

Highlights: MCC Board Proposed Budget for Fiscal Year 2021 (7/1/20–6/30/21)



McLean
Community
Center

The Center of It All

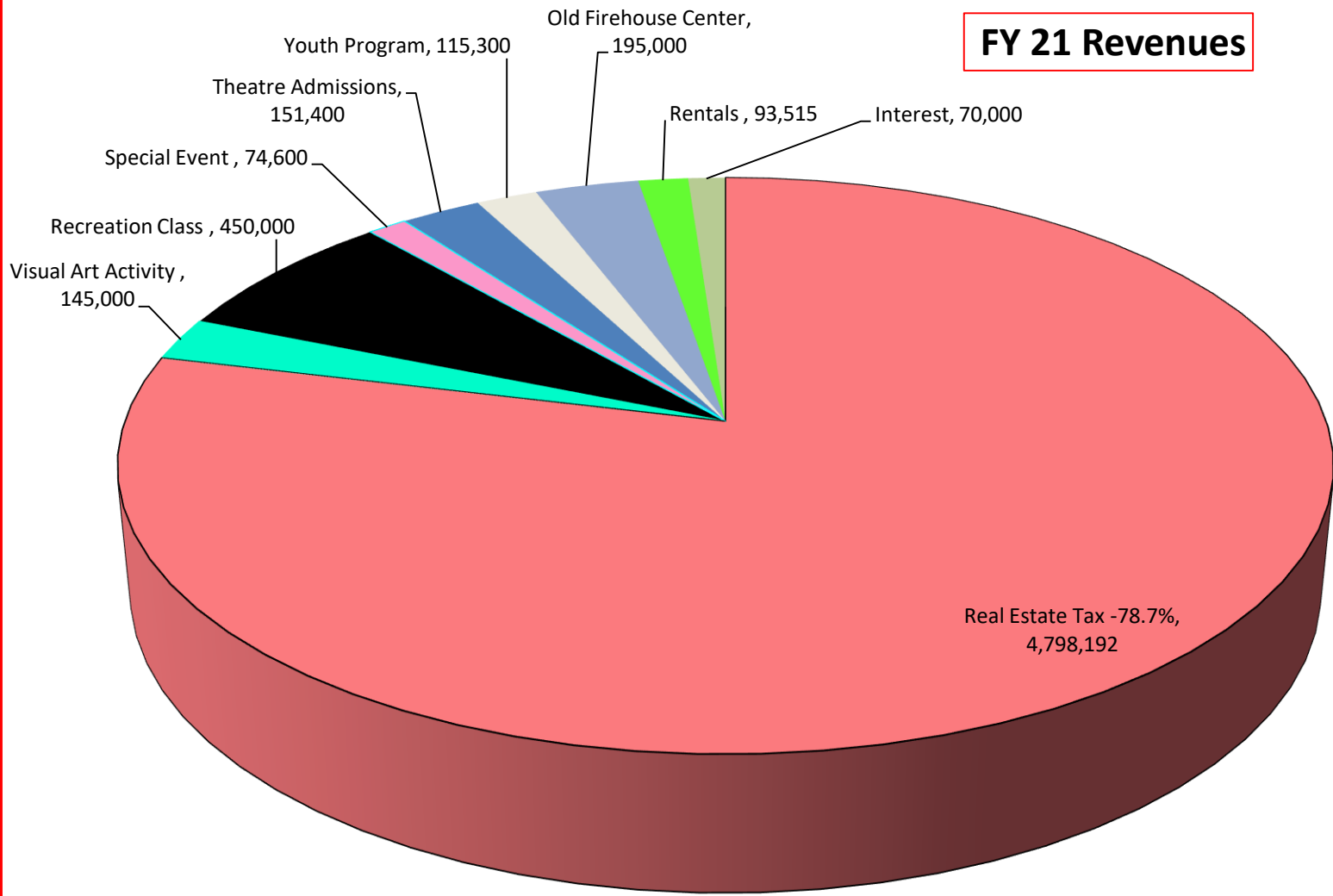
Prepared for MCC Governing Board

Wednesday, Sept. 25, 2019 at 7:30 p.m.

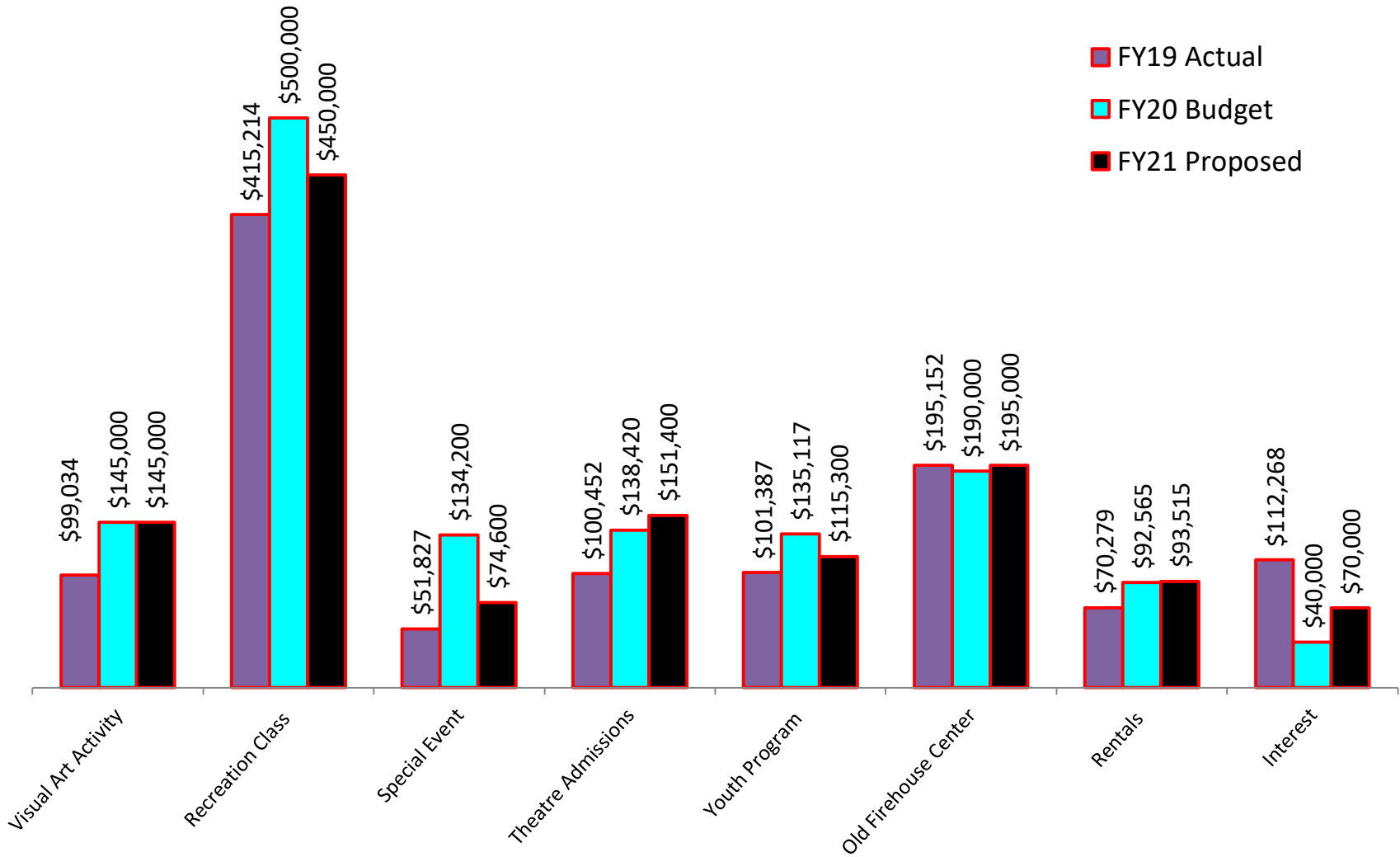
Executive Summary

- MCC continues the strong history of financial stewardship, with one of the lowest tax rate of our peer groups.
- MCC relocated back to the renovated center in Jan. 2019. The Full Year's projection for FY21 will be in the center.
- Revenue in FY21 is projected at \$ 6,093,007 and \$6,099,641 in expenses, for a shortfall of \$6,634. Revenue does not include the anticipated increase in the RE Taxes. Expenses do not reflect additional compensation and benefit increases, to be proposed, by the County Executive and the Department of Management and Budget. These adjustments will be included in the final approved FY21 Budget in January of 2020.
- At the present time, it is recommended to maintain the tax rate at 2.3c per \$100 of assessed value in FY21.

FY 21 Revenues



Program Revenue FY19 vs FY20 vs FY21



Financial Summary FY19-FY20-FY21

McLean Community Center						
Financial Summary FY 2019 - FY 2021						
Preliminary Projections						
	<i>FY 2019</i>		<i>FY 2020</i>		<i>FY 2021</i>	
	Actuals		Budget		Proposed	
Operating - REVENUE						
Real Estate Tax	4,704,144	80%	4,798,194	78%	4,798,192	79%
Interest on Investments	112,268	2%	40,000	1%	70,000	1%
Total Tax and Interest Revenue	4,816,411	82%	4,838,194	78%	4,868,192	80%
Recreational Class- Instructional Programs	415,214	7%	500,000	8%	450,000	7%
Special Events	51,827	1%	134,200	2%	74,600	1%
Performing Arts - Theatre	100,452	2%	138,420	2%	151,400	2%
Youth Program	101,387	2%	135,117	2%	115,300	2%
Teen Center - OFTC	195,152	3%	190,000	3%	195,000	3%
Visual Arts Activity	99,034	2%	145,000	2%	145,000	2%
Total Program Revenue	963,065	16%	1,242,737	20%	1,131,300	19%
Miscellaneous (Facility-Equip Rentals)	70,280	1%	92,565	1%	93,515	2%
TOTAL REVENUE	5,849,756	100%	6,173,496	100%	6,093,007	100%

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.

FY 2021 Budget- Revenue

The Components making up the Revenues:

- Taxes projected at 2.3c per \$4,798,192 78.7%
(Based on the assessed value of McLean district 1A on 01.20.2019.)
- Program, Rental and Interest Revenues \$1,294,815 21.3%

Instruction

- The projected revenues for FY21 is \$450,000. 340 classes are projected to be offered in FY21.

Special Events

- 11 Events are proposed to be held in FY21.
4th of July, Garage Sale Fall, Pet fest, 5K Race, Antique show, Winter Lights, Craft Show, Health Fair, Volunteer Appreciation, Garage Spring Sale, McLean Day.
- Revenue is projected at \$75K.

FY2021 Budget- Revenue

Performing Arts

- Increased and expanded programming to address recommendations made by the Performing Arts Focus Group Participants (More Music/Musicals; More programming for full families, More diversity in types of programming)
- Propose to have 100 events in FY21.
- Revenue expected at \$151K.

Youth Events

- There will be a total of 6 events held in FY21. Harvest Happening, Holiday Gingerbread House, Breakfast with Santa, Spring Fest, Father Daughter dance and Camp McLean. Revenue Projected at \$115K.

Old Fire House

- Projected attendance at 17K in FY21.
- Revenue estimates at \$195K.

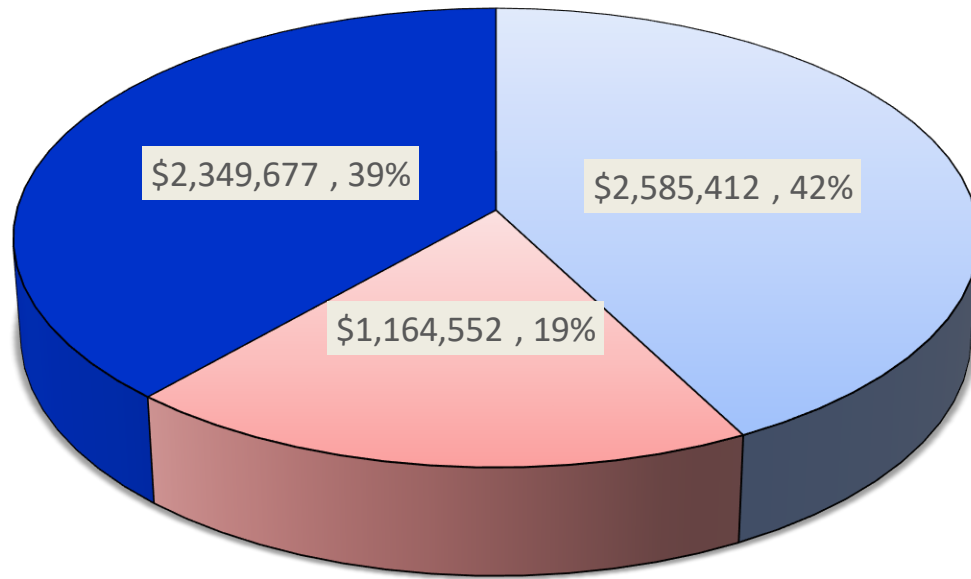
Rental Income

- Rental Income includes rent received from Facilities(\$50K), Performing Arts(\$26K) and Old Firehouse(\$17K)

Visual Arts

- Revenue is projected at \$145K.

FY21 Operating Expenses



■ Compensation 42.4% ■ Benefits 19.1% ■ Operating Expenses 38.5%

Financial Summary FY19-FY20-FY21

McLean Community Center Financial Summary FY 2019 - FY 2021 Preliminary Projections						
	<i>FY 2019</i>		<i>FY 2020</i>		<i>FY 2021</i>	
	Actuals		Budget		Proposed	
Operating - Expenditure						
Administrative Services	882,912	17%	979,869	16%	1,044,848	17%
Facilities Services	801,477	15%	790,514	13%	797,460	13%
Public Information	393,735	8%	507,606	8%	511,865	8%
Support Expenditures	2,078,124	40%	2,277,989	37%	2,354,173	39%
Recreational Class - Instructional Programs	711,650	14%	829,075	13%	760,426	12%
Special Events	424,073	8%	574,290	9%	510,771	8%
Performing Arts- Theatre	966,077	18%	1,319,700	21%	1,317,541	22%
Youth Program	277,529	5%	339,973	6%	329,258	5%
Teen Center - OFTC	654,659	13%	670,469	11%	657,471	11%
Visual Arts Activity	124,318	2%	162,000	3%	170,000	3%
Program Expenditures	3,158,307	60%	3,895,507	63%	3,745,468	61%
Program + Support Expenditures	5,236,431	100%	6,173,496	100%	6,099,641	100%
Capital Expenditures (Equipment)	0		0		0	
Capital Expenditures (Capital Replacement)	0		630,640		174,000	
Capital Expenditures (Renovation)	2,165,605		0		0	
Total Capital Expenditure	2,165,605		630,640		174,000	
Total Expenditures including Capitals	7,402,036		6,804,136		6,273,641	

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FY 2021 Budget – Expenditures

Major Expenditures:

Admin

- Compensation & Benefits-\$914K, Operating Expenses-\$131K
- Major Expenses are PC Replacement \$29K, Telecom Services \$27K and Telecom Charge Backs \$17K.

Admin- PIO

- Compensation & Benefits-\$334K, Operating Expenses-\$177K
- Some of the major expense categories are : Postage \$20K and Commercial Media \$60K, Printing \$60K and Website maintenance and support \$30K.

Facilities

- Compensation & Benefits-\$530K, Operating Expenses-\$267K.
- Major Expense categories are: Building Maintenance(\$94K), Utilities (\$104K)-Increased proportionately based on 60k square feet.
- Projecting for a part time custodial during the day.

Instruction

- Compensation & Benefits-\$378K, Operating Expenses-\$382K.
- Operating Expenses have been adjusted proportionately to the projected revenue.
- The cost of classes has been projected at 74% of revenue.
- Financial services for class registrations is projected at \$27K.

FY 2021 Budget – Expenditures

Major Expenditures:

Special Events

- Compensation & Benefits-\$271K, Operating Expenses-\$239K.
- Adjustments are projected for McLean Day, and the additional events to be conducted in FY21. There are a total of 11 events scheduled, with the Passport series still under evaluation.

Performing Arts

- Compensation & Benefits-\$711K, Operating Expenses-\$606K.
- The number of events have been adjusted to 100.
- Contracts for all performing arts events is projected \$293K.
- There are 100 scheduled events for FY21. These events include those inside the Alden, outdoor concerts, and youth programs.
- Equipment and Supplies for artists and One-Time Purchases are \$88K.
- Other expenses are :Commercial media(\$72K), Postage (\$13K), Printing(\$38K).

Youth

- Compensation & Benefits-\$230K, Operating Expenses-\$99K.
- There are six events scheduled for FY21 and Camp McLean.

Old Firehouse

- Compensation & Benefits-\$381K, Operating Expenses-\$276K.
- The projected attendance for FY21 is 17,600.

Visual Arts

- Operating Expenses are \$170K
- \$25K is budgeted for sponsorship of MPA Artfest.

McLean Community Center Capital Improvement Projects

Project Description	2020	2021
THEATRE PROJECTS		
Theatre Dressing Room Design		\$18,000
AV/IT/Dante Cat 6e Wiring Infrastructure Installation in Theatre.		\$40,000
House Light/Worklight LED Renovation - Design and Engineer (Replacement)		\$25,000
Harlequin Dance Floor MicroMini Scrubber Machine for the Marley Dance Floor	\$7,600	
Front Video Projector (replacement)	\$20,000	
Motorized Projection Screen	\$20,000	
dLive Audio Console System (replacement)		\$26,000
Personnel Lift - replacement		\$10,000
Theatre Stage Replacement- Bal not Reimbursed by Remediation		\$55,000
Theatre Air Compressor	\$6,500	
Moving Lights- Replacement of 9 Intelligent Moving Light Fixtures	\$77,000	
OTHER PROJECTS		
	\$131,100	\$174,000
OFTC Landscaping	\$34,000	
OFTC Bathrooms	\$47,700	
OFTC Security and Fire Systems	\$34,000	
OFTC HVAC-3 Units Ceiling Mount.	\$200,000	
MCC HVAC	\$82,000	
Building exterior cleaning.	\$14,830	
Replacement of several original windows (Ramp, Stairwell and 2 corner windows)	\$87,010	
	\$499,540	\$0
Total Projects	\$630,640	\$174,000

FY 2021 Budget – Capital Overview

- Renovation of the center has been completed. The Projected cost is \$7.4 mil.
- The FY21 Budget reflects the following Capital Expenses:
 - * FY20 Revised Capital Projects (Estimates)
 - Theatre - \$131,100 (Dance Floor, Front Video Projector, Motorized Projection System, Air Compressor and Moving Light Fixtures)
 - Other Projects- \$499,540(OFC Landscaping, Bathrooms, Security Systems, HVAC Units, MCC Exterior Cleaning, MCC Landscaping Design.
 - Old Firehouse Projects -\$315,700, MCC HVAC -\$82,000, Outside Cleaning-\$14,830, Window Replacement-\$87,010.
- FY21 Capital Improvement(Theatre) - \$174,000
 - Theatre Dressing Room Design,6E wiring, LED Lights, AV Console, Personal Lift System, Stage Replacement.

**McLean Community Center
Financial Summary FY 2019 - FY 2021**

Preliminary Projections

	<i>FY 2019</i>		<i>FY 2020</i>		<i>FY 2021</i>	
	Actuals		Budget		Proposed	
FUND STATEMENT						
Tax Rate per \$100 of Assessed Value	2.3		2.3		2.3	
Beginning MCC General Fund Balance	7,319,929		5,767,648		5,137,009	
Total Revenue	5,849,756		6,173,496		6,093,007	
Total Operating Expenditures	(5,236,431)		(6,173,496)		(6,099,641)	
Net Surplus (Shortfall) from Operations	613,325		0		(6,634)	
Less :Capital Expenses	(2,165,605)		(630,640)		(174,000)	
Net Surplus/(Shortfall) for Financial Year(incl. Capitals)	(1,552,280)		(630,640)		(180,634)	
MCC General Fund Balance	5,767,649		5,137,009		4,956,375	
Break Down of Fund						
	FY 2019		FY 2020		FY 2021	
	Actuals		Budget		Proposed	
Equipment Replacement Reserve Fund	116,995		123,470		121,860	
Capital Improvement Reserve Fund	5,125,656		4,488,542		4,309,518	
Operating Contingency Reserve	525,000		525,000		525,000	
Total Fund Balance	5,767,648		5,137,009		4,956,375	
Unreserved Ending Bal.Surplus/(Shortfall)-Gen Fnd	0		(0)		(0)	

The Ending Balance fluctuates due to adjustments in revenues and expenditures, as well as carryover of balances each fiscal year. The Equipment Replacement Reserve Fund has been established by the McLean Community Center Governing Board to set aside funding for future equipment purchases at 2 percent of total revenue. The Operating Contingency Reserve has been established by the MCC Governing Board to set aside cash reserves for operations as a contingency for unanticipated expenses and fluctuations in the center's revenue stream. The amount was increased to \$525,000.

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FY 2021 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 monies 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.

FY 2021 Budget – Taxes

- Tax Revenues = Total Tax Assessment of Properties in MCC Tax District multiplied by tax rate.
 - Example: For a house assessed at \$1,000,000, MCC tax assessment at 2.3¢ per \$100 would be \$230.
- MCC uses FY19 tax assessment projections, provided by the County, for FY 2021 tax calculations.
- Actual Assessments for FY21 will not be announced until Feb 2020.
- As a result, at this time, tax revenue for FY 2021 is a projection.

Notes:

FY 21 Revised Real Estate Tax Valuation reflects the increase county published projections, as of Feb, 2019.

Effective FY16 The Capital Equipment Reserve is to be maintained at 2% of Revenue.

Effective FY16 the Contingency Fund Reserve is to be maintained at \$525,000

Assessed Value of Properties in Small District 1A

FY 19(Budget) Tax Base - \$20,538,253,900

Looking Forward

- The Renovation of the MCC has been completed.
- Accumulated reserves were used for this renovation and other capital equipment or improvement projects. MCC may, in future years, have to consider an increase or decrease in tax rate to have expenditures equal revenues. This decision will be influenced by many variables, especially changes in assessed value of property in MCC tax district in FY 21 and beyond.