



MEMORANDUM

To: CRA Board
From: Gardy Laurent
Director of Finance and Operations
Date: May 15, 2024
Subject: Foundry supplemental budget for Sunday opening

FOUNDRY SUPPLEMENTAL BUDGET

The Foundry Advisory Committee (FAC) advises the Cambridge Redevelopment Authority (CRA) on the type of uses to be fostered at the Foundry and provides recommendations based on community needs. The FAC annual report presented in November 2023 highlights a need to open on Sundays in addition to Monday through Saturday operations. The report recommends finding ways to sustainably replenish the CRA's operating reserves that were drawn down to fund operating cost increases. In response to these recommendations, the CRA has been working closely with the Foundry Consortium (FC) on Sunday opening and understanding budget and personnel impacts.

The CRA in December 2023, adopted a \$1.6 million budget for the Foundry. The budget included the Foundry Consortium (FC) operator support of \$645,000 to cover staff, maintenance, and administrative costs to operate. Currently, the space is open Monday – Saturday and occasionally on Sundays for special requests. The Foundry Consortium plans to open on Sundays moving forward starting July 2024. Their budget was adjusted to account for the hiring of two staff and outsourcing their bookkeeping function instead of backfilling their Finance Manager position. This plan results in approximately \$60,000 needed to achieve their goal. Based on the FC analysis, this expansion will yield higher program revenue for space rental and ticket sales, which will lower the CRA's support obligations for future years. The Foundry Consortium fiscal year runs from July 1st through June 30th, whereas the CRA uses a calendar fiscal year. The FC supplemental budget would be reflected in the CRA's current 2024 fiscal year. It is projected that the CRA's Foundry Operator Support budget will be reduced to \$600,000 in fiscal year 2025 due to higher projected revenue allowing the CRA to fund its building operating/capital reserves.

Draft Motion: Approving an amendment to the Foundry Budget for 2024 to provide additional financial support from the Foundry Operating Reserve to the Foundry Consortium to administer Sunday operations beginning in their new fiscal year in July in the amount of sixty thousand dollars (\$60,000).



2024 Foundry Operating Budget - DRAFT

Category	2023 Budget	2023 Actuals	2024 Approved	2024 Revised Budget	Proposed	Delta	2025 Projected	
Sources								
Office Rents								
Leased	\$ 591,977	\$ 740,215	\$ 1,102,125	\$ 1,102,125	\$ 1,102,125	\$ -	\$ 1,120,000	
On Market	\$ 233,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Vacancy	\$ (24,767)	\$ -	\$ (26,950)	\$ (26,950)	\$ (26,950)	\$ -	\$ -	
Total Rental Income	\$ 825,555	\$ 740,215	\$ 1,075,175	\$ 1,075,175	\$ 1,075,175	\$ -	\$ 1,120,000	<i>Total</i>
Reimbursement								
MOU Capital Savings	\$ 200,000	\$ -	\$ 150,000	\$ 200,000	\$ 200,000	\$ 50,000	\$ -	<i>Capital Savings from City</i>
Community Electricity	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	<i>From City for Community Space</i>
Total Reimbursements	\$ 250,000	\$ 50,000	\$ 200,000	\$ 250,000	\$ 250,000	\$ 50,000	\$ 50,000	
Total CRA Income	\$ 1,075,555	\$ 790,215	\$ 1,275,175	\$ 1,325,175	\$ 1,325,175	\$ 50,000	\$ 1,170,000	

Uses								
Direct								
Electricity	\$ 56,000	\$ 102,013	\$ 80,000	\$ 80,000	\$ 80,000	\$ -	\$ 80,000	<i>Community space</i>
Taxes	\$ 172,000	\$ 136,252	\$ 181,216	\$ 148,816	\$ 83,529	\$ (97,687)	\$ 83,529	<i>After abatement</i>
Insurance	\$ 25,000	\$ 49,641	\$ 64,000	\$ 64,000	\$ 64,000	\$ -	\$ 65,000	<i>7/29/23-7/29/24</i>
3rd Floor Commission	\$ 81,000	\$ 25,627	\$ 45,000	\$ 43,950	\$ 20,000	\$ (25,000)	\$ -	<i>LMIT Space</i>
CRA Staff Expenses	\$ 30,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ 25,000	
Financial Services Charge	\$ -	\$ -	\$ -	\$ 50	\$ 50	\$ 50	\$ -	
Supplies	\$ -	\$ -	\$ -	\$ 1,000	\$ 600	\$ 600	\$ -	
Legal	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	
Solar Work	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ -	
Construction Management (OPM)	\$ -	\$ -	\$ -	\$ 32,400	\$ 32,400	\$ 32,400	\$ -	
Capital Budget for Architect	\$ -	\$ -	\$ 30,000	\$ 20,320	\$ 15,000	\$ (15,000)	\$ -	
Major Capital Improvements	\$ -	\$ -	\$ 300,000	\$ 589,680	\$ 589,680	\$ 289,680	\$ -	<i>Office subdivision (as of 4/12/24)</i>
Capital Improvement Grant Match	\$ -	\$ -	\$ 90,000	\$ 90,000	\$ 65,000	\$ (25,000)	\$ 15,000	
Tenant Improvements	\$ -	\$ 150,000	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 10,000	<i>Other</i>
Sub-Total	\$ 364,000	\$ 463,533	\$ 870,216	\$ 1,150,216	\$ 1,055,259	\$ 185,043	\$ 283,529	
Consortium								
Standard Facilities & Operations	\$ 644,632	\$ 644,632	\$ 775,000	\$ 495,000	\$ 645,000	\$ (130,000)	\$ 600,000	<i>Included in original 2024 budget (It was assumption but insufficient)</i>
Sunday Operation			\$ -	\$ -	\$ 55,000	\$ 55,000		
Sub-Total	\$ 644,632	\$ 644,632	\$ 775,000	\$ 495,000	\$ 700,000	\$ (75,000)	\$ 600,000	<i>Total Payment to Foundry Consortium</i>
Total Operation Expenses	\$ 1,008,632	\$ 1,108,165	\$ 1,645,216	\$ 1,645,216	\$ 1,755,259	\$ 110,043	\$ 883,529	

Surplus/Deficit								
Net Income/Deficit	\$ 66,923	\$ (317,950)	\$ (370,041)		\$ (430,084)	\$ (60,043)	\$ 286,471	<i>Originally started at \$2,000,000</i>
Support from Operating Reserve	\$ -	\$ 317,950	\$ 370,041		\$ 430,084	\$ 60,043	\$ -	
Investment from Capital Reserve	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Amount added to Capital Reserve	\$ 66,923	\$ -	\$ -		\$ -	\$ -	\$ 286,471	
Amount Added to Operating Reserve	\$ -	\$ -	\$ (370,041)		\$ (430,084)	\$ (60,043)	\$ -	
Capital Reserve Balance	\$ 67,935	\$ 1,012	\$ 1,012		\$ 1,012	\$ -	\$ 287,482	
Operating Reserve Balance	\$ 1,690,285	\$ 1,320,244			\$ 1,260,200	\$ (60,043)	\$ 1,260,200	
CR 2024 Starting Balance	\$ 1,012							
OR 2023 Starting Balance	\$ 1,690,285							