



**SUMMARY OF MINUTES
RESTON COMMUNITY CENTER
BOARD OF GOVERNORS' MEETING
NOVEMBER 3, 2008**

Present:

- Bill Bouie, Chair
- Beverly Cosham
- Cathy Vivona
- Colin Mills, Secretary
- Bill Keefe
- Carol Ann Bradley
- Bill Penniman, Treasurer

Absent and Excused:

- Karen Cleveland, Vice Chair
- Claudine Varesi

Staff:

- Leila Gordon, Executive Director
- Denise Snyder, Executive Assistant

Visitors: Damian Sinclair, newly hired Arts & Events Director

The Chair called the meeting to order at 8:19 p.m., welcoming the viewing audience.

Approval of the Agenda:

Bill Bouie, Chair

MOTION #1:

Colin Mills moved that the Board approve the Agenda. Beverly Cosham seconded the motion. The motion was unanimous.

Approval of the October 6, 2008 Board Minutes:

Bill Bouie, Chair

MOTION #2:

Colin Mills moved that the Board approve the October 6, 2008 Board Minutes. Beverly Cosham seconded the motion. The motion passed unanimously.

Approval of the October 6, 2008 Board Actions:

Bill Bouie, Chair

MOTION #3:

Colin Mills moved that the Board approve the October 6, 2008 Board Actions. Cathy Vivona seconded the motion. The motion was unanimous.

Presentation to Departing Board Member

Leila Gordon, RCC Executive Director

November 3, 2008 BOG Meeting cont'd

A presentation was made to departing Board member Karen Cleveland for her dedication and service to the Reston Community Center. Karen was unable to attend the meeting; she will be invited to be recognized at the December Board meeting. Bill B. wished her well on behalf of the Board.

Chair's Annual Report:

Bill Bouie, Chair

Before submitting his annual report, Bill B. expressed that it was both an honor and a pleasure to serve as chair of the RCC Board for the past two years. He stated that a lot was accomplished and that the Board accomplished it together as a team. He said that every member of the RCC Board team played a valuable role in providing input and interaction with the community. He further stated that the RCC is in a much better place because of it. He thanked Board members for doing such a great job.

The Chair's annual report was read into the official record. See attached report.

Introduction of Visitors:

Bill Bouie, Chair.

Citizen Input:

Bill Bouie, Chair.

Leila formally introduced the RCC's newly hired Arts & Events Director, Damian Sinclair. Damian is a Reston resident who comes to the RCC from the Arena Stage, where he led their Capital Campaign for the past year. Prior to that, Damian was the founder and executive director for the first two years of the Capital Fringe Festival, which is among the four or five most successful fringe festivals in the country. Damian's career background is in theatre and marketing.

Leila thanked Beverly for helping with the hiring process by sitting on the interview committee along with Clare Kiley, Deputy Director of McLean Community Center. Leila stated that the committee was absolutely impressed by Damian's passion to join the RCC, his skills, and his knowledge.

Damian expressed that it was an honor to join the RCC and that he was thrilled to have the opportunity to work with Leila. He stated that he has lived in Reston for the past five years and had dedicated his efforts to the District of Columbia. He went on to say that his wife has dedicated her life to Reston. She serves on the DRB, is president of their housing cluster, and is very active in the Reston community. Damian expressed that he never thought that he would have an opportunity to work in Reston. He said that when the opportunity arose, he could not pass it up. He added that he left a great company at a very difficult moment but that he was excited at the prospect of becoming involved in the community where his child will grow up. He said that he intends to spend a very long time in his career here at the Reston Community Center and will continue to build on what Leila has already established. Finally, Damian expressed that being hired to work for the RCC is exciting and the thrill of a lifetime for him.

Leila took an opportunity to thank the Arts & Events staff for shouldering the burden from April up to this point, with class and ability and without missing a beat or leaving anything undone. She said that they have been magnificent and that they are very much looking forward to working with Damian and getting him acquainted with the department. Leila thanked Kevin, Linda, Cheri, Mark, and Patty for jobs well done.

Committee Reports

Bill Bouie, Chair

Finance Committee – September 22, 2008 and October 27, 2008

November 3, 2008 BOG Meeting cont'd

Bill Penniman, Chair. The reports were summarized and submitted for the record. Please see attached reports.

In answer to a question from Carol Ann, Leila explained that the Department of Human Resources and the Department of Finance received a ruling from the IRS that stated that because agencies within the County have exempt personnel that teach classes - some that are treated as employees and others who are treated as independent contractors - it will no longer be accepted by the IRS to treat individuals as independent contractors in this category. This ruling will take effect on January 1, 2009. An assessment will be done to figure out what the impact will be, how many independent contractors the RCC has, what they are being paid, and how to transfer monies that are in the operating budget to the personnel budget and how to cushion the added expense of the benefit package. Those exempt personnel will become employees of the RCC. Human Resources will have to establish additional positions in order to move them into position numbers.

In response to questions from Bill P., Leila responded that the hiring process will become more complicated, but that there are not a very large number of independent contractors at the RCC. The vast majority of instructors are employees already. Leila said that it should not have a negative impact on the schedule of programs offered. The ruling only applies to individuals. Leila said that if a corporation is hired, it would fall into another category because they would have to carry their own insurance premiums and they are treated very differently by the IRS.

Approval of Committee Reports:

Bill Bouie, Chair

MOTION #4:

Cathy Vivona moved that the Board approve the Committee Reports. Colin Mills seconded the motion. The motion passed unanimously.

Nominating Committee and Proposed Officer Slate:

Officer Slate

Chair: Carol Bradley
Vice Chair: Bill Bouie
Treasurer: Cathy Vivona
Secretary: Colin Mills

MOTION #5:

Bill Penniman moved to adopt the slate of officers as proposed. Beverly Cosham seconded the motion. The motion was unanimous.

MOTION #6:

Bill Bouie moved to accept Carol Ann Bradley's nomination as chair. The motion was unanimous.

(Carol Ann Bradley was seated as the new Chair.)

MOTION #7:

Colin Mills moved to accept Bill Bouie's nomination as vice chair. Beverly Cosham seconded the motion. The motion passed unanimously.

MOTION #8

Bill Bouie moved to accept Cathy Vivona's nomination as treasurer. Colin Mills seconded the motion. The motion passed unanimously.

November 3, 2008 BOG Meeting cont'd

MOTION #9

Bill Bouie moved to accept Colin Mills' nomination as Board Secretary. Bill Penniman seconded the motion. The motion passed unanimously.

(The new Board was seated)

Present:

- Carol Ann Bradley, Chair
- Colin Mills, Secretary
- Bill Keefe
- Bill Bouie, Vice Chair
- Beverly Cosham
- John Gasson
- Cathy Vivona, Treasurer
- Bill Penniman

Absent:

Claudine Varesi was absent and excused.

Board Committee Assignments:

Community Relations

Colin Mills, Chair
Claudine Varesi, Vice Chair
Cathy Vivona
Bill Keefe

Program Policy

Bill Keefe, Chair
Colin Mills, Vice Chair
Beverly Cosham
Claudine Varesi
Cathy Vivona

Preference Poll - (As needed)

Bill Penniman, Chair
John Gasson, Vice Chair
Cathy Vivona
Claudine Varesi
Beverly Cosham
Bill Keefe

Long Range Planning (As needed)

Bill Bouie, Chair
Colin Mills, Vice Chair
Carol Ann Bradley
Beverly Cosham
John Gasson
Bill Keefe
Bill Penniman
Claudine Varesi
Cathy Vivona

Finance

Cathy Vivona, Chair
Bill Penniman, Vice Chair
John Gasson
Bill Bouie

Personnel

Colin Mills, Chair
Bill Keefe, Vice Chair
Bill Bouie

Building - (As needed)

Beverly Cosham, Chair
John Gasson, Vice Chair
Bill Penniman
Bill Keefe

RCC Board Community Liaisons

Bill Bouie – YMCA, Initiative for Public Art - Reston
Beverly Cosham – RCC Signature Events (MLK, Multicultural Festival, Founders Day, 30th Anniversary – as needed)
John Gasson - Greater Reston Chamber of Commerce
Bill Keefe - Reston Association
Colin Mills - Reston Citizens Association
Bill Penniman - South Lakes High School
Claudine Varesi - Southgate Community Center, Latchkey Kids Initiative
Cathy Vivona - Reston Interfaith, Greater Reston Arts Center (GRACE)

RA/RCC Joint Taskforce Members – As assigned in July, 2008

(All RCC BOG members may participate in any meeting of the taskforce)

Bill Bouie
Beverly Cosham
Bill Penniman
Bill Keefe
Cathy Vivona

November 3, 2008 BOG Meeting cont'd

Chair's Remarks:

Carol Ann spoke of having had a really good experience sitting on a Board that works for the Reston community over the past couple of years. She expressed how impressed she has been with the partnerships that have been developed over the years and expressed that she envisions the RCC in collaborative leadership. She also stated that she foresees the RCC initiating many of those partnerships and encouraging other groups and organizations to work together with the RCC. Carol Ann expressed her love for the Community Center and her love for the way the Center serves the people in the community. Carol Ann further stated how proud both she and the Board are of the positive way in which the staff handled the move out of and return to the Hunters Woods facility. She said that there were very few complaints from the community.

Finally, Carol Ann stated what she was looking forward to supporting the Board committees and the leadership and listening to their suggestions and ideas on how to move forward.

The annual Board retreat will take place on January 9 & 10 at the Airlie Conference Center, 6809 Airlie Road, Warrenton, VA 20187 (www.airlie.com.)

Executive Director's Report:

Leila Gordon, Executive Director. The report was summarized and submitted for the record. Please see attached report.

There will be another RCC/RA Task Force meeting on November 5 at the RA Board meeting room, at 6:00 p.m. Dinner will be provided.

Leila announced that Jim Vance will be the keynote speaker for MLK Day.

Carol Ann reminded everyone of the following upcoming scheduled committee meetings:

- Community Relations, November 10 at 6:00 p.m.
- Program Policy, November 10 at 7:00 p.m.
- Finance, November 17 at 6:00 p.m.

MOTION #10:

Colin Mills moved that the meeting be adjourned. Beverly Cosham seconded the motion. The motion was unanimous.

The meeting adjourned at 9:15 p.m.

Colin Mills, Board Secretary

Date

**RESTON COMMUNITY CENTER
BOARD ACTIONS
TAKEN AT BOARD OF GOVERNORS' MEETING ON NOVEMBER 3, 2008**

- | | | |
|--------------------|-----------|--|
| 08-11-03-1 | Bd | That the Board approve the Revised Agenda. |
| 08-11-03-2 | Bd | That the Board approve the October 6, 2008 Board Minutes. |
| 08-11-03-3 | Bd | That the Board approve the October 6, 2008 Board Actions. |
| 08-11-03-4 | Bd | That the Board approve the Committee Reports. |
| 08-11-03-5 | Bd | To adopt the slate of officers as proposed |
| 08-11-03-6 | Bd | To accept Carol Ann Bradley's nomination as chair |
| 08-11-03-7 | Bd | To accept Bill Bouie's nomination as vice chair |
| 08-11-03-8 | Bd | To accept Cathy Vivona's nomination as treasurer |
| 08-11-03-9 | Bd | To accept Colin Mills' nomination as Board Secretary |
| 08-11-03-10 | Bd | That the meeting be adjourned |

Colin Mills, Board Secretary

Date



November 3, 2008

**Report from the Chair, Board of Governors
November 2007- October 2008**

Introduction

I am pleased to offer this report of *our* significant achievements of the past year. I could not be making such an amazing report of accomplishment on behalf of our community if it were not for the remarkable talent, community connections, and unflagging dedication all of the Board members bring to their roles on the Board. This has been an amazing year for both RCC and Reston. Certainly the times ahead pose challenges to everyone in our County; however, we are well-positioned to continue to serve Reston with excellence and innovation. With challenges come opportunities. The people on this Board inspire me, give our phenomenal staff tremendous support, and help our community in their countless volunteer hours every day. We will work together in the coming months to continue to build on our achievements and to serve this wonderful community we call home. I hope you are as proud of our past year's efforts as I am. It has been one of the greatest privileges of my life to have served you as your Chairman these past two years, and I am eager to continue to support Reston and its Community Center in every way possible.

William G. Bouie, Chair

Reston Community Center Board of Governors

Major Initiative

The Reston Community Center Board of Governors and Reston Association Board are collaborating to explore the potential for a partnered effort to build a major, world-class recreation facility to meet expanding needs of our tennis, swimming, fitness, sports and community organizations' needs. These efforts began in the summer of 2008 and will continue. We anticipate a report by the consultant on this effort, Brailsford & Dunlavey, to be provided at the end of December or early January that will be the main topic of our January 2009 Board of Governors Retreat.

Community Survey

As reported in our annual Public Hearing for Budget and Programs in June 2008, we received an outstanding affirmation of our impact on the community from the bi-annual community survey conducted in November and December 2007 by the University of Virginia Center for Survey Research. A major "thank you" goes to Cathy Vivona and the Community Relations Committee for the thorough nature of the survey instrument and recognition of our staff for the feedback from the community that indicates we have served our community with excellence. Satisfaction of patrons at the levels indicated in the survey are rarely achieved and indicate on every level that the RCC staff delivers programs and services at the highest levels of excellence and quality.

Policy Achievements

In the past year, we worked together on a number of significant policy efforts:

1. Established that we would undertake review and revision of the Memorandum of Understanding to institute a mailed/electronic balloting system that can be verifiable independently for the RCC annual Preference Poll. The MOU will be further revised as appropriate to align with a proposed template from the County Attorney's office using a format and similar language to other County and Board MOUs, and to eliminate the paragraph term-limiting Board of Governors officers.

2. Established a policy to direct study efforts, be they feasibility, needs assessment, architectural/engineering, or the like prior to embarking on major capital improvement projects to assure that any project undertaken has community support and cost projections that are accurate and refined to fit the proposed scope of projects.
3. Endorsed the Initiative for Public Art – Reston Public Art Master plan with anticipated positive review by the County Attorney for compliance with our RCC/Board of Supervisors MOU.
4. Re-started policy review of RCC facility rental programs for the CenterStage and Terry L. Smith Aquatics Center.

Personnel

The most significant personnel effort led by the Board of Governors this past year was the recruitment, interviewing and hiring process for a new Executive Director after the November 2007 resignation of former Executive Director, Bonnie Freeman. The Search Committee, led by Karen Cleveland, and comprised of Board members, Beverly Cosham, Carol Bradley, Colin Mills, Bill Keefe, and assisted in its efforts with participation from Cathy Vivona, reviewed over 150 resumes, narrowed the search to six finalists, interviewed five and selected our current Executive Director, Leila Gordon, who agreed to an unprecedented 5-year contract. This outcome has already been a resounding success within the community of Reston and among our own employee community as well. Other notable achievements in the area of personnel for our agency under the leadership of the Board and staff this past year include:

1. Development of an RCC Agency Strategy Map and Balanced Scorecard projects list.
2. Successful recruitment, interview, and hire processes for the agency merit service positions of Aquatics Evening/Weekend Manager, Senior Adult Program Director, Graphic Designer, Human Resources Specialist, Customer Service Manager, Customer Service Representatives, Assistant Aquatics Director, Community Events Director, and Director of Arts and Events. Underway now are efforts to interview and hire for the position of Assistant Theatre Technical Director and workforce planning to proceed to recruit, interview and hire our Financial Specialist.
3. Award of a Fairfax County Government Outstanding Performance Award to General Programs Director, Eileen Boone.
4. Establishment of an electronic weekly employee Newsletter to communicate by and among RCC employees and Board members on the activities, issues and general interest matters of each week during the “RCC On the Road” period that has been so successful it will continue as a communication vehicle and be a basis for expanded internal communications efforts.

Operations

While the staff prepared for, managed to and functioned at peak performance levels to achieve continued program/service delivery for the period of our Hunters Woods facility being closed from June 1 to November 1, the Board of Governors ably supported their efforts with the following:

1. Facilitation of coordinated service delivery with partners Reston Association and Fairfax County – Reston YMCA.
2. Approvals to negotiate with KLNB for leased space at Hunters Woods (ultimately unsatisfactory terms), and subsequently for leased space at Regus HQ (ultimately successful for purposes of housing staff during the closed period.)
3. Approval to pursue renewal of RCC Lake Anne lease for its next term.
4. Establishment of program relationships with Initiative for Public Art – Reston, Prospera Initiatives, Greater Reston Arts Center, Reston Interfaith’s Best of Reston Awards, Latchkey Kids Initiative and Learn to Swim Community Initiative for pilots in FY09 and new program expansion in FY10.

Capital Projects

The most significant accomplishments of the past year for RCC Board of Governors efforts occurred in the arena of refinements to our Capital Improvement Plan and the successful execution of multiple Capital Projects in the prior and current fiscal years. The list of the projects undertaken in the period of Hunters Woods being closed is amazing:

1. Phase III of the Heating, Ventilation, and Air Conditioning replacement and upgrade project.
2. Renovation of the Terry L. Smith Aquatics Center.

3. Installation of motor controls for electrics and related lighting and fixture storage systems in the CenterStage.
4. Replacement and upgrade of the RCC Hunters Woods Fire Alarm system.
5. Internal building modifications to upgrade the Dectron system to achieve lower humidity in the spa, provide greater security to the pool overlook area, increase space for program offices, provide separated entrances to the photo lab and room 6, upgrade the entire data cabling for the RCC Hunters Woods building, and conduct energy saving lighting fixture replacements throughout the building.

Conclusion

Normally, I like to report in succinct fashion and in as few words as possible. This past year, the list of achievements you have all accomplished just simply can't be summarized in a brief, one-page document. We are heading in a bold direction for RCC and one that will permit us to serve our community with even more effectiveness and programs and facilities than ever before. As we turn thirty this coming May, I know I am one of many people who appreciate RCC for truly being the "center" of our beloved community. Thank you all for making this past year such a memorable one for me.



MEMORANDUM

DATE: September 23, 2008
TO: RCC Board of Governors
FROM: Bill Penniman, Chair
Finance Committee
SUBJECT: September 22, 2008 Finance Committee Report

The Finance Committee met on Monday, September 22, 2008. Present were:

- Bill Penniman, Finance Committee Chair
- Beverly Cosham
- Colin Mills
- Cathy Vivona

Attending from the RCC staff was:

- Leila Gordon, Executive Director
- Renata Wojcicki, Director of Finance

The Finance Committee Chair officially called the meeting to order at 6:10 p.m.

FY09 Monthly Financials Review:

In response to a question from Cathy, Leila said that the RA initiative will show up as a third quarter adjustment. The money will be for consultant work but if the RCC proceeds with other expenditures in FY2009 related to this effort, adjustments will be made accordingly to the 2009 budget at third quarter. If it is determined that there will be bond issues or referenda and further financing options that carry beyond the end of FY09, then the analyst at DMB as well as the BOS and other County officials will be alerted and the RCC will begin to craft the language for the bond referendum. Leila further stated that the purpose of doing a study first is to find out the real dollar amounts involved with the undertaking as opposed to throwing hypothetical numbers on the drawing board.

The director of finance briefed the Committee on August financial activities. Renata reported that registration started on August 1 for the Fall/Winter season and during that period \$250,509 has been collected which also includes interest and tax revenue. She explained that the spike in revenue for programs during the month of July was due to revenue deferral reversals which are receipts for enrollments for classes and activities that were collected prior to July 1. The second large injection of tax dollars into revenue will be seen in December.

September 22, 2008 Finance Committee Report
Page 2

In response to a question from Cathy, Leila responded that the registration revenues for fall program offerings are also included. Resident and employee Tax District eligible registration starts on the first of the month and general registration starts on the 15th and in this case would be for the fall season of offerings available to patrons for registration beginning in August.

Renata continued her review with Personnel expenses. She pointed out that the August figure is higher due to there being a third payroll during that month. She said to keep in mind that the third payroll did not include as many exempt staff as the July or first two August payrolls due to the ending of camps. She further stated that figures for summer months tend to be a bit higher during July than any other month.

Renata said that operational expenditures appear to be high at the beginning of the fiscal year as reservations are made for contract work, for supplies and other areas. The reservations will be spent down with purchase orders as the year progresses.

In response to a question from Bill, Renata responded that reservations will be listed under encumbrances and expenditures as past commitments are paid from July/August.

As a side note, Leila stated that in reference to the Multicultural Festival, RCC was not fully charged by the production and equipment rental companies because they were notified of not needing their full services on Friday and they did not have to come out. Consequently, the RCC will not be charged anything for the sound engineering and substantially less for the equipment rentals. There will be a greater available balance reflected in September figures.

Renata continued her review with capital projects. She said that both capital projects and operating expenses show a reversal of expenditures. Accrual expenditures are anything that is related to June activities we had billing for but that was paid in July.

In response to a question from Cathy, Renata stated that there was an invoice in an amount of over \$300,000 in June that was received but was not paid. She said that by County standards, the accrual had to be processed to reflect the presence of the invoice. The accrual was processed in June, but the Department of Finance (DOF) did not reverse it until August. It should have been reversed in July.

A brief discussion ensued regarding the process by which projects are set up and approved and how funds are reallocated based on the table of the capital projects and their respective expenditures.

In response to a question from Beverly regarding the fire alarm system, Leila explained that the original idea was to have it included in the HVAC project, but that was changed when each project was given its own number to track related expenditures. Leila stated that it would be better to look at total capital expense figures because it will give the clearest picture of where things actually are if the desire is to get a sense of the "bottom line" on total spending versus total budget allocations. She further explained that the "priority one" projects refer to previously approved projects for renovations during FY09 at Hunters Woods/Lake Anne. She also indicated that moving lights will more than likely happen in December/January. She said that she hoped that everything else will close out within the next two to three months.

In response to a question from Bill, Leila responded that she anticipates there will still be a savings of \$300,000-\$400,000 for the natatorium, fire alarm and HVAC projects even with the added project

September 22, 2008 Finance Committee Report
Page 3

dimensions. She said that most of those savings come as a consequence of the Asil bidding coming in at around \$600,000 under budget. Leila added that the budget will still end up being significantly under budget overall for projects, even with adding the pool overlook redesign, the cabling, etc. that were discussed and approved last month.

There was a brief discussion on future projects – renovation of the dressing room bathrooms, community room renovation, etc. Leila stated that they are very pleased with Asil's performance and would prefer to have Asil bid on the new projects as opposed to simply handing the projects to County contractors.

In response to a question from Bill, Leila responded that due to some unanticipated problems, the October 1 date would probably not be met for the pool reopening. She requested that the responses to people inquiring should be that we will open as soon as is possible; she will provide a more firm pool reopening date when we have completed inspections and that information will be posted on the RCC website. RCC staff will be vacating HQ by October 31 regardless of the remaining punch list work that might still have to be done in the Hunters Woods building.

Review of FY2010 Budget Draft Documents

Leila provided copies of the draft Fund 111 agency budget document to committee members. She stated that she wanted them to be familiar with the changes being made to the narrative sections of the budget in order to better capture the true picture of how many people are served by RCC and in what kinds of efforts. She explained that prior year's budgets contained performance measures that were only those numbers obtainable from registered programming and not from the other "drop-in" or outreach activities and events. She pointed out that the document grids were unchanged from last year's document; that process is still underway. In response to questions from Bill P. and Cathy V., Renata indicated that there may be errors in numbers loaded by DMB, and Leila also expressed that she and Renata would clarify what the surprisingly large numbers listed under the merit position lists for each cost center mean. Cathy pointed out that there are some places in the narrative where the nomenclature for small district 5 is inconsistent.

Continuing through the document and accompanying memoranda, Leila explained that \$85,000 in the capital improvements budget for FY2010 includes funding \$30,000 for the replacement of the triangular section of the roof in the spa area and the \$55,000 discussed in the Public Hearing for an A/E study of the community room and a needs analysis for art studio related space as a result of the vagueness of the Community Survey results. Cathy and Bill noted that an explanatory note regarding the Taskforce impact possibly requiring changes at third quarter should be added in the Administration narrative section. Leila noted that the memorandum language would be edited to reflect "needs assessment and architectural and engineering studies."

[Colin left the meeting at 7:22 p.m.]

Other issues noted and added to both the memoranda and the budget initiatives narratives included results of the Community Relations and Program/Policy efforts and discussed at the Public Hearing. As a side note to the new program efforts already discussed, Leila mentioned the potential for RCC and RA to partner in delivering a web portal for families to use to learn about programs for middle and high school youth; how to participate if scholarships would be needed, and that part of the Latchkey Kid Initiative involved looking at ways to reduce the barriers of multiple forms requirements, transportation and language barriers.

September 22, 2008 Finance Committee Report
Page 4

This is another example of how the staff is working to connect the priorities the Board establishes for programs to the budget narrative and to the work being undertaken by the staff to establish an agency strategy map and the balanced scorecard efforts/projects to support that map. For the coming fiscal year, most of the efforts undertaken by the staff will relate to internal business processes, improving communication efforts, managing training and related resources so that recruitment and retention are bolstered—all of which should align with the external initiatives being discussed in the budget narrative. The current five-year strategic plan will conclude in this upcoming fiscal year, and the staff efforts are directed as well at being able to support the Board in developing the next iteration of its strategic plan.

MOTION: Cathy Vivona moved that the Finance Committee approve the FY2010 budget submission documents with corrections discussed. Beverly Cosham seconded. The motion passed unanimously.

There being no further business, the meeting adjourned at 7:34 p.m.

Reston Community Center
 Budget vs Actuals Worksheet
 Aug-08

100%/12*2mos=16.7%							
Beginning Fund Balance	\$ 9,266,814						
Est. Y-End Fund Balance	\$ 5,739,197						
Revenue	Budget FY09	July	Aug	ENCUMBR.	YTD	REMAINING BALANCE	YTD % actual
Administration	\$ 7,350,203	3,496,698	158,030		\$ 3,654,728	3,695,475	49.72%
Performing Arts-Theatre Admiss.	49,500	0			0	49,500	0.00%
PA Theatre Rental	20,900		314		314	20,587	1.50%
PA Cultural Activities/ Arts Org	0			(4,432)	(4,432)	4,432	0.00%
Aquatics Classes/drop-in	270,000	1,004	11,762		12,766	257,234	4.73%
Aquatic Rental	18,000		132		132	17,868	0.73%
General Programs Admin					0	0	0.00%
Teens	65,288	22,628	4,681		27,309	37,979	41.83%
Teens/ PAH	0				0	0	0.00%
Senior	49,298	4,860	9,268		14,128	35,170	28.66%
Youth	34,264	271	5,770		6,041	28,223	17.63%
Adult	128,838	3,770	37,626		41,395	87,443	32.13%
Community Events	5,000	1,000	377		1,377	3,623	27.54%
Camp Goodtimes	52,200	51,099	180		51,279	921	98.24%
Arts Education	101,890	41,306	22,369		63,675	38,215	62.49%
Total RCC Revenue	\$ 8,145,381	\$ 3,622,634	\$250,509	\$ (4,432)	\$ 3,868,712	\$ 4,276,669	47.50%

Personnel Expenses	Budget FY09	July	Aug	ENCUMBR.	YTD	REMAINING BALANCE	% Budget Used Ytd
Administration	486,635	16,926	23,902		40,828	445,807	8.39%
Board OG	5,764	135			135	5,629	2.34%
Booking	109,897	5,188	8,180		13,368	96,529	12.16%
Comptroller	302,284	15,314	18,545		33,859	268,425	11.20%
Customer Service	359,374	7,187	12,788		19,974	339,400	5.56%
Engineering	91,103	4,489	6,100		10,589	80,514	11.62%
Maintenance	269,473	16,338	24,400		40,739	228,734	15.12%
IT	102,483	4,913	7,095		12,008	90,475	11.72%
Media	160,971	8,343	9,361		17,703	143,268	11.00%
Performing Arts	418,860	18,406	19,764		38,170	380,690	9.11%
Aquatics	638,023	25,266	38,956		64,221	573,802	10.07%
General Programs Admin	96,027	4,422	5,924		10,347	85,680	10.77%
Teens	124,365	16,024	8,537		24,561	99,804	19.75%
Teens/ SOS					0	0	0.00%
Teens/ PAH					0	0	0.00%
Senior	138,576	6,001	7,825		13,826	124,750	9.98%
Youth	160,724	16,001	9,367		25,368	135,356	15.78%
Adult	152,053	5,909	8,904		14,813	137,240	9.74%
Community Events	157,564	3,260	10,423		13,683	143,881	8.68%
Camp Goodtimes	82,041	30,706	34,664		65,369	16,672	79.68%
Arts Education	247,729	26,900	44,409		71,309	176,420	28.78%
Total Personnel Expenses	\$ 4,103,946	\$ 231,726	\$299,144	\$ -	\$ 530,869	\$ 3,573,077	12.94%

Operational Expenses	Budget FY09	July	Aug	ENCUMBR.	YTD	REMAINING BALANCE	% Budget Used Ytd
Administration	490,925	1,725	10,687	384,288	396,699	94,226	80.81%
Board	38,150	366	176	4,500	5,042	33,108	13.22%
Booking	49,603	40	6,465	5,719	12,223	37,379	24.64%
Comptroller	450,707	19,902	13,563	179,107	212,572	238,135	47.16%
Customer Service	0				-	0	0.00%
Facility Engineer	117,633	2,818		21,019	23,836	93,796	20.26%
Maintenance	290,515	6,530	6,090	24,040	36,659	253,855	12.62%
IT	147,386	190	495	4,425	5,110	142,276	3.47%
Media	294,886	1,036	6,191	48,793	56,020	238,867	19.00%
Performing Arts	346,210	1,375		2,640	4,015	342,195	1.16%
Aquatics	98,728	1,503	6,466	3,578	11,547	87,181	11.70%
General Programs Admin	5,100				-	5,100	0.00%
Teens	129,783	24,361	3,444	4,469	32,274	97,509	24.87%
Teens/SOS					-	0	0.00%
Teens/PAH					-	0	0.00%
Senior	102,395	6,621	5,868	17,562	30,051	72,344	29.35%
Youth	31,065	656	3,559	2,665	6,880	24,185	22.15%
Adult	153,816	(6,856)	19,018	57,630	69,793	84,023	45.37%
Community Events	81,882	21,405	19,209	23,398	64,013	17,869	78.18%
Camp Goodtimes	31,960	6,643	4,921	150	11,714	20,246	36.65%
Arts Education	100,703	9,516	12,098	6,445	28,059	72,644	27.86%
Total Operational Expenses	\$ 2,961,447	\$ 97,831	\$118,248	\$ 790,429	\$1,006,508	\$ 1,954,939	33.99%

Capital Proj. Expenses	Budget FY09	July	Aug	ENCUMBR.	YTD	REMAINING BALANCE	% Budget Used Ytd
Administration	\$ 3,554,133	6,766	29,203	\$ 84,905	\$ 601,266	\$ 2,952,867	16.92%
HVAC Upgrade 003717.1	\$ 2,232,889	363,198	178,081	\$ 1,171,246	1,712,525	\$ 520,364	76.70%
Natatorium 003717.2	\$ 1,762,123	222,930	(219,775)	\$ 879,524	882,679	\$ 879,444	50.09%
Theatre Rigging 003717.3	\$ 110,105	0		\$ 164,574	164,574	\$ (54,469)	149.47%
Fire Alarm Repl. 003717.8	\$ (10,660)			\$ 177,383	177,383	\$ (188,043)	-1664.01%
Lockers Repl. 003717.4	\$ 222,500				0	\$ 222,500	0.00%
HW LA Priority 1 003717.5	282,000				0	282,000	0.00%
Moving Lights 003717.6	39,540				0	39,540	
					0		
Total Capital Expenses	\$ 4,638,497	\$ 586,128	\$(41,694)	\$ 2,392,727	\$2,937,161	\$ 1,701,336	63.32%

Total RCC Expenditures	\$ 11,703,890	\$ 915,684	\$375,698	\$ 3,183,156	\$4,474,538	\$ 7,229,352	38.23%
-------------------------------	----------------------	-------------------	------------------	---------------------	--------------------	---------------------	---------------



MEMORANDUM

DATE: October 28, 2008
TO: RCC Board of Governors
FROM: Bill Penniman, Chair
Finance Committee
SUBJECT: October 27, 2008 Finance Committee Report

The Finance Committee met on Monday, October 27, 2008. Present were:

- Bill Penniman, Finance Committee Chair
- Beverly Cosham
- Colin Mills
- Cathy Vivona

Attending from the RCC staff was:

- Leila Gordon, Executive Director
- Renata Wojcicki, Director of Finance

The Finance Committee Chair officially called the meeting to order at 6:10 p.m.

September Financials: Renata reviewed the September financials with committee members. (See attached.) She reported that the first quarter of 2009 is complete. Overall collection of revenue for tax, interest and attendance fees equaled \$72,948 for the month which is significantly lower than what was seen in August. The major difference is in tax revenue and interest. Renata drew the committee's attention to 2008 figures associated with arts organizations in which she said that the processing of those payments were delayed and that is why they appeared on the current report.

In response to questions from Cathy, Renata responded that Cathy was correct in her assumption that tax revenue comes in through administration. Renata also stated that the majority of tax revenue typically comes in the month of July and December; however, some fees will come in each month. She said that the RCC only sees revenue from taxes that are actually paid to the County. She further said that during the past two years, the County estimated the revenue and booked it based on assessments rather than on receivables – that has now been changed. If the County does not collect, the RCC will not receive credit. Renata also answered that most of the revenue for administration for the months of August and September derives from rentals. Leila added that the only revenue that will be seen in admin will either be stray payments that are tax/interest payments as they are collected or rental revenue. It is a combined figure and is not broken out by facility, rental, taxes and interests on the summary sheet.

October 27, 2008 Finance Committee Report
Page 2

Renata broke down the figures as follows: \$12,493 for tax revenue, \$24,646 for interest, \$4,629 for rental facilities.

Renata reported that personnel expenditures at the end of the quarter are lower than expected. She said that it should be at 25%. She explained that RCC is usually on target or a little ahead this time of the year because camps have taken place and camps draw budgets for many of the departments ahead of time; therefore, there is no "trickle in" effect as would be with all other expenditures. Renata further explained that there were three payrolls in August, so the numbers were a bit higher in August than they were in September and payments for camps that were made in the summer also impacted August figures.

In response to a question from Bill, Renata responded that in general, we are well within budget limits for personnel. Leila added that personnel is considerably under budget largely because of vacancies.

Moving to operational expenditures, Renata reported that the RCC has been procuring in terms of supplies and services for the entire year; contracts have been coming in and everything is processed in full. There is still a large encumbrance under administration that serves as a marker for all departments for items under contract, whether they are services or supplies. Renata further stated that they are on target and numbers will reduce as the expenditures actually take place (move from encumbrances to expended.)

In response to a question from Cathy, Leila responded that the facilities that housed the "On the Road" activities are captured in operational expenses if they have been paid; however some are still pending. She further responded that resolution of project budgets and expenditures made that were directly attributable to capital projects will be reviewed to see whether or not it is prudent to move them within the capital projects budget or not. All expenses and related activities will be reported so that at the end of the process, there is a clear picture of what was spent on projects and rental expenses and what was saved in personnel or operating expenses. Leila stated that based on her information to date, the RCC will still be in a situation where overall, we will come in under budget. She further stated that although it is a complicated process, it is important to keep in mind that the Regus lease, the rental expenses for furniture that are related to housing people at HW and for housing people while the project in the back of the building is completed, have not been concluded. Leila said that she hopes that by the November Finance meeting, there should be a better picture of what the capital costs were; what related expenses were; what related savings realized are and what the one time only kinds of issues are.

In response to a question from Bill, Renata responded that the majority of encumbrances seen under administration relates to other departments.

Under encumbrances, Renata reported that as of September, there is \$1.4M in encumbrances that relate to all projects. She expects that within the next couple of months, there will be payouts for work completed and if there are any outstanding issues that need to be addressed, it is where money will be retained until they are resolved.

In response to Cathy's question, Renata explained that the necessity of processing budget entries was touched on last month. Entries were done in August but it were not approved until last week by the Department of Management and Budget (DMB.) Corrections will appear on next month's summary sheets. She explained that funding for the fire alarm replacement project, the theatre rigging project, and the theatre rest rooms/change rooms, etc. was based on the approval of the Finance Committee and will also be reflected next month.

Update on Fairfax County Budget/Impact on RCC/RCC Plans: Leila stated that the County has already issued instructions in FY09 to reduce personnel budgets in every County agency. The RCC will

October 27, 2008 Finance Committee Report
Page 3

comply with those instructions and now stands at a 9% reduction of personnel expenses for FY09 according to DMB directives. She further stated that in addition to that, the County is instituting a furlough day for all County employees in FY09. The RCC will also comply with that as much as possible and, to the extent that it is possible, with both merit and exempt employees. Leila explained that the intent of the County's furlough day not just applied to merit staff; however, when the County thinks of exempt employees, their thinking is that the vast majority of exempt employees in general fund agencies are performing regular schedules of administrative or regularly or routinely done work at the level of 10-20 hours per week. She further explained that a great majority of RCC exempt category do not work a fixed schedule of 10-20 hours per week; they teach a class and then leave. Therefore, the RCC's senior management staff and program management staff will meet on November 4th to discuss the following:

- How to segregate, within the RCC exempt category, between direct service providers and support functions
- To what degree it would be prudent to have some prorated impact on exempt staff hours for that January pay period to comply with the County's mandated furlough.
- To move towards a true flat line budget for 09/10. It will be looked at from the perspective of how can the RCC economize and reduce and trim expenditures without sacrificing planned program delivery and services.

Leila further explained that she had spoken to Verdia Haywood, Deputy County Executive, about the likelihood of the RCC opting out of the way the County is approaching the furlough day which is to close all County facilities that are non essential (non public safety or public health related) facilities for that January 2 date – employees would work 32 hours, deliver services for 32 hours and be paid for 32 hours. She said that several agencies are not going to be required to comply with that; however, Leila stated that she feels that the RCC should deliver services because the RCC has the means to support delivery of those services. She intends to close the Lake Anne facility and consolidate what will be done on January 2 into the Hunters Woods facility and then treat January 2 as a holiday would be treated for the Lake Anne facility. There will be an explanation in the Winter/Spring program guide of what is taking place. Leila further stated that there is a huge rental event on January 2 and she does not feel it appropriate to cancel the event. Leila also stated that while it is important to comply with County personnel directives for the majority of the RCC workforce, it should not be done at the expense of the community or patrons when there really is no financial reason to do so within the confines of the RCC budget.

In response to a question from Bill, Leila stated that the rental event is a private, social rental event that was scheduled months in advance.

Leila continued that the County needs to have a real savings from the furlough day - which they predict will be between \$1.5 - \$2 million for that day – but they also need to demonstrate that they are taking the financial climate seriously and that employees are going to shoulder their fair share of sacrifices.

Leila informed the committee that the RCC typically runs under budget, cumulatively, through the course of a fiscal year and she said that there is no evidence to suggest that 2009 would be any different. Leila believes that the savings that the RCC will realize out of capital projects will be sufficient to cover added or related expenditures. It will also likely absorb the loss in revenue that reduced operations during that period of time created.

Leila further explained that the RCC usually returns to the managed reserve somewhere between 10-15% annually at the end of the year. She said for FY10, the County is asking every County agency to explain to them how they will reduce their budgets by 15% and ways they can go into FY10 and offset some of what they project to be a roughly \$500 million shortfall in the General Fund. Leila also stated the RCC will not be so constrained and has not had to present that set of cuts to the County - sub funds are exempted from that presentation process to the BOS. She said that it is going to be relatively

October 27, 2008 Finance Committee Report
Page 4

straight forward for the RCC to look at planning for FY09 programs, service, delivery and costs to trim wherever things can be trimmed and to look at FY10 as potentially very lean in terms of revenue growth.

Leila alerted the Board to the things that she feels may potentially interfere with being able to realize those savings: the cumulative impact of the closed period (although she said she did not expect that to net on the plus side of expenses, but rather she expects to see some cushion) and the unanticipated issue regarding information from DHR which states that the IRS will not allow the RCC to treat content providers who deliver instruction beyond a couple of weeks, as independent contractors. She further stated that delivery of instructional programs must be treated across the board as employee delivered services. In financial terms, she stated that means that the RCC will have to examine among contract instructors, what the pay rates are and how those pay rates impact the personnel budget. Leila said that program directors have been asked to deliver to Renata their spreadsheets of all of their independent contractors, their pay rates and past impact to character 30. Money will be moved from character 30 to 20 to offset, but it is not likely, she said, to be a net zero – it is likely to be a net increase in expense in personnel because of the change in their status.

In response to a question from Cathy, Leila responded that the only benefit and expense to the agency in reference to exempt employees is that the County will pay 50% of the FICA and the contribution to Workmen's Compensation, which is based on the number of hours worked. A brief discussion ensued regarding benefits and how it may possibly impact the personnel and operating budget.

In terms of revenue fall off, Leila stated that the most dramatic revenue fall off is in interest, which is substantial and will continue to be substantial; however, enrollment/participation numbers as a percentage of capacity are going up and revenue will meet targets in all likelihood for offerings. Leila foresees that the trend will be that, as the economy tightens, enrollment and participation will continue to go up.

Finally, Leila stated that there may be opportunities to support things in SD5 that other agencies by virtue of having to go through the 15% cuts, will have to excise from their budgets or will have to forego offering. Leila stated that she feels that as long as the RCC continues to see the financial markers stable and supportive of the RCC position to the degree that the RCC can step in and offset some of those losses to the community, or that the RCC sees that there are opportunities to expand program delivery to other locations, the RCC should take advantage of those opportunities if there is confidence that there will be no financial distress.

Bill P. noted that the RCC could end up facing a trade-off between additional current expenditures and trying to fund a new sports facility because it would be easier to sell the sports facility if we could stay within RCC's current tax rate than if taxes had to be raised. Leila indicated that the timelines for both are such that the RCC may be able to (in the short term) shore up and support the community in unusual ways. She also said that as the time draws closer to the time when bonds might be issued and the time to fund and operate a new facility draws closer, the economy may take a turn and then there would be the possibility to either hand back or to absorb both. Bill P. stated that the reserves may be the down payment for the new facility so we need to proceed carefully.

There being no further discussion, the meeting adjourned at 6:35 p.m.

Reston Community
Center
Budget vs Actuals
Worksheet
Sep-08

100%/12*3mos=24.99%							
Beginning Fund Balance	\$ 9,266,814						
Est. Y-End Fund Balance	\$ 5,739,197						
Revenue	Budget FY09	Aug	Sept	ENCUMBR	YTD	REMAINING BALANCE	YTD % actual
Administration	\$ 7,350,203	158,030	41,995		\$ 3,696,723	3,653,480	50.29%
Performing Arts-Theatre Admiss.	49,500		21,036		21,036	28,464	42.50%
PA Theatre Rental	20,900	314			314	20,587	1.50%
PA Cultural Activities/ Arts Org	0			(4,432)	(4,432)	4,432	0.00%
Aquatics Classes/drop-in	270,000	11,762	1,234		14,000	256,000	5.19%
Aquatic Rental	18,000	132			132	17,868	0.73%
General Programs Admin					0	0	0.00%
Teens	65,288	4,681	1,691		29,000	36,288	44.42%
Senior	49,298	9,268	769		14,897	34,401	30.22%
Youth	34,264	5,770	1,580		7,621	26,643	22.24%
Adult	128,838	37,626	3,046		44,441	84,397	34.49%
Community Events	5,000	377	(1,143)		234	4,766	4.68%
Camp Goodtimes	52,200	180			51,279	921	98.24%
Arts Education	101,890	22,369	2,740		66,415	35,475	65.18%
Total RCC Revenue	\$ 8,145,381	\$ 250,509	\$ 72,948	\$ (4,432)	\$ 3,941,659	\$ 4,203,722	48.39%

Personnel Expenses	Budget FY09	Aug	Sept	ENCUMBR	YTD	REMAINING BALANCE	% Budget Used Ytd
Administration	486,635	23,902	24,455		65,283	421,352	13.42%
Board OG	5,764				135	5,629	2.34%
Booking	109,897	8,180	8,589		21,957	87,940	19.98%
Comptroller	302,284	18,545	19,709		53,568	248,716	17.72%
Customer Service	359,374	12,788	12,449		32,424	326,950	9.02%
Engineering	91,103	6,100	6,445		17,033	74,070	18.70%
Maintenance	269,473	24,400	24,986		65,725	203,748	24.39%
IT	102,483	7,095	7,106		19,114	83,369	18.65%
Media	160,971	9,361	15,888		33,591	127,380	20.87%
Performing Arts	418,860	19,764	14,031		52,200	366,660	12.46%
Aquatics	638,023	38,956	31,309		95,531	542,492	14.97%
General Programs Admin	96,027	5,924	6,136		16,483	79,544	17.16%
Teens	124,365	8,537	6,318		30,879	93,486	24.83%
Senior	138,576	7,825	6,534		20,360	118,216	14.69%
Youth	160,724	9,367	5,235		30,602	130,122	19.04%
Adult	152,053	8,904	8,024		22,837	129,216	15.02%
Community Events	157,564	10,423	12,109		25,792	131,772	16.37%
Camp Goodtimes	82,041	34,664	45		65,414	16,627	79.73%
Arts Education	247,729	44,409	11,130		82,439	165,290	33.28%
Total Personnel Expenses	\$ 4,103,946	\$ 299,144	\$ 220,497	\$ -	\$ 751,366	\$ 3,352,580	18.31%

Operational Expenses	Budget FY09	Aug	Sept	ENCUMBR.	YTD	REMAINING BALANCE	% Budget Used Ytd
Administration	389,844	10,687	12,340	398,594	423,345	(33,501)	108.59%
Board	38,150	176	723	4,500	5,765	32,385	15.11%
Booking	70,347	6,465	99	7,461	14,064	56,283	19.99%
Comptroller	456,501	13,563	16,527	163,849	213,841	242,660	46.84%
Customer Service	4,825				-	4,825	0.00%
Facility Engineer	86,539			21,019	23,836	62,703	27.54%
Maintenance	342,966	6,090	10,891	19,484	42,994	299,972	12.54%
IT	176,413	495	2,500	3,975	7,160	169,253	4.06%
Media	293,947	6,191	53,645	47,401	108,272	185,674	36.83%
Performing Arts	351,410	0	33,622	7,626	42,623	308,787	12.13%
Aquatics	95,150	6,466	3,428	4,848	16,245	78,905	17.07%
General Programs Admin	5,100		225		225	4,875	4.41%
Teens	128,983	3,444	20,382	12,561	60,748	68,235	47.10%
Senior	99,002	5,868	4,010	23,976	40,474	58,527	40.88%
Youth	42,814	3,559	1,388	5,715	11,318	31,496	26.44%
Adult	134,084	19,018	5,483	78,687	96,333	37,752	71.84%
Community Events	81,818	19,209	11,200	32	51,847	29,970	63.37%
Camp Goodtimes	31,960	4,921	12,766	0	24,330	7,630	76.13%
Arts Education	100,703	12,098	(4,281)	16,308	33,641	67,062	33.41%
Total Operational Expenses	\$ 2,930,555	\$ 118,248	\$ 184,947	\$ 816,035	\$ 1,217,060	\$ 1,713,495	41.53%

Capital Proj. Expenses	Budget FY09	Aug	Sept	ENCUMBR.	YTD	REMAINING BALANCE	% Budget Used Ytd
HVAC Upgrade 003717.1	\$ 2,232,889	178,081	644,689	\$ 526,556	1,712,525	\$ 520,364	76.70%
Natorium 003717.2	\$ 1,762,123	(219,775)	373,811	\$ 571,643	948,609	\$ 813,514	53.83%
Theatre Rigging 003717.3	\$ 110,105		13,454	\$ 151,120	164,574	\$ (54,469)	149.47%
Fire Alarm Repl. 003717.8	\$ (10,660)			\$ 177,383	177,383	\$ (188,043)	-1664.01%
Lockers Repl. 003717.4	\$ 222,500				0	\$ 222,500	0.00%
HW LA Priority 1 003717.5	282,000				0	282,000	0.00%
Moving Lights 003717.6	39,540				0	39,540	
					0		
Total Capital Expenses	\$ 4,638,497	\$ (41,694)	\$ 1,031,954	\$ 1,426,703	\$ 3,003,091	\$ 1,635,406	64.74%

Total RCC Expenditures	\$ 11,672,998	\$ 375,698	\$ 1,437,398	\$ 2,242,737	\$ 4,971,517	\$ 6,701,480	42.59%
-------------------------------	----------------------	-------------------	---------------------	---------------------	---------------------	---------------------	---------------