similar but a big variance. Their model of instruction is staff-oriented (instructors are hired on staff). The larger amount of revenue that RCC is maintaining/receiving is going toward staffing. If you look at the amount of programming MCC does with the amount of staff we have, it is vastly greater than what RCC does with the staff they have. But it's also skewed because they have more payroll – it's very different. Comptroller Hockensmith has only looked at it from a high-level overview – clearly there are nuances that explain the differences in operations. We can still look at the data – being thankful for everything RCC does for their community and still be proud of everything that we do.

Question: I don't think Reston Community Center should be the only model that we look at. I would love to look at a greater array of models – because, putting RCC aside, the fact that we only bring in 14% of our revenue from fees feels really low. I'm not saying change ticket prices, because I do appreciate the accessibility. But we also must be responsible stewards of the tax dollars that are entrusted to us. Because if we are only bringing in 14% on fees and ticket sales, that means a dance class that we're charging \$40

is actually costing 6.6 times that amount. And thus the community is subsidizing at that rate. That's a really, really high rate. Clarification by Executive Director May-Salazar: The dance class is not the right example because the dance classes fully pay for itself. However, the things we are focusing our tax funds towards are the big community events. Our big events are free: McLean Day, Independence Day fireworks, The Alden Theatre –that's where the bulk of our costs are.

Two different directions for consideration:

1. Look at what MCC is charging and consider increasing. Most feedback we get from the community is that I'm already paying taxes and I shouldn't have to pay a high fee on top of that. I'm already paying my taxes, so I should get a reasonable rate. That is something for the Governing Board to weigh: Where is the right price point? The decision was made at some point that on instructional, it is on the individual. That makes a lot of sense because the individual is receiving an individual reward (as shown in the pyramid diagram): an individual gets an individual reward. Whereas McLean Day and SIA are a broader reach – that's where we are putting most of the dollars we're collecting in taxes.

2. Sponsorships – as another potential pool of funding. MCC has gotten past feedback to 'stay in our lane' – we are already getting tax revenue, so don't compete within McLean for other types of sponsorship dollars. That is also a conversation we are having internally about what is the best approach? Perhaps if we focus more heavily on McLean Day (which has a model of sponsorship) and leverage that further and expand it, it would be more accepted to some that feel like we're competing for sponsorship dollars for specific events. Some options: sponsorship opportunities for PetFest and different events. We don't have a fundraising team but we are trying to look at it in a logical way to attempt to grow that revenue.

*Next for analysis > philosophy about youth trip fees. OFC trip fees are small pieces, but we need to develop the same kind of philosophy as Instructional and theater around youth programs regarding the right balance of covering the costs and community service. There is a lot of nuances in these small pieces but it's also a conversation with the board: Where is the right place to be on pricing certain things and on sponsorship of certain things? What is our philosophy behind the various pricing structures?

DISCUSSION – QUESTIONS & POINTS RAISED

*looking at sponsorships and considering other types of fundraising

Question: Yes, but the problem I see is that nobody has a choice that they are paying these taxes, So I think we have to be extra vigilant in how taxes are being spent. 14% is very, very low. I don't have the answer right now, but is it even something we should aspire to? Is there something we can do? Even 1% more is a gain - shouldn't we aim for that?

Clarification by Executive Director May-Salazar: Yes – that is why we are doing particular analysis on things like McLean Day booth fees – How long have we charged this \$\$? Does the fee even cover the cost of the tent? Is the Sponsorship level that we've created that has existed for so long – does it cover the cost of what they are receiving?

There are different models in fundraising. We're going to start digging into that with the goal of raising revenue, but doing it in a balanced way, understanding that we don't have the staff to become a fundraiser. Nor do we think the community would appreciate it if suddenly MCC were out there competing against them on certain things. Comptroller Hockensmith had started to do analysis of other municipalities (Falls Church and Vienna) but there is no data to gather because they are part of a bigger infrastructure and those community centers don't exist on their own – it's a whole county budget. If there are specific suggestions of ones you think would be good as comparisons, we can try to dig-in.

Question: All I'm really saying is: I think it's a conversation to be had – to discuss whether we even say it is a goal to increase that > or we say: No, absolutely not. Executive Director May-Salazar totally agrees with having such a conversation.

*comparison to other municipalities

Question: I would just love to see looking at – in the research I've done, 14% feels really low.

Question by Executive Director Betsy May-Salazar: Do you have suggestions of where we should look?

Clarification by Comptroller Matt Hockensmith: If you look at other municipalities (not even just Fairfax County) – other cities and such, if it is a government-supported center as MCC is, they are going to charge fees but they are still heavily-supported, not by a separate special tax district, but they are supported by the General Fund (like FCPA). MCC does not touch the county's General Fund. So, either way, if we didn't have our tax revenue and we were

supported through the General Fund – FCPA is a great example of that (their payroll and everything). Their pricing for classes is similar to us, so classes is not necessarily the area we need to look at regarding that.

*relevance of changes to MCC's 'free' events

A lot of our Special Events are free – but we would not be able to charge for things like McLean Day and July 4th which are our two largest events. Craft Show does charge a small amount but those are also very low cost to us. If we were to take all revenue received from what we charge and were to double it (though we would never do that because it would out-price most of our customers and we would lose our customer base by doubling it) that wouldn't even come close to increasing the amount of 14% that we would get by bumping up a few percentage points. It's never going to make up the difference that MCC gets supported through taxes, interest and a little bit from rentals. Although we could look at other municipalities, from a non-profit standpoint they have investments from different sources that we wouldn't be able to do as a government agency.

*request for year-over-year comparison analysis

Question: A second number to be looked at as a goal is: year-over-year. What is the unique number of participants (NOT McLean Day or the big community events) but just people coming into the building? Are we year-over-year increasing the number of people coming into the building? And if we're not, thinking hard about diversifying programming. Because again, I'm thinking about the fact that I don't know what is the total number of unique visitors to the building?

We do not have a total number of unique visitors to MCC building.

Question from another board member: I share that concern – I'm not as concerned about the 14% number. But I do think a really important goal for MCC is to make sure we are constantly going on that basis. However we measure or determine that, it's a very important long-term goal.

Question: Yes - because again, part of how I look at it is: Whatever the number of the breakdown is, 90% of the community is subsidizing through their tax dollars while just 10% of the community taking advantage of it. Which is fine, but the more we can reach more deeply into the community, I think the better job we're doing.

Response by Executive Director Betsy May-Salazar: Yes, we can work on this analysis. We have the data in discrete areas that are ticketed, such as instructional or theater, but won't necessarily be able to calculate a true overall number – considering the non-ticketed events and passive use of the facilities.

*evaluate which demographics are benefitting most and whether others are ignored

Comment by Treasurer Peter Pin: I think the one issue you raised that maybe we look at is: McLean Day is \$275K expenses for \$90K in revenue. Does it hit the demographic for that big chunk of the budget? And if, for example, your demographic of age 50+ doesn't show up, or if there is a demographic missing, maybe there is something we can adjust. The other programs mentioned earlier showed that we gave for free for a lot of years to certain demographics. In other words, if I'm paying these taxes [to MCC] but I never go to July 4th event, it may be because I choose not to. But if I don't go to McLean Day because it doesn't have anything appealing to me in that age demographic, is there something in that big chunk of money that could be moved into places where we can appeal to that demographic? Because it's a big chunk of money if we're not hitting the demographic.

Question: And my anecdotal sense of McLean Day is that it's a lot of people who aren't from McLean. I know when standing there as a candidate and asking people to vote for me, many of them said: "I don't live here." (laughter – We've all been there!)

Summary by Executive Director May-Salazar: Yes, we are always focused on analyzing the costs and goals for programs. Focusing on the sponsorship structure is one area to look. We are currently exploring that structure including some overall sponsorship opportunities for multiple events.

Summary by Board Chair Doug Jeffery: I totally agree – that was the intent of this whole analysis: to make sure the Governing Board as a whole is comfortable where, if we're covering the costs there is probably not much to talk about that price being in-line. But in places where the revenue is below costs, we should make sure that's an intentional decision and we should understand why, and whether we agree. That is totally the intention of the question and I think there is more to be discussed on that. Yes – general agreement at the table.

DISCUSSION – ADDITIONAL QUESTIONS & REQUESTS FOR ANALYSIS TO BE EXPLORED

*Alden Theatre ticket prices

Question by Board Chair Jeffery: In terms of what's actionable from that analysis – does anything jump out at you to change (The Alden) or things you want to investigate further?

Clarification by Sarah Schallern Treff: We have to keep in perspective: If we change costs how much of an impact is it really going to make? We can have higher standard ticket rates – but we still want to keep residents at the lowest rate and make it very accessible for them. We also rely on the Governing Board to get the word out about how The Alden Theatre is very accessible and you can go to see if you like it and it won't set you back financially. Sarah Schallern Treff does recommend raising the non-resident ticket rates.

Foresight by Comptroller Hockensmith:

***philosophy about costs:** Some areas warrant further analysis: when were costs/prices last evaluated? Costs have certainly gone up. And if what we are charging in Revenue stays stagnant with where we were 10 years ago, yet costs are increasing? Also, people expect to spend more on a ticket today than they may have 10 years ago. That is something intentional we are meeting to discuss with each department for the mid-year review: Where are you coming in at Revenue? FY27 budget is passed – so any kind of big impacts that we would make would be for FY28. **We are constantly looking at the need to reduce costs and make it accessible; but also, how do we generate more revenue, such as through sponsorships and such.**

Would I like to see a larger percentage of Revenue from programs? Yes – absolutely but only if it will make that big of an impact and offset the savings we're getting from costs. It's a good discussion. One thing we will look at further is Special Events and OFC - how those are being priced. That inquiry is healthy and where we should be paying attention.

***subsidy per seat in The Alden**

The other analysis important to look at, not necessarily in this year but over the long-term: We're putting on performances and trying to hold seat prices not based on ability to pay leaves a gap - How much are we subsidizing per seat? How does that compare to other venues? Are other theaters doing the same thing? Looking at that model also along the lines of 'bang for the buck:' because we can choose to change that number by the acts we book.

***analysis of MCC rental fees**

Question: Lastly, are we close to maxed-out on rental capacity? Rental fees could be another thing to look at. But I'm shooting myself in the foot because we rent it and I love it! But seriously, finding space to rent is really hard; so, is that another area to look at? There are so few places one can rent.

Yes – we are pretty busy on rental capacity, especially on the days that are in demand. Is every space full all the time – no, but the times they are not busy is because that's not a time someone would want to rent it. You can certainly rent a space here at MCC cheaper than a ballroom at a hotel.

Question: Are the rental fees the same at all times? Or is it more expensive on weekends?

Yes, rental fees are the same on all days/times. The differences in categories are by type of group renting.

ADJOURNMENT

Treasurer Pin asked if there were any other topics of old or new business to be addressed. Nothing was mentioned as a further subject for discussion this evening.

With all business matters concluded, Treasurer Pin thanked everyone for attending and contributing to good, robust discussion to start the year off! The meeting was adjourned at 7:53 p.m.

Respectfully submitted,
Holly Novak – Executive Assistant

[POWERPOINT PRESENTATION ATTACHED BELOW]



MCC January Finance Committee Report

Prepared for MCC Finance Committee
Wednesday, January 14, 2026

Introduction

- ❑ Overview of how MCC Revenue sources compare to peer organizations, specifically RCC.
- ❑ Explanation of MCC's instructional fees and processes, including comparisons to similar local class offerings.
- ❑ Summary of Alden Theatre ticket fees with comparisons to nearby performing arts venues.



FY25 Revenue Comparison MCC VS RCC

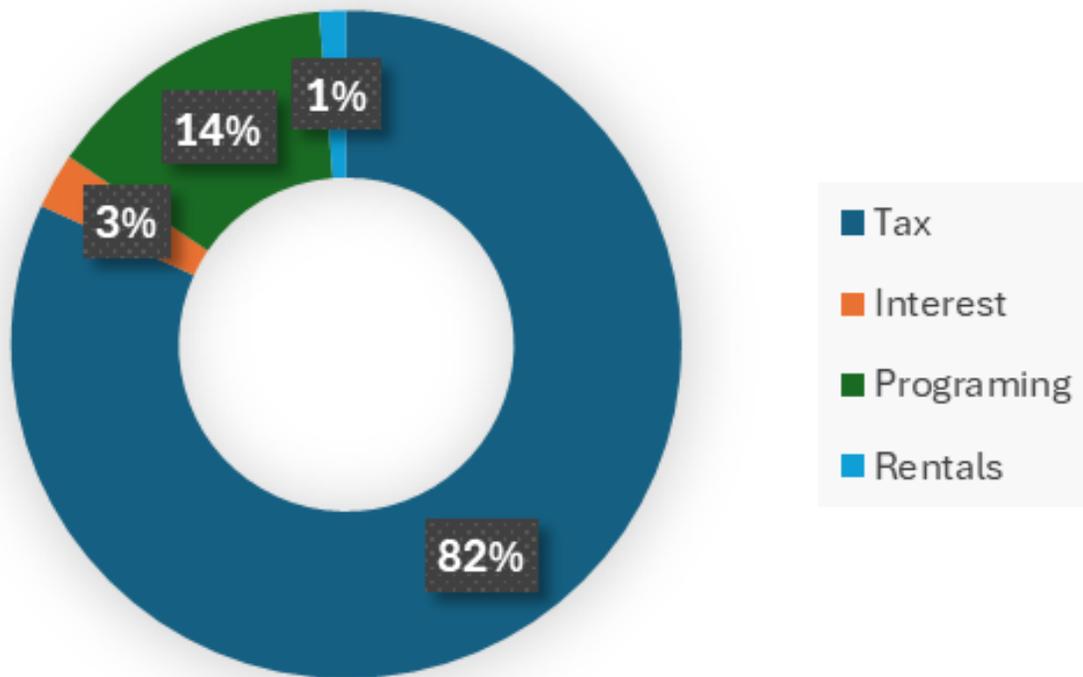
- MCC and RCC rely on very similar revenue sources overall.
- Tax and interest account for 84.6% of MCC's total revenue, compared to 88.8% for RCC—despite RCC's tax rate being more than twice that paid by MCC residents.
- RCC's tax revenue generates 57% more than MCC.
- MCC generates a higher proportion of revenue from programming than RCC, even though 36.5% (\$427K) of RCC's programming revenue is derived from Aquatics.
- Other local comps, such as Falls Church Community Center and Vienna Community Center, are similarly supported by tax revenue, though funding is provided through their respective general funds.

MCC FY25 Revenue Actuals		
Source	Amount	Percentage
Real Estate Tax (\$0.023/100)	6,536,327	81.9%
Pooled Interest	216,912	2.7%
Total Tax and Interest	6,753,239	84.6%
Instructional Programs	596,719	7.5%
Special Events	105,050	1.3%
Performing Arts	129,111	1.6%
Youth Programs	118,193	1.5%
Old Firehouse Center	185,363	2.3%
Adjustments	(2,950)	0.0%
Net Program Revenue	1,131,486	14.2%
Miscellaneous & Rentals	100,799	1.3%
Total Revenue	7,985,524	100.0%

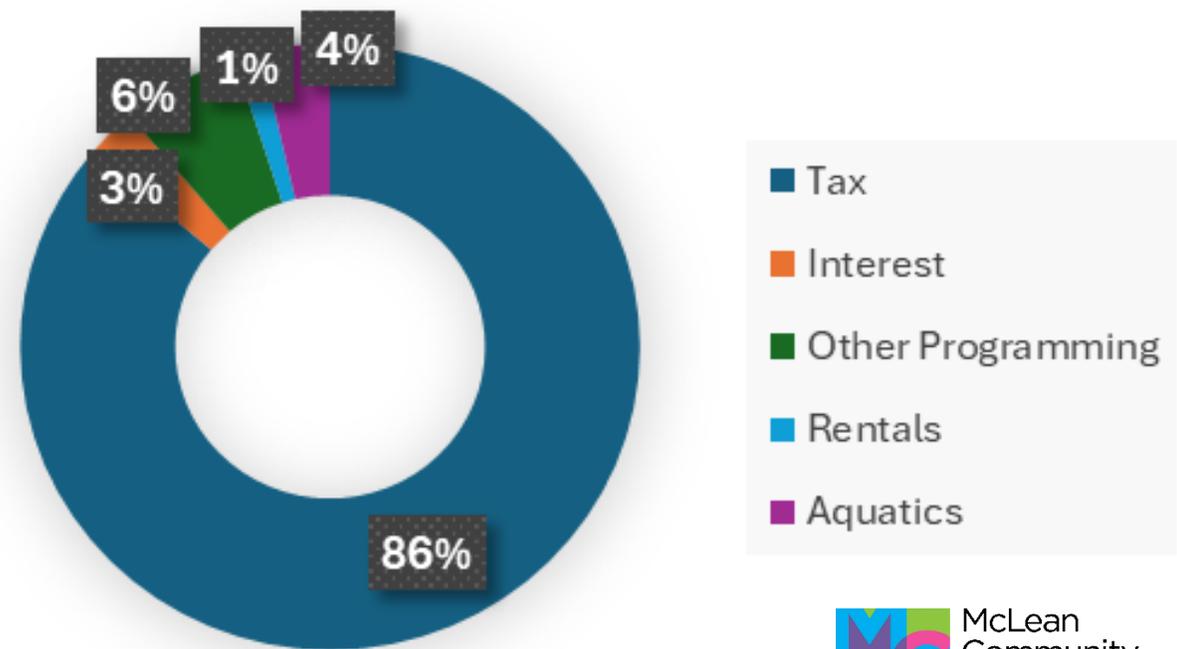
RCC FY25 Revenue Actuals		
Source	Amount	Percentage
Real Estate Tax (\$0.047/100)	10,268,774	86.1%
Pooled Interest	319,673	2.7%
Tax and Interest	10,588,447	88.8%
Aquatics	427,723	3.6%
Performing Arts	137,453	1.2%
Arts Education	223,561	1.9%
Leisure and Learning	380,087	3.2%
Offsite Community Colab	3,605	0.0%
Net Program Revenue	1,172,429	9.8%
Miscellaneous & Rentals	166,056	1.4%
Total Revenue	11,926,932	100.0%

Revenue Visual Comparison

MCC FY25 Revenue



RCC FY25 Revenue





Instructional Overview



Strategic Financial Stewardship

1

Be Visible

Promote fiscal responsibility and transparency through financial reporting and making budget documents readily available on our website.

2

Welcome All of Mclean and its Global Community

Committed to ensuring all children, adults, and our older adults can learn, grow, and play at the MCC by expanding awareness to our financial assistance program.

3

Invite Discovery

Investment in programs and resources that encourage exploration and community engagement.

4

Showcase Excellence

Financial planning that prioritizes quality staff, well-maintained spaces, and high impact programming to community members.

5

Model Sustainability and Good Stewardship

Data-driven planning and fiscal accountability that support long-term sustainability and stewardship of funds.

FY 25 Snapshot

The FY25 Actuals snapshot highlights our commitment to delivering inclusive, joy-centered programs shaped by direct community feedback.

<u>Classes Offered</u>	<u>Attendees</u>	<u>Expenses</u>	<u>Revenue</u>
263	25,288	\$514,035	\$589,786

Program Fiscal Oversight

Program Planning

Class projections are informed by a structured review process that draws on costs, enrollment trends, and course satisfaction data. We also conduct surveys each semester to gather direct feedback.

Program Risk

MCC ensures fiscal stewardship by conducting monthly tracking and analysis of program costs and revenue, reviewing ongoing data. Class cancellations are closely monitored and structured to minimize risk and cost exposure.

Program Lifecycle

Programs are planned months in advance using historical data to identify demand. Classes are evaluated over two cycles, and offerings with consistently low enrollment are replaced with new programs.

Revenue Overview: Provider Fees

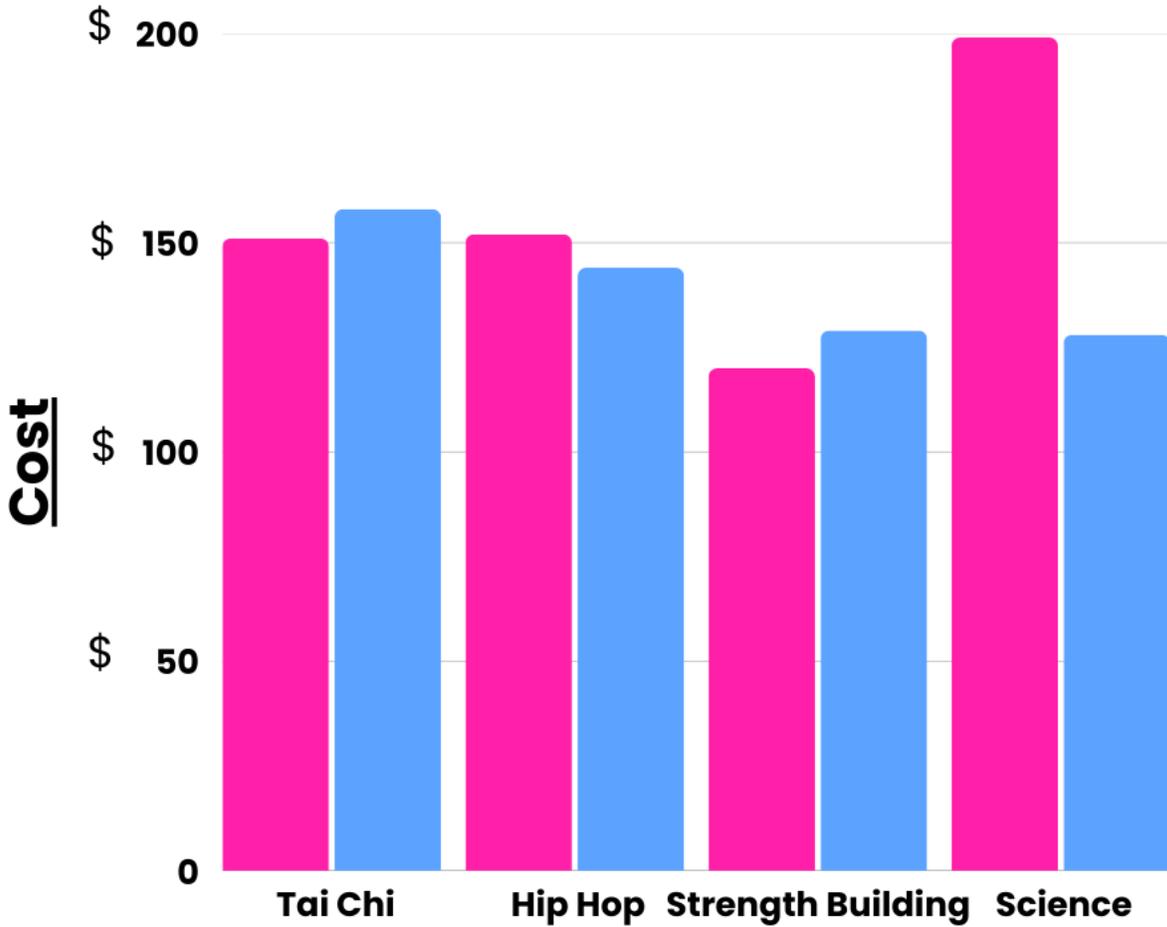
- Each vendor that facilitates MCC classes holds a Fairfax County Contract, has gone through a formal RFP process, and negotiates contract terms and pricing to ensure compliance.
- Costs are calculated per attendee and multiplied by the number of classes offered per session, which is reflected in the “Contract Price/ Number of Classes” column in the snapshot below
- We charge patrons the vendor’s cost plus a 20% markup, with an additional fee applied for out-of-district residents

Art in Motion: Per Student Cost

Duration	Contract Price	# of Classes	Contract Price x Number of Classes	MCC Markup 20%	In-District Rate	Out-of-District Rate
45-Min	\$15	8	\$120	\$18	\$144	\$158

Class Cost Analysis

When comparing MCC to similar peer municipalities, class prices are generally comparable.



Local Organizations - Pink Bars
Mclean Community Center - Blue Bars

Based on 8 lessons & In-District Pricing

Adult Tai Chi

Park Authority

\$151 vs MCC \$158

MCC (\$0.88) more per class

Youth Hip Hop

Park Authority

\$152 vs MCC \$144

MCC (\$1) less per class

Adult Strength Building

Reston Community Center

\$120 vs MCC \$129

MCC (\$1.13) more per class

Youth Science

Falls Church City

\$199 vs MCC \$128

MCC (\$8.87) less per class

Class Enhancements

Based on survey data, we introduced new program opportunities aligned with the community's requested interests and will continue to review feedback and implement programs based on their needs.

Youth

Winter Spring 2025

- Robotics (Robo-Fun)
- Math in Motion
- Stix N' Snacks
- Heroic Kitchens

Adult

Winter Spring 2025

- Sound Sessions
- INOVA Health Series

Youth

Upcoming Semesters:

- Stroller Fit

Adult

Upcoming Semesters:

- Walking Club
- Technology Classes

Seniors in Action

In response to participant feedback, we developed a recreation program for independent adults 50+ that offers a robust mix of free and low-cost associated activities.

Free Offerings:

- Word Club
- Travel Club
- Garden Club
- Stich Club
- Book Club
- Workshops
- Gallery Tours
- Game Series
- Technology Classes
- Lunch Socials
- Arts & Crafts
- Senior Movie Day
- Health Presentations

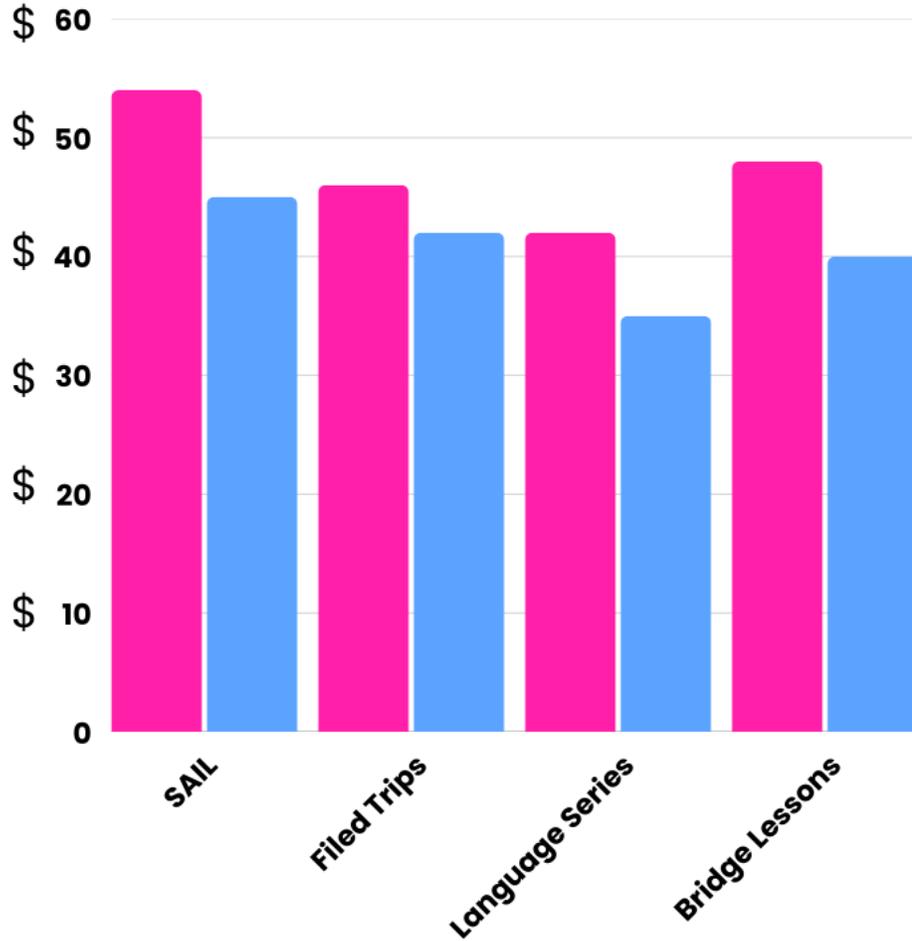
Cost-Associated Activities

- Exercise
- Game Lessons
- Language Series
- Field Trips
- Book Club
- Workshops

We are pleased to welcome Grace, our new full-time staff member, who will enhance the engagement and accessibility of SIA's offerings. She will be hosting a forum to gather our older adults feedback on all programming.

SIA Cost Associated Activities

Community is MCC's greatest asset. Close member proximity allows for frequent engagement, and SIA is largely supported through general funding to ensure access to recreational programming for all.



Out of District vs In-District Pricing

SAIL

15 Lessons

\$54/\$45 MCC District Resident

\$3.6/\$3 Per Lesson

Language Series

7 Lessons

\$42/\$35 MCC District Resident

\$6/\$5 Per Lesson

Field Trips

1 lesson

\$46/\$42 MCC District Resident

Includes (transportation, lunch, and museum ticket)

Bridge Lessons

8 Lessons

\$48/\$40 MCC District Resident

\$6/\$5 Per Lesson



Performing Arts Overview

THEATER TICKET PRICING

Pricing is determined using a customer-focused philosophy vs. event cost. Some factors include:

- Ticket prices of the same acts at other venues.
- Past performances of the same or similar artists and the feedback we got on ticket prices.
- Making certain types of performances more accessible. For example, chamber music tickets cost just \$7 for residents, making it easier for patrons to try out a classical music concert, bring their children, enjoy concerts if they are on a fixed or limited income, etc.

The Alden Ticket Types

The Alden offers three price points for each show:

- Standard
- Senior
- Resident

Internal ticketing policies

- The resident rate is always at least 25% less than the standard ticket price.
- If we offer promotions or coupon code, these discounts will never be lower than the resident rate.
 - Coupon codes are a marketing tool to help retain current buyers and influence new buyers.
 - They are also used to track the success of certain marketing channels.
- Only non-residents pay processing fees (no more than \$3 per ticket).
- We offer VetTix comp tickets to each show, but the number of tickets depends on how well we think the show will sell.

ALDEN TICKET PRICING OVERVIEW*

Type of show	Ticket prices	Examples	Number in Season
Free events in the theater	\$0	Foreign Language Film Series Performing Arts Film Series Author S.A. Cosby (Perspective Speakers Series Partnership with FCPL)	21
Chamber music	\$15 / \$10 / \$7	Borisevich Duo, piano and violin duo Solomon Eichner, piano "Melody's Mostly Musical Day" Jenny Lin, piano	7
Standard family shows and "one-man" type shows for all ages	\$25 / \$20 / \$15	Lightwire Theatre: "Dino-Light" The Barter Players: "I Want A Hippopotamus For Christmas" "The Accidental Hero"	9
Standard all ages and adult shows	\$30 / \$25 / \$20	Jazz at Lincoln Center: "The Great American Crooners" Nicholas Rodriguez: "Sincerely, Sondheim" Pat Hazel's "Permanent Record"	5
Spotlight all ages and adult shows (large casts, big productions, big names, etc.)	Standard rates from \$35-\$50 Resident rates from \$25-\$35	Cirque Kalabanté: "Afrique en Cirque" "Napoleon Dynamite": A conversation with Jon Heder, Efrén Ramirez and Jon Gries Norbert Leo Butz "Broadway or Busk"	6

*Does not include community arts.

Regional Comparison of Performing Arts Ticket Cost

Venue	State	County	Type	# of shows remaining	Ticket Price Average	Ticket Price Range (not including \$0)	Midpoint	Ticketing Fees	Number of Seats
Parilla PAC (Montgomery College)	MD	MC	University	4	\$12	\$5-\$25	\$18	\$0-\$3	512
Leila Gordon Theatre	VA	FX	Municipal	10	\$22	\$5-\$60	\$25	\$1	260
The Alden	VA	FX	Municipal	15	\$22	\$7-\$50	\$23	\$0-\$3	383
Clarice Smith Performing Arts Center	MD	PG	University	17	\$27	\$10-\$75	\$25	\$5	1,000-190
Hylton Performing Arts Center	VA	PW	University	14	\$36	\$13-\$65	\$40	\$4-\$6	1,123 & 242
Weinberg Center	MD	FRED	Municipal	53	\$36	\$10-\$95	\$40	\$3.25, Plus \$5 per order	1,143 & 275
Blackrock Center for the Arts	MD	MC	Municipal	19	\$37	\$10-\$85	\$35	4% (\$1-\$4)	208
Center for the Arts at George Mason	VA	FX	University	15	\$40	\$15-\$110	\$43	\$4-\$6	1,935

MCC vs. RCC

RCC:

- The bulk of their theater usage is community arts.

RCC community arts performances, Jan. 15, 2026-June 15, 2026: **28**

MCC community arts performances, Jan. 15, 2026-June 15, 2026: **7**

- Their theater is a smaller space than The Alden, and as such they generally present smaller and less complicated productions.

RCC professional artist performances, films, etc., Jan. 15, 2026-June 15, 2026: **27**

11 movies, 16 artists/artist talkbacks

MCC professional artist performances, films, etc., Jan. 15, 2026-June 15, 2026: **36**

18 movies, 18 artists

MCC vs. RCC DUPLICATE OF PREVIOUS SLIDE BUT WITH MORE DETAIL.

RCC: bulk of theater usage is community arts

RCC community arts offerings, Jan. 15, 2026-June 15, 2026

Organization	Number of productions	Performances/production	Total performances
Reston Community Players	3	8, 6, 10	24
<i>Reston Community Orchestra (performs in community room)</i>	2	1	2
<i>The Reston Chorale (performs in community room)</i>	1	1	1
Festival Ballet Virginia	1	2	2
Ravel Dance Company	1	2	2
Total			31

Questions?