



**Reston Community Center
Board of Governors Monthly Meeting
May 5, 2014
8:00 p.m.
Meeting Agenda**

8:00 – Call to Order	Beverly Cosham, Chair
8:02 – Approval of Agenda	Beverly Cosham, Chair
8:03 – Approval of Minutes and Board Actions	Beverly Cosham, Chair
• Approval of April 7, 2014 Board Minutes (As Reviewed and Approved by the Board Secretary)	
• Approval of April 7, 2014 Board Actions (As Reviewed and Approved by the Board Secretary)	
8:05 – Chair’s Remarks	Beverly Cosham, Chair
8:07 – Introduction of Visitors	
8:08 – Citizen Input	
8:12 – Committee Reports	
• April 21 Finance Committee Report	Cathy Vivona, Committee Chair
8:20 – Approval of Committee Reports	Beverly Cosham, Chair
8:22 – Board Member Input on Activities Attended	
8:30 – Executive Director’s Report	Leila Gordon, Executive Director
8:34 – Old Business	Beverly Cosham, Chair
8:40 – New Business	Beverly Cosham, Chair
8:45 – Adjournment	

Reminders:

Event	Date	Time
Finance Committee Meeting	May 19	6:00 p.m.
June Monthly Meeting	June 2	8:00 p.m.
Annual Public Hearing	June 16	6:30 p.m.



**SUMMARY OF MINUTES
RESTON COMMUNITY CENTER
BOARD OF GOVERNORS MEETING
APRIL 7, 2014**

Present:

- Beverly Cosham, Chair
- Lisa Sechrest-Ehrhardt
- John Mendonça
- Michelle Moyer
- Bill Penniman
- Cathy Vivona
- Vicky Wingert
- Gerald Zavala

Absent and Excused:

- Bill Bouie

Attending from the RCC Staff:

- Leila Gordon, Executive Director
- Cristin Bratt, Public Information Officer

The Chair called the meeting to order at 8:04 p.m.

MOTION #1:

Approval of the Agenda

Cathy moved that the Agenda be approved as written. Bill P. seconded the motion. The motion passed unanimously.

MOTION #2:

Approval of the March 10, 2014 Board Minutes

Cathy moved that the Board approve the March 10, 2014 Board Minutes. Bill P. seconded the motion. The motion passed unanimously with three abstentions: Beverly Cosham, Lisa Sechrest-Ehrhardt and Gerald Zavala, who were not present at the March 10 meeting.

MOTION #3:

Approval of the March 10, 2014 Board Actions

Vicky moved that the Board approve the March 10, 2014 Board Actions. Cathy seconded the motion. The motion passed unanimously with three abstentions: Beverly Cosham, Lisa Sechrest-Ehrhardt and Gerald Zavala, who were not present at the March 10 meeting.

Chair's Remarks

Bev hopes everyone had a chance to join us for Founders Day activities. The day was exhausting for staff who worked both the Lake Anne morning event and the evening hours at Hunters Woods; she congratulated staff on their hard work. She thought the film was spectacular and hopes it does as well on the festival circuit as it did here on April 5. Bob Simon was very happy to celebrate his birthday all day long. She also noted that while watching the film she was reminded that she had come to Reston in 1966, not very long after the Civil Rights Act was passed. People thought she was crazy for moving to Virginia, but she insisted that Reston was not "Virginia" and that Reston was going to change the state.

Introduction of Visitors

None.

Citizen Input

Kevin Chisholm, non-Reston resident, thanked the Board for allowing him to observe the meeting.

Committee Reports

March 10 Community Relations & Program/Policy Supplemental Committee Report

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Vicky said that on March 10 we heard a staff report in response to the February 10 meeting. The final recommendations were to continue our existing sponsorships and expand the sponsorships at Lake Anne for the Ukulele Festival, which will be absorbed by the existing Arts and Events budget. We will also be working with the Greater Reston Chamber of Commerce on the Destination Reston marketing initiative, adding \$10K to the FY16 Media department budget. Leila (who took over the report because Vicky lost her voice) noted that an important addition to our existing partnerships is to support the RTCA request for sponsorship of the annual holiday parade at RTC. The budget impact is \$25,000. The third item was to discuss and explore a potential RideShare approach that involves use of a new software product. She said that the Board requested further information and research on liability issues, as well as support from other Fairfax County organizations and non-profits. Leila noted that the attached report is a supplement that captures the Board's comments from the March 10 Community Relations and Program/Policy Committee meeting. The staff report itself and the March 10 meeting report were posted and approved at the March 10 Monthly Board Meeting.

MOTION #4:

Approval of the March Committee Reports

John moved that the Board approve all committee reports. Michelle seconded the motion. The motion passed unanimously with three abstentions: Beverly Cosham, Lisa Sechrest-Ehrhardt and Gerald Zavala, who were not present at the March 10 meeting.

Board Member Input on Activities Attended

Michelle attended the Young at Art exhibit and reception, the Park Authority meeting on Baron Cameron Park, and the Founders Day activities.

Gerald enjoyed the Founders Day activities and encouraged people to see the film when it is made available.

Cathy went to the PA meeting, played bridge and attended both Founders Day events. She said it was really wonderful, and the sense of community was apparent throughout the day. She also thought the pre-film reception was wonderful and the movie was great. She offered congratulations to Vicky and her daughter.

Bill P. also attended both Founders Day events. He complimented Leila for her wonderful performance as emcee for the event on Saturday night. He also noted that Bev did a fine job both in the movie and at the toast afterwards, not to mention her singing earlier in the day.

Vicky attended Founders Day events and appreciates everything the staff did to set it up and pull off the day without a hitch. She concurred with Bill P. on Leila's on-stage introduction and thinks the choice of Barbara Harrison as an interviewer was excellent because she really understood what Reston is all about.

Lisa joined other Restonians for a panel discussion on African-American History month, cosponsored by RCC and the Reston Historic Trust (RHT). She said it was neat to participate; they discussed the seven goals of Reston, how they are in place in the community, and how they affect our day-to-day lives. She also attended the PA meeting and all the Founders Day activities. As someone who has lived here for 40 years, she said it was great to see all of the founding families in the film.

John attended the PA meeting and just came from the RCA meeting on Baron Cameron Park that Bill B. is attending. He also caught the tail end of Founders Day morning activities, in addition to attending the evening film screening. He noted that soccer season began and is in full swing.

Michelle reminded everyone that YMCA Reston is a sponsor of the 1st Annual Reston Relay Triathlon on June 22. A different person competes in each event and the goal is for it to be a fun event, not overly competitive. She noted that proceeds go to a scholarship program with the YMCA.

Bill P. noted that excellent Reston hats are available at Reston Historic Trust for under \$20 (including tax).

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Bev said that she missed the last monthly meeting and gave a report on her activity for the past two months. On February 22, the "Three Divas" gave their Black History Month performance at RHT. She also attended Rennie Harris' RHAW dance performance, Lúnasa, the Young at Art reception, the RCO concert, the Reston Chorale Concert at South Lakes High School, her own OLLI concert on March 27, the PA meeting, both Founders Day events, and Mark Brutsché's show yesterday. She noted that his show included advanced YAT students and was really fantastic.

Executive Director's Report

Leila said March was busy with the staff report preparation and follow-up, as well as budget preparation. She noted that our graphic designer Samantha Pallo received an Outstanding Performance Award. Sam designed all *Reston Story* materials and also received a VRPS award for her work on the 2012 Annual Report. Joe Leary was also recognized by the County for 25 years of service to Fairfax County; all of those years have been here at RCC. She highlighted numbers for the Diva Central event and recapped that Reston received an Intergenerational Award in March (see written report for more details). Leila said that March was the final month of prep for the film and lauded the efforts of Vicky, Rebekah Wingert-Jabi and Suzi Jones, who have been living with the *Reston Story* film project for three years. Additional hours of footage will be given to RHT for archival purposes, and she noted that RCC joined every other civic organization in the community to sponsor this film so that Reston would have something that our community could share and learn from in the future. She noted that we had 11 snow days this winter; there were a lot of class disruptions but we built in make-up sessions to absorb disruptions. As a result, revenue impact was minimized and patrons were remarkably patient.

Vicky asked if Fairfax County Public Schools' decision to extend the school year to make up snow days will affect RCC's summer camp schedule. Leila said that we are still waiting for FCPS to make a decision, but that we will likely cancel or reschedule to accommodate an extended school year and would then offer a pro-rated refund to camp participants for days not provided.

Old Business

There was no old business.

New Business

Bill P. noted it might be worthwhile to compile a list of all awards won by Reston over the years; he thinks it would be useful for RHT to have.

John noted that there is an ongoing problem with unauthorized use of Reston soccer fields. He noted that authorized users often cancel games or practice due to bad weather, but unauthorized users still use the fields, making them unusable for those that are authorized to use it. He noted that there are virtually no adult teams authorized to use the fields, but they are frequently on the fields when youth teams are scheduled.


Cathy asked about the SLHS turf fields. Leila said the turf field was installed and opened last fall. There is potential to hold camps there in the future.

Cristin Bratt noted that she is expecting her second child in early September and that Executive Assistant Barbara Wilmer will be attending Board meetings over the next few months; she will provide Board support during Cristin's absence in the fall.

MOTION #5:

To Adjourn the Meeting

Bill P. moved to adjourn the meeting at 8:42 p.m. John seconded the motion. The motion passed unanimously.

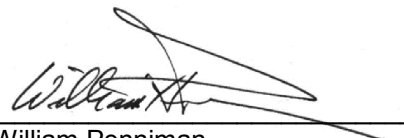


William Penniman,
Board Secretary

5-1-14
Date

BOARD ACTIONS TAKEN AT BOARD OF GOVERNORS MEETING ON APRIL 7, 2014

- 14-0407-1 Bd That the Board approve the Agenda**
- 14-0407-2 Bd That the Board approve the March 10, 2014 Board Minutes**
- 14-0407-3 Bd That the Board approve the March 10, 2014 Board Actions**
- 14-0407-4 Bd That the Board approve the March committee reports**
- 14-0407-5 Bd That the meeting be adjourned.**



William Penniman,
Board Secretary

____5-1-14_____
Date



**RESTON COMMUNITY CENTER
BOARD OF GOVERNORS FINANCE COMMITTEE REPORT
APRIL 21, 2014**

The Finance Committee met on April 21, 2014.

Present were:

- Cathy Vivona, Committee Chair
- Beverly Cosham, Board Chair
- Bill Bouie
- John Mendonça
- Michelle Moyer

Absent and Excused:

- Gerald Zavala

Attending from the RCC Staff:

- Leila Gordon, Executive Director
- Cristin Bratt, Public Information Officer
- Renata Wojcicki, Finance Director
- Barbara Wilmer, Executive Assistant

Cathy called the meeting to order at 6:03 p.m.

Leila reviewed the Staff Proposal on Fee Increases and Budget Considerations handouts (see attached). She reminded the Board of RCC's intent (established last year) to gradually increase the fees for the pool (gate and drop-in classes), ceramics drop-in studio, and 55+ land-based fitness aerobics drop-in classes. We implemented that fee increase September 1, 2013 and included the provision that we would review and increase annually until we reached fiscally appropriate levels. To date, some patrons have complained, but there has been no significant resistance. Michelle asked if the usage rate was consistent with last year. Leila said there was not a significant drop in usage. She explained that our timeline for aligning with Park Authority (PA) facility pricing will happen close to the same time we are looking at facility expansion, regardless of location. She reviewed the proposed increases of 12-14 percent per year. The goal Leila identified is to be at 90 percent of Park Authority levels.

Cathy asked why we are aiming for 90 percent of the Park Authority rate, given SD5 taxes. Leila explained that we arrived at that number by working backwards from the 25 percent ceiling of cost recovery outlined in RCC policy. Currently we are at 13 percent and need to increase incrementally but significantly. Cathy is questioning that 90 percent goal for Reston patrons and asked if it is an across-the-board goal for all programs. Leila said it depends on the costs of services for the programs. Leila also noted that non-Reston patrons will always pay double, regardless of how it relates to other agencies' offerings. It discourages non-Reston participation so that our programming primarily serves SD5 since we don't even have the facility capacity to serve the entire population of Reston, let alone non-Reston. Staff has been working to manage the increasingly popular "soul of the agency" events like festivals and partnerships while also remaining cognizant of the limitations of our facilities. She said underpricing our services creates an artificial demand for what we're offering. She emphasized that we're nowhere near that 90 percent goal, which can be re-evaluated if necessary. We will continue to monitor the environment. She noted that we might someday reach a point where the patron base says "stop."

John said he thinks the details about the percentage increase are less important than the FY15 deficit number. Leila said the amount, established at approximately half million deficit (revenue less total expenses) doesn't include the amount for capital projects, which is not typically considered when working to achieve a balanced budget. John agreed and said given those numbers, we will be out of business in three years; we either need to increase prices or decrease services. Cathy said we need to take a hard look at what we need to cut. Leila observed that we're bringing in about a million dollars a year in fee-based revenue, some of which is unrealized revenue. She asserted that while that number is substantial,

April 21, 2014 Finance Committee Meeting Report

it's not considerable in comparison to our larger budget. She also said 20 years is too long to go between fee changes. We need be moderate and considerate in how we go about these changes. The issue is that we need to close the gap between revenue and expenses with the target for FY16 of being in balance.

Bill B. added that the Park Authority is in the same position and this is not unique to RCC. John observed that personnel represents a huge cost. Leila said that personnel costs are not being driven by salaries but by increases in insurance and pension costs. She said when she started with Fairfax County more than 30 years ago, the benefit package cost factor was 13 percent of pay; now it's roughly 47 percent of pay. She added that our personnel costs comprise 60 percent of budget. That's significantly lower than other similar agencies, and as a result reduces opportunities to cut personnel to achieve savings.

Michelle pointed out that if RCC costs come too close to better-quality facilities, then patrons will drive farther to use a better facility. There was general discussion about the proposed increases and the staff methodology behind them. John suggested a pro-forma for 3-5 years out with various percentage increases. Leila said that has been done and was met with skepticism. The general practice for Fairfax County agencies is to do a two-year forecast which is how we have been preparing our budget materials and that we include a three-year Capital Improvement Plan (CIP) and Capital Maintenance Plan (CMP) as part of our public hearing presentation. Leila said that extending forecasts beyond the current approach would be more guess work than would be productive since there are a number of variables in our future that would have significant impacts on how our resource allocation should occur.

Leila said that the tax-based revenue advertised for FY15 is one number and the number that the Department of Tax Administration delivered in February as actual tax-based revenue is four percent higher. Given this trend, she has no doubt that we will have the right framework to return money to the reserve accounts by FY17 and that we can present a balanced budget outline for FY16. She also said we will know within the next few months the likely outcome regarding a future indoor recreation facility. Regardless of that outcome or that of a performing arts venue, we know that over the next two or three years, we need to be saving and returning revenue so RCC is able to absorb the new costs of expansion, irrespective of its form. We cannot continue on the trajectory of depleting our reserves; if we continue operating and giving the community the same degree of subsidy that they have enjoyed up to now, we will go out of business.

John would like to see what the proposed numbers look like against a balanced FY16 budget. Leila reiterated that going beyond a two-year time horizon is a challenge. John acknowledges that the forecast could change, but thinks it's useful to compare scenarios in which we do nothing and in which we take different courses of action. Cathy said that we've tried a five-year forecast in the past, but ran into problems because the County does not project tax revenue that far in advance. Leila also noted that when we hired a firm to provide a multi-year revenue outlook projecting tax performance, we received a lot of pushback and disbelief from the community on those numbers. John still thinks were debating in a vacuum if we consider these changes without those pro formas.

Leila explained that she has directed staff to arrive at a funding scenario that arrives at a balanced budget by FY16. It assumes the savings we've already carried over, the four percent increase we already know and a conservative three percent increase in tax revenue in FY16 on top of that in terms of the tax base contribution. They are also assuming that we're increasing revenue from fees paid by participants or services by a half percent across each category. RCC is reducing exempt personnel costs by one percent since those are controllable but the County voted to increase salaries (and therefore personnel costs) by 2.29 percent. She said we can't go so far in the future that we don't know the prevailing wage for the cost of instruction. When all of this is taken into consideration, it gets us to within \$142,000 of a balanced budget for FY16, which is a relatively small number in the grand scheme of things. John said he's happy if we can achieve a balanced budget in FY16. Leila concurred with that goal.

As part of that goal, she reminded Committee members that we are reviewing all fees annually – including for drop-in and facility rental. She noted that staff has reviewed Facility Rental rates as compared with similar facilities, and also talked with our Founding Partners about their rental rates. For Facility Rentals, staff is considering the same Reston target of 90 percent and reducing that cost by 25 percent for Reston nonprofits, and an additional 10 percent for Founding Partners, effective September 1, 2015. There would also be an increase for pool lane rentals, but not CenterStage rentals, since our

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theatre rental rates are similar to that of our closest counterpart (McLean Community Center). Leila noted that the Founding Partners were not excited about the increase, but they recognized the disparity between our rates and that of similar facilities. She said the Reston Swim Team Association and South Lakes High School Aquatics asked for a slow and easy increase. Leila explained our plan is to implement the increase gradually over several years until we reach 90 percent of market rate. She recognized that – as Michelle has suggested – our patrons and organizations could push back strenuously and that might cause us to lower our expectations. She also noted that the September 1, 2015 date gives organizations nearly 18 months to plan for the impact to their budget. Staff is still working to sit down with Reston Chorale, which is the biggest footprint on the Community Room rentals calendar. Leila reiterated that we can't reach a balanced budget in FY16 solely on the basis of cuts and the tax base growth; there needs to be fee increases and she believes the staff proposal represents a relatively mild increase.

Leila said the next step is to determine if the staff proposal is consistent with the Finance Committee's thoughts on how to approach the FY16 budget. If so, we can move this forward to the full Board so we can continue to prepare for these changes.

Cathy said at one point in time we had a five-year capital improvement plan. Leila replied that we're required to have a three-year plan. Motor control and roof replacement were on that plan, but replacement of the theatre roof-top air conditioner was not. There was discussion about capital maintenance project issues and reserves.

John moved that the Board should endorse the Staff Proposal on Fee Increases and present it to the full Board. Cathy seconded. All Committee members present were in favor. Leila said staff would work to find \$142,000 in the budget in order to bridge the gap. Leila noted again that a significant amount of our revenue is represented by fee waiver utilization. There was discussion about the fee waiver program and unrealized revenue. Leila said right now the program provides \$150/year per qualified persons to use on programs. She noted that she doesn't plan to change that maximum, but that as we increase our fees, program participants will participate in fewer programs. If this unrealized revenue were realized, we would almost make up that \$142,000, but in the scope of the full budget, it's a minor amount. She also noted that while aquatics, facility and theatre rentals are currently all on different schedules, another staff goal is to normalize these schedules to a quarterly billing approach for all categories. As a result, we will start to see the rental performance stop lagging so far behind in the monthly financial reports.

The group reviewed the attached monthly report and comments. Leila reminded the Board that areas of significant revenue in February and March are related to summer camps. That revenue gets reversed and assigned to the correct fiscal year where the expenditures will occur. She also indicated that several departments are in the process of restructuring in order to respond to changing programming and staff needs. John asked why March board expenses were high. Leila said the amount represents the strategic planning session facilitator fee and some other partnership event expenses.

Michelle asked why several categories had already spent more than 90 percent of their budget by March. She's concerned about the last few months of the fiscal year. Leila explained that these were primarily due to encumbrances where a purchase order amount was established in the beginning of the year and then paid down throughout the year.

Leila noted that the RCC improvements line includes issues that are likely to carry forward to other years. All theatre improvements will carry forward to FY15. The Aquatics slide purchase document has occurred and installation will happen during the pool's scheduled down time.

Bill B. asked if our ADA compliance issues were complete. Leila said all were completed and recorded.

Public Comment

Carrie Sawicki, Reston resident, was present but did not speak.

The meeting adjourned at 7:03 p.m.



**FINANCE COMMITTEE MEETING – April 21, 2014
FY15 and FY16 FEE INCREASES**

Current Assumptions

In 2013 we discussed the need to evaluate fees for drop-in swimming and land-based programs to bring them into better alignment with similar fees in similar facilities. The first increases were implemented effective in September of 2013 with the proviso that they would be evaluated annually against the market.

Further examination of our fee structures suggested two other areas requiring new rates be established: Standard Room Rental Rates and Founding Partner Rental Rates. Room rental rates have been published effective in September 2014. Changes we recommend making to rental rates affecting these rates and Founding Partners would take effect in September of 2015. Rates would continue to be examined annually against the market.

Staff Recommendations – FY15/FY16 Terry L. Smith Aquatics Center & drop-in fitness at RCC LA
Drop-in Fees – Aquatics and Land-based increase in September 2014:

- Increase gate fee for Aquatics to \$4.50 for adults; add .25 to make Youth/Senior fee \$2.75
- Make the Drop-In Water Aerobics fee \$4.75; add .25 to Youth/Senior to make it \$3

Increase percentages: 12.5% (Adult); 12% (Drop-in Water Aerobics); 11% for Youth/Senior gate increase; 9% for Drop-in Water Aerobics for Seniors

Passes – 20-Visit, Annual, Aerobics

- Eliminate Three Month Pass (low utilization)
- 20-Visit Pass Adult: increase by approximately 12% to \$73
- 20-Visit Pass Youth/Senior: increase by approximately 12% to \$50
- Annual Pass Adult: increase by approximately 12% to \$425
- Annual Pass Youth/Senior: increase by approximately 13% to \$215
- 20-Visit Aerobics Pass Adult: increase by approximately 14% to \$80
- 20-Visit Aerobics Pass Senior: increase by approximately 12% to \$56

Similarly review and increase pricing in FY16. At this escalation rate, it will be approximately 5 years before RCC pricing achieves 90% of the current Park Authority pricing for the single entry gate fee. Feedback from patrons suggests that a measured annual increase approach like this will be easier for patrons to absorb and provide sufficient built-in review annually by the Board to respond to changing trends.

Pool Rentals – Staff Recommendations

The current Park Authority lane rental rate: \$19.50 per hour; this compares to RCC's Founding Partner rental rate for the entire pool of \$50 per hour. Applying the Park Authority pricing to RCC lanes would result in an hourly rate of \$117.

- Apply a philosophy of RCC tax district discount rate of 10% - \$105.30
- Further apply a 25% discount for non-profit status - \$78.98
- Further apply a 10% discount for Founding Partner status - \$71.08

Staff proposes: Phasing in rental rate to achieve (in whole numbers) this mathematical relationship to the Park Authority rental structure. Beginning with September 2015 (FY16) rate change to \$60 per hour.

Staff Recommendations – FY15/FY16 Rental Fees

Process Issues

Staff reviewed the market in terms of similar facilities to ours.

- Fairfax County Park Authority
- McLean Community Center (also undergoing pricing review currently; fees haven't been adjusted since FY01)
- Herndon Community Center
- Atrium at Meadowlark
- Sherwood Community Center
- Vienna Community Center

Recommendations

- Using benchmarks (see handout) establish a target rate structure aligned with the principle of 10% below other County providers for Reston tax district status; 25% for non-profit (only Reston) status; 10% for Founding Partner status for only those calendar dates organic to core footprint (not new dates).
- Phase the implementation schedule; establish annual increases beginning with September 2015 (FY16 cycle) of not more than 20% in each rental category.

Example of real world scenario: Founding Partner non-profit use of the Community Room.

Benchmark: Park Authority rate: \$95/hour (Frying Pan Park)

Current Founding Partner rate: \$18.75/hour; target rate: \$57.71

Phasing: Rate in September 2015: \$22.50 (20% increase); will need to increase at least 5 years in a row to reach the current target rate.

We don't think increasing our rates by more than 20% per year is feasible or advisable. However, we are so far below market in the facility rentals fee schedule that we are artificially inflating the demand level for our meeting rooms and social space.

CenterStage Rentals

- Comparison to Alden Theatre (only comparable County/Tax district facility) reveals we are roughly at parity with the Alden at present for the category analogous to our Founding Partner category when adjusted for levels of service and calendar issues. McLean Community Center is reviewing their rates and informed us that those will likely increase.
- Comparison to FCPS auditoriums reveals we are below FCPS rates for use.

Recommend retaining current fee schedule and reviewing annually to assure we are continuing to provide comparable rates to Alden rate structure and discounted from FCPS.

Other Issues

We have not discussed the rate changes as yet with Reston Chorale or Jack and Jill. Narcotics Anonymous and Reston Duplicate Bridge have suggested they will be greatly challenged by rate increases. Reston Community Players and Conservatory Ballet use the CenterStage predominantly; there would be impact to their budgeting from increases to charges related to use of the Community Room and other meeting rooms.

In discussion with Reston Masters Swim Team, Christ the Servant Lutheran Church, Reston Swim Team Association, SLHS swim team, RCP and Conservatory Ballet they acknowledged that the demands of our fiscal planning require increases in rates and appreciate phasing of those increases so that they can adjust.

We also discussed that the category of "Founding Partner" is limited to the established dates of their use and wouldn't be expanded.



FINANCE COMMITTEE – April 21, 2014 FY16 BUDGET OUTLINE CONSIDERATION ISSUES

1. **FY16 – Budget in balance:** Revenues will be equal to the combined total of ongoing personnel and operating expenses.
 - Considers savings added to the Fund Balance from FY14 carried forward
 - Derives from increases in tax revenues (the FY15 Advertised Budget increased by 4% in the February 2014 Dept. of Tax Administration estimate to \$6,778,759; FY15 Revised Budget figure is increased by 3% to arrive at the total estimate for FY16)
 - Includes added revenue from programs and fees from rentals, drop-in activities
 - Predicated on personnel cost increases of 2% per year; FY15, FY16
 - Absorbs added costs of new programs:
 - \$10,000 for Destination Reston (Greater Reston Chamber of Commerce; to be absorbed in Media department operating budget)
 - \$25,000 for Reston Town Center Association Thanksgiving Day Parade (to come from Community Partnerships operating budget)
 - \$21,715.20 for RideScheduler employee (to be absorbed within Leisure & Learning personnel budget)
 - Includes budget reductions from the FY15 Advertised Budget; reductions of 1% in our exempt Personnel expenses, and 2% in Operating expenses

2. **Significant Capital Maintenance Project Issues to address in FY16 – \$532,000 in new funding required.**
 - The funds currently in project CC-000001 (HW Enhancements) will be divided between two new projects and project cc-000001 will be closed. The funds will be allocated as follows:
 - Loading dock repair - \$67,000
 - Motor control panel replacement - \$100,000

 - Motor control panel – An additional \$37,000 in FY16 to complete this project. The total cost of the project is estimated to be \$137,000. Labor/materials \$127,000 (as bid by a contractor); construction management services \$6,000; and a 3% contingency \$4,000. The current plan is to replace the motor control panel in the fall of 2015 to take advantage of seasonal pricing.

 - Roof Top HVAC Unit (RTU), backstage – The RTU has reached the end of its useful life and it is becoming more costly to operate from both perspectives of repair/maintenance as well as energy consumption. In addition, engineers at both SWSG and Setty and Associates have concern about the possibility of mold being present in the ductwork. Setty and Associates provided a ROM of \$275,000 for replacing the RTU and the interior and exterior duct. The current plan is to replace the RTU in the August-September 2015 maintenance timeframe.

 - Roof Replacement (HW) – The Hunters Woods roof is reaching the end of its useful life and needs to be replaced. We propose phasing the replacement over three consecutive fiscal years beginning in FY16. In FY16 the “Mechanical and Cable Tray” sections would be replaced in conjunction with the replacement of the RTU. The estimated cost of replacing that section of roof is \$200,000. In FY17 either the “EPDM” roof section will be replaced or the “Theatre and Front” sections will be replaced. In FY18 the final section of roof will be replaced. We would also investigate options for white or green roof approaches. These could be more expensive initially but achieve energy savings over time.

 - Energy Consumption Improvements (HW) – In FY16 we would like to begin a multi-year effort to reduce the RCC Hunters Woods energy footprint based upon an improvement plan that is in the initial stages of development. We estimate \$20,000 in new funding to support this effort.

Reston Community Center
 Budget vs Actuals Worksheet
 31-Mar-14

100%/12*9mo=75%	
Revised Beginning Fund Balance	\$ 5,742,205
Y-End Estimated Fund Balance	\$ 4,081,443

Revenue	Adopted Budget FY14	FY13 Carryforward	FY14 Budget Changes	Revised Budget FY14	Feb	Mar		YTD Actual Revenue	REMAINING BALANCE	YTD % actual	Unrealized Revenue
1 Administration	6,330,924		225,746	6,556,670	28,640	20,845		6,429,297	127,373	98.06%	
2 Community Partnerships	0			0		3,660		3,660	(3,660)	0.00%	
3 Performing Arts-Theatre Admiss.	48,720			48,720	370	0		54,224	(5,504)	111.30%	380
4 PA Theatre Rental/Other	28,314			28,314		1,557		9,508	18,806	33.58%	
5 PA Cultural Activities/ Arts Org	0			0	(28,265)	(662)		9,728	(9,728)	0.00%	
6 Aquatics Classes/drop-in	297,160			297,160	16,154	17,224		222,377	74,783	74.83%	25,781
7 Aquatics Rental	16,000			16,000				5,720	10,280	35.75%	
8 L&L Fitness	119,423			119,423	5,377	8,330		99,205	20,218	83.07%	8,494
9 L&L Teens	87,630		(20,000)	67,630	34,983	1,815		91,868	(24,238)	135.84%	28,019
10 L&L 55+	57,709			57,709	1,468	947		59,202	(1,493)	102.59%	14,469
11 L&L Youth	114,293		(20,000)	94,293	91,358	3,690		217,622	(123,329)	230.79%	30,349
12 L&L Adult	125,486			125,486	2,977	3,865		62,961	62,525	50.17%	11,668
13 Community Events				0				770	(770)	0.00%	
14 Arts Education	133,598			133,598	67,432	2,527		191,911	(58,313)	143.65%	3,868
Total RCC Revenue	7,359,257		185,746	7,545,003	220,494	63,798	0	7,458,053	86,950	98.85%	123,028

L&L - Leisure & Learning

Reston Community Center
 Budget vs Actuals Worksheet
 31-Mar-14

100%/12*9mo=75%	
Revised Beginning Fund Balance	\$ 5,742,205
Y-End Estimated Fund Balance	\$ 4,081,443

	Adopted Budget FY14	FY13 Carryforward	FY14 Budget Changes	Revised Budget FY14	Feb	Mar	ENCUMBR.	YTD	REMAINING BALANCE	% Budget Used Ytd
1 Administration	556,550		(83,809)	472,741	30,392	30,392		261,288	211,453	55.27%
2 Board OG	3,999			3,999				0	3,999	0.00%
3 Booking	182,325		2,550	184,875	13,627	13,958		125,143	59,732	67.69%
4 Comptroller	356,264		3,400	359,664	27,051	27,051		243,779	115,885	67.78%
5 Customer Service	528,530		(1,649)	526,881	36,668	34,615		332,043	194,838	63.02%
6 Facility Engineer	98,142		850	98,992	7,960	7,670		71,868	27,124	72.60%
7 Maintenance	425,585		6,800	432,385	30,002	30,410		283,778	148,607	65.63%
8 IT	122,662		850	123,512	9,865	9,865		80,643	42,869	65.29%
9 Media	405,329		(7,450)	397,879	22,346	22,215		226,552	171,327	56.94%
10 Performing Arts	471,314		4,250	475,564	35,823	32,937		318,491	157,073	66.97%
11 Aquatics	671,099		4,250	675,349	52,008	52,725		449,062	226,287	66.49%
12 Leisure & Learning (L&L) Programs A	211,828		6,547	218,375	20,167	16,681		149,384	68,991	68.41%
13 L&L Fitness	181,474		850	182,324	13,849	14,908		105,242	77,082	57.72%
14 L&L Teens	132,500		(1,150)	131,350	5,962	5,306		82,265	49,085	62.63%
15 L&L 55+	119,614		(1,150)	118,464	8,643	9,053		72,958	45,506	61.59%
16 L&L Youth	192,110		10,850	202,960	8,096	10,473		146,358	56,602	72.11%
17 L&L Adult	179,221		(6,650)	172,571	7,174	12,092		103,486	69,085	59.97%
18 Community Events	128,029		850	128,879	9,744	8,048		81,946	46,933	63.58%
19 Arts Education	297,671		850	298,521	16,865	16,398		213,360	85,161	71.47%
Total Personnel Expenses	5,264,246		(58,961)	5,205,285	356,242	354,797	0	3,347,646	1,857,639	64.31%

Reston Community Center
 Budget vs Actuals Worksheet
 31-Mar-14

100%/12*9mo=75%	
Revised Beginning Fund Balance	\$ 5,742,205
Y-End Estimated Fund Balance	\$ 4,081,443

	Adopted Budget FY14	FY13 Carryforward	FY14 Budget Changes	Revised Budget FY14	Feb	Mar	ENCUMBR.	YTD	REMAINING BALANCE	% Budget Used Ytd
1 Administration	271,421	19,715	(81,000)	210,136	431	1,459	11,763	47,039	163,097	22.38%
2 Board	59,000			59,000	682	5,323	0	34,028	24,972	57.67%
3 Booking	122,414			122,414	6,865	2,792	27,243	85,111	37,303	69.53%
4 Comptroller/Customer Service	375,599			375,599	2,936	15,320	518	303,120	72,479	80.70%
5 Facility Engineer	184,356	7,895		192,251	10,052	10,188	3,587	103,224	89,027	53.69%
6 Maintenance	439,720			439,720	34,810	33,389	128,403	406,830	32,890	92.52%
7 IT	127,544	3,819	(20,000)	111,363	930	2,818	2,615	42,619	68,744	38.27%
8 Media	420,233	15,167		435,400	13,631	33,415	32,722	350,872	84,528	80.59%
9 Community Partnerships	300,000		(50,000)	250,000	10,246	14,717	26,205	212,871	37,129	85.15%
10 Performing Arts	322,654		(9,000)	313,654	21,438	24,215	18,274	274,746	38,908	87.60%
11 Aquatics	94,015		(10,000)	84,015	1,935	3,684	4,221	58,036	25,979	69.08%
12 Leisure & Learning (L&L) Programs A	6,850			6,850	523	200		3,304	3,546	48.23%
13 L&L Fitness	16,238			16,238	733	1,546	10,248	14,959	1,279	92.12%
14 L&L Teens	132,235			132,235	5,607	1,214	11,510	108,801	23,434	82.28%
15 L&L 55+	86,321			86,321	7,941	3,164	7,120	61,471	24,850	71.21%
16 L&L Youth	136,030		(10,000)	126,030	6,385	4,069	16,419	106,565	19,465	84.56%
17 L&L Adult	108,010			108,010	2,501	2,862	2,599	35,306	72,704	32.69%
18 Community Events	170,760		(15,000)	155,760	1,563	1,469		101,852	53,908	65.39%
19 Arts Education	112,014	725	(10,000)	102,739	861	4,628	15,035	42,066	60,673	40.94%
Total Operational Expenses	3,485,414	47,321	(205,000)	3,327,735	130,069	166,472	318,482	2,392,820	934,915	71.91%

Reston Community Center
 Budget vs Actuals Worksheet
 31-Mar-14

100%/12*9mo=75%	
Revised Beginning Fund Balance	\$ 5,742,205
Y-End Estimated Fund Balance	\$ 4,081,443

Capital Proj. Desc. & Number/Cap Equip.	Adopted Budget FY14	FY13 Carryforward	FY14 Budget Changes	Revised Budget FY14	Feb	Mar	ENCUMBR.	YTD	REMAINING BALANCE	% Budget Used Ytd
1 RCC Improvements C-000001		231,776	0	231,776			16,750	66,897	164,879	28.86%
2 Fac. Enhcment. LA C-000002		90	0	90				0	90	0.00%
3 C. R. HW Enhcmts. C-000003		130,795		130,795				0	130,795	0.00%
4 Oil Tank Removal C-000007	50,000			50,000			1,950	47,105	2,895	94.21%
5 Theatre Enhancements C-000008		40,000		40,000				0	40,000	0.00%
6 Aquat. Mech. Sys. Upgrade C-000009		7,085	175,000	182,085			0	92,326	89,759	50.70%
7 Aquatics Slide			10,000	10,000			8,742	8,742	1,258	87.42%
8 PA Theatre Front of House(FOH) Mixing Console & D-Racks /sound system	28,000			28,000				0	28,000	0.00%
9 Woodshop Equip FY13 remaining balance		500	-500	0					0	0.00%
Total Capital Expenses	78,000	410,246	184,500	672,746	0	0	27,442	215,070	457,676	31.97%
Total RCC Expenditures	8,827,660	457,567	-79,461	9,205,766	486,311	521,269	345,924	5,955,536	3,250,230	64.69%

Reston Community Center
 Budget vs Actuals Worksheet
 31-Mar-14

100%/12*9mo=75%	
Revised Beginning Fund Balance	\$ 5,742,205
Y-End Estimated Fund Balance	\$ 4,081,443

	Adopted Budget FY14	FY13 Carryforward	FY14 Budget Changes	Revised Budget FY14			Encumbr.	YTD	Remaining Balance
Revenue	7,359,257	0	185,746	7,545,003	220,494	63,798	0	7,458,053	86,950
Personnel	5,264,246	0	-58,961	5,205,285	356,242	354,797	0	3,347,646	1,857,639
Operating	3,485,414	47,321	-205,000	3,327,735	130,069	166,472	318,482	2,392,820	934,915
Capital Projects	78,000	410,246	184,500	672,746	0	0	27,442	215,070	457,676
Total Expenses	8,827,660	457,567	-79,461	9,205,766	486,311	521,269	345,924	5,955,536	3,250,230
Revenue less Total Expenses	-1,468,403	-457,567	265,207	-1,660,763	-265,817	-457,471	-345,924	1,502,517	-3,163,280

Revenue	FY13 Scholarship 06/03/13
Administration	-5,960.20
Performing Arts-Theatre Admiss.	370.00
PA Theatre Rental	
PA Cultural Activities/ Arts Org	
Aquatics Classes/drop-in	21,392.60
Aquatics Rental	
L&L Fitness	6,018.90
L&L Teens	31,080.00
L&L 55+	11,765.50
L&L Youth	28,200.00
L&L Adult	17,398.00
Community Events	
Arts Education	4,282.00
Total RCC Scholarship	114,546.80
	5960.2

Revenue

General Note: Revenue for camps held in the summer of 2013 that was collected before the end of the fiscal year (FY13) was reversed and recorded as FY14 revenue in July. An additional column is inserted for our FY14 Budget adjustments which were approved by the BOS in September. The last column inserted is for FY14 YTD-Fee Waiver total tracking. Fee Waiver amounts are unrealized revenue. The 2014 Summer Camp registration started February 1st and related revenue will be reversed for FY14 year-end-close and recorded as FY15 revenue.

1. **Administration:** The Administration revenue budget shows combined tax, interest and facility rental revenues. Facility rental revenue is combined T-Mobile antenna and room rental revenue. We have collected 99% of tax revenue, 88% of estimated Facility Rental revenue (which also includes T-Mobile antenna revenue) and 14% of the projected interest revenue.
2. **Community Partnerships:** Reston 50th Anniversary Celebration ticket sale.
3. **Performing Arts:** Revenue collection is very uneven depending on scheduled shows and their related box office revenue. The 2013-2014 Professional Touring Artist Series season sales exceeded our revenue projection.
4. **Performing Arts Theatre Rental:** Theatre rental payments are typically made at the end of the fiscal year.
5. **Performing Arts Cultural Activities/Arts Organizations:** The community arts box office receipts and payments clearing line.
6. **Aquatics Classes/drop-in:** Year-to-date revenue represents daily gate fees, summer, fall class and activity revenue and initial winter/spring program registration revenue.
7. **Aquatics Rental:** Year-to-date revenue represents natatorium rental payment.
8. **Fitness:** Year-to-date amount includes summer, fall program and initial winter/spring program registration revenue.
9. **Teens:** Year-to-date amount includes summer, fall and initial winter/spring program registration revenue and 2014 summer camp revenue. Most of this cost center's revenue is realized during the summer.
10. **55+:** Year-to-date amount includes summer, fall and initial winter/spring program registration revenue.
11. **Youth:** Year-to-date amount includes summer, fall and initial winter/spring program registration revenue and 2014 summer camp revenue. Most of this cost center's revenue is realized during the summer.
12. **Adult:** Year-to-date amount includes summer, fall and initial winter/spring program registration revenue. This program is undergoing intensive review to determine what programming to retain and how to combine financial resources for cost savings. It is significantly underperforming revenue expectations.
13. **Community Events:** Year-to-date revenue is for Multicultural Festival book sale.
14. **Arts Education:** Year-to-date amount includes summer, fall and initial winter/spring program registration revenue and 2014 summer camp revenue; summer revenues from LARK and YAT contribute significantly to this cost center's revenue.

Personnel Expenses:

General Note: An additional column is inserted for FY14 Budget adjustments approved by the BOS in September 2013. The values include funding required for merit staff bonus and related F/B payout on November 1st, 2013.

1. **Administration:** Administration's allocated budget provides for OPEB costs to be recorded in June 2014.
2. **Booking:** Personnel costs are at the expected level.
3. **Comptroller:** Personnel costs are at the expected level.
4. **Customer Service:** Personnel costs are at the expected level.
5. **Facility Engineer:** Personnel costs are at the expected level. Fringe Benefits costs were higher than budgeted.
6. **Maintenance:** Personnel costs are at the expected level.
7. **Information Technology:** Personnel costs are at the expected level.
8. **Media:** Personnel costs are at the expected level.
9. **Performing Arts:** Personnel costs are at the expected level.
10. **Aquatics:** Personnel costs are at the expected level.
11. **Leisure and Learning Administration:** Personnel costs are at the expected level.
12. **Fitness:** Personnel costs are at the expected level.
13. **Teens:** Personnel costs include summer camps' labor costs which occurred in July and August.
14. **55+:** Personnel costs are at the expected levels.
15. **Youth:** Personnel costs include summer camps' labor costs which occurred in July and August.
16. **Adult:** Personnel expenditures are at the expected levels. Savings from underperforming offerings appear in operating costs.
17. **Community Events:** Personnel expenditures are at the expected levels.
18. **Arts Education:** Personnel expenditures include LARK/YAT summer labor costs which occurred in July and August.

Operating Expenses:

General Note: Reservations for multiple months' expenses are made at the beginning of the year; funds are spent down from them. An additional column is inserted for FY14 Budget adjustments approved by the BOS in September 2013.

1. **Administration:** Current month expense is for training. Reservations are for contract consulting services.
2. **Board:** Current month expenses are for hospitality, RCC Board Planning Session facilitator service, event attendance.
3. **Booking:** Current month expenses are for equipment, piano tuning, storage facility rental, and security monitoring. Reservations are for security monitoring, piano tuning, and storage facility rental.
4. **Comptroller:** Current month expenses include bank fees, copying DIT service charge, and supplies. Reservation is for office supplies.
5. **Facility Engineering:** Current month expenses include repair and maintenance costs. Reservations are for repair and maintenance.
6. **Maintenance:** Current month expenses include utilities and repair and maintenance costs. Reservations are for repair and maintenance costs and utilities.
7. **IT:** Current month expenses include communication costs. Reservation is for communication costs.
8. **Media:** Current month expenses include supplies, printing, and advertisement costs. Reservations are for web design and advertising cost.
9. **Community Partnerships:** Current month expenses include supplies and programs. Reservations are for contracts and event hospitality.
10. **Performing Arts:** Current month expenses include performer contract advance payments and operating costs. Reservations are for contractor advance payments, program costs, and A/E design costs.
11. **Aquatics:** Current month expenses are for pool operating supplies, training materials, and pool maintenance. Reservations are for pool operating supplies and repairs.
12. **Leisure and Learning Admin:** Current month expense is for membership cost. There are no open reservations.
13. **Fitness:** Current month expenses are for program delivery contract costs. Reservations are for program delivery contract costs.
14. **Teens:** Current month expenses are for transportation and for program costs. Reservations are for program delivery contract costs, recreational activities, and program transportation.
15. **55+:** Current month expenditures include transportation, program, and recreational activities costs. Reservation is for transportation.
16. **Youth:** Current month expenditures are for recreational activities, program delivery contract costs, and supplies. Reservations are for program delivery contract costs.
17. **Adult:** Current month expenditures include program supplies, transportation, and program delivery contract costs. Reservations are for program delivery contract costs.
18. **Community Events:** Current month expenditures are for program supply costs and contract costs. There are no open reservations.
19. **Arts Ed:** Current month expenditures are for program delivery contract costs, equipment maintenance and repairs, and program supplies. Reservations are for program delivery contract costs, and equipment repairs.

Capital Project Expense

General Note: Reservations for multiple months' expenses are made at the beginning of the year; funds are spent down from them. Additional column inserted for FY14 Budget adjustments to be approved by the BOS in September

1. **RCC Improvements /C-000001:**
 - ADA Entrance/Automatic Interior Doors at HW – Installation complete. Project billing complete.
 - ADA Restroom Addition – Construction is complete. Billing completed.
 - Motor Control Panel Replacement at HW – Project is in process. Replacement planned for summer 2014. IFB published. Pre-bid conference 03/05/14.
 - Rear Loading Dock Replacement – In process. A/E underway. Construction planned for summer 2014.
2. **Facility Enhancement Lake Anne /C-000002:**
 - Project complete. Project billing complete.
3. **Community Room Hunters Woods Enhancements /C-000003:**
 - Lighting/Sound system/Acoustical upgrades complete. Billing complete.
 - Chandelier refurbishment – In process. A/E proposal received from Kuyk & Associates.
4. **Oil Tank Removal/000007:**
 - Generator has been replaced. A few punch list items being addressed.
 - Fuel Tank has been removed, soil has been remediated and portion of back driveway that was excavated has been resurfaced.
5. **RCC Center Stage Enhancements /C-000008:**
 - Allocated in previous years funding for Center Stage floor budget of 40K transferred from RCC Improvements project (#1) for ease of costs tracking. New cabling, sound and lighting upgrades will now be done at the same time and so that project budget allocation increased by \$100,000 for FY15.
6. **Aquatics Mechanical Sys. Upgrade/ C-000009:** 175K funding request added to FY13 Carryover. 12.9K design service funding for FY13 transferred from RCC Improvements project (#1).
 - Paddock Evacuator has been installed and is operational. Project billing complete.
7. **To 9. Capital Equipment:** Aquatics Slide, Performing Arts Front of the House Mixing Console, FY13 \$500.00 balance to be returned to the Fund.