

BIG SAVINGS IF RA AND RCC GET TOGETHER

By William Nicoson

“Hey, we’re in the same business. Maybe if we work closer together, we can cut costs and save money.” –Apocryphal comment by RCC to RA reported last week.

Reston Association and Reston Community Center are very much in the same business. They are respectively the out-of-doors and in-doors divisions of a mythical Recreation and Parks Authority for a place called Reston. But, being entirely separate, they duplicate both program and administrative costs which would be substantially reduced in joint operations.

For example, RA manages 14 outdoor pools and one envelope-enclosed pool open year-round. RCC manages one inside pool open year-round. RA’s 1999 operating budget for 15 pools is \$894,000, compared to RCC’s budget for one pool of \$375,000. Wow! Comment 1: this discrepancy is beyond weird. Comment 2: managers of RA and RCC should review pool operations together to consider how joint operations in one form or another might reduce costs. Annual savings here might easily run to \$200,000.

Other comparable costs for general programs are budgeted at \$331,000 by RA and \$563,000 by RCC. Both have staff for special events, for senior programs and camp administration. Joint operations here might save another \$200,000.

Imagine the convenience of one-stop shopping for both pool passes and theater tickets. Convenience is the small part of it. The cost of front desk, computer, communications and other administrative operations is budgeted by RA and RCC respectively at \$1.6 and \$1.8 million. The savings from combining administrative operations, spreading costs and overhead over the activities of both organizations, would yield substantial economies of scale. My guess: easily \$600,000 in savings from joint administration.

Adding it up so far, Restonians could be saved a cool \$1 million.

Now suppose RA could use RCC’s tax district to finance most of its activities instead of the present assessment. RA’s finance costs would fall by the several hundred thousand dollars now needed for assessment collection procedures. But that’s just a minor advantage compared to the reduction by 59% in the residential burden required to support RA through use of a tax district rather than assessments. Of course the major operational savings discussed here would further reduce the burden for residents and businesses alike within the tax district.

RA and RCC have things to discuss.

William Nicoson is a former director and fiscal committee chairman of RA and a former publisher of Connection Newspapers.

