



September 4, 2020

To: Columbia Association Board of Directors
(E-mail: Board.Members.FY21@ColumbiaAssociation.org)
CA Management

From: Andrew C. Stack, Board Chair

The Columbia Association Board of Directors Virtual Work Session will be held on Thursday, September 10, 2020 at 7:00 p.m.

AGENDA

	5 min.	Page Nos.
1. Call to Order		
(a) Announce the procedures being used to conduct the virtual work session		
(b) Roll Call to determine Directors/senior staff in attendance		
(c) Announce that both audio and video of the work session are being broadcast. Anyone using the link on CA's website will be able to see and hear the proceedings.		
2. Approval of Agenda	1 min.	
3. Verbal Resident Speakout will be available to individuals who submitted the Resident Speakout form on CA's website by the specified due date. Residents may also send written comments to CA's Board of Directors at Board.Members.FY21@columbiaassociation.org . Please note that, due to time constraints, it may be necessary to limit the number of people at Verbal Resident Speakout.		
4. Work Session Topics	145 min.	
(a) Easement Request – Water Main Connection–Swan Point Place and Cradlerock Way	(10 min.)	3 - 7
(b) Capital Projects and Open Space Updates	(10 min.)	8 – 24
(c) Pre-filed State Legislation	(5 min.)	25
(d) Discussion of the Most Recent Development Tracker	(10 min.)	26 – 36
(e) Policy on e-scooters	(10 min.)	37
(f) Status Report on the Fiscal Year 2021 Operating Budget	(10 min.)	38 – 48
(g) Village Financials Update	(30 min.)	49 – 64
(h) Fiscal Year 2022 Budget Discussion	(30 min.)	
• Parameters for operating and capital budgets		65 – 67
• Annual Charge rate and cap		68 – 71
(i) Guidance on FY 2022 Membership Rates	(20 min.)	72 – 76
(j) Discussion re: Parameters for a new Reserve Fund	(30 min.)	77 – 79
5. Chairman's Remarks	3 min.	80
6. President's Remarks; Follow-Up Questions from the Board Members	5 min.	
7. Proposed New Topics	5 min.	
8. Adjournment – Anticipated Ending Time: Approximately 10:30 p.m.		

Next Scheduled Virtual New Town Visioning and Planning Workshop
Thursday, September 22, 2020 – 7:00 p.m.

Next Scheduled Virtual Board Meeting
Thursday, September 24, 2020 – 7:00 p.m.

CA Mission Statement

Engage our diverse community, cultivate a unique sense of place, and enhance quality of life

CA Vision Statement

CA creates and supports solutions to meet the evolving needs of a dynamic and inclusive community.



Easement Request Form

Date: 8/18/2020

Easement Grantee: HOWARD COUNTY, MARYLAND (the "Grantee")

Project Name: Swan Point Water Easement W-8324

Proposed Easement Location:

Swan Point Place and Cradlerock Way (See Vicinity Map)

Purpose of Proposed Easement:

Water Main Connection

Alternatives to Proposed Easement:

There is an existing water main in an easement on Lot 287 that the County must get to an make a connection. The alternative is to not build the connection which would compromise the integrity of the public water system in the vicinity and leave the residents served by the main without service in the event of a water main break.

Briefly describe who will be impacted and how they will be impacted:

The local Owen Brown residents and the neighborhood of Swan Point will benefit with a redundant water main system that provides integrity of service and increased pressure in the system. There is no impact beyond the disturbance during the construction.

Additional Notes:

The easement area is proposed in the narrow open space strip Cradelrock Way at the Swan Point Way entrance. It is not a pristine open space and on CA facilities will be impacted. HC saved two trees at CA's request and will replace the two trees removed from construction in a location proposed by CA.

Contact Information

Name: Al Edwards
E-mail: albert.edwards@columbiaassociation.org
Phone #: 410.381.3551



Vicinity Map
Swan Point at Lake Elkhorn
County Water Main Extension W-8324

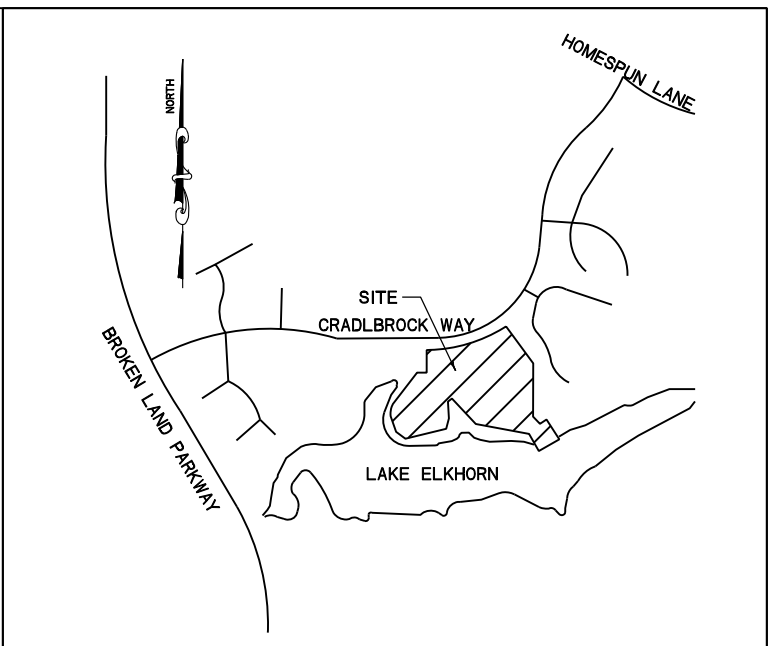
REVISION	DESCRIPTION	DATE

NOTE: THIS SURVEY IS BASED ON
HOWARD COUNTY CONTROL STATION
NO. 0016
N 550279.975
E 1057299.021
PROJECTED BY GPS
TO MD. S.H.A. STANDARDS



COLUMBIA ASSOCIATION, INC. LIBER 1742, FOLIO 039			
1	S 72°02'00" E	27.74'	
2	S 82°43'54" E	20.26'	
3	R = 876.00'	L=14.65'	
	S 54°12'07" W	14.65'	
4	N 82°43'54" W	10.49'	
5	N 72°02'00" W	27.50'	
6	S 62°59'03" W	97.52'	
7	S 18°04'20" W	12.27'	
8	S 26°56'34" E	39.84'	
9	R = 890.00'	L=10.00'	
	CHD. S 63°49'00" W	10.00'	
10	N 26°56'34" W	49.92'	
	R = 840.00'	L=122.70'	
11	CHD. N 60°00'56" E	122.59'	
TEMPORARY CONSTRUCTION EASEMENT AREA 2 1,324 SQ. FT. OR 0.030 ACRES± SHOWN THUS:			

TM 36, PARCEL 427
FLEUR ASSOCIATES LLC
L. 11295 F. 665
PLAT 3718, PARCEL B-1



VICINITY MAP
SCALE: 1" = 1000'

COLUMBIA ASSOCIATION, INC. LIBER 1742, FOLIO 039			
1	N 82°43'54" W	11.13'	
2	N 72°02'00" W	21.10'	
3	S 62°59'03" W	77.95'	
4	S 26°56'34" E	28.45'	
5	R = 890.00'	L=20.00'	
	CHD. S 62°51'03" W	20.00'	
6	N 26°56'34" W	39.84'	
7	N 18°04'20" E	12.27'	
8	N 62°59'03" E	97.52'	
9	S 72°02'00" E	27.50'	
10	S 82°43'54" E	10.49'	
	R = 876.00'	L=14.21'	
11	S 55°08'44" W	14.21'	
12	S 34°23'22" E	14.01'	
20' PUBLIC WATER AND UTILITY EASEMENT AREA 3,177 SQ. FT. OR 0.073 ACRES± SHOWN THUS:			

COLUMBIA ASSOCIATION, INC.
LOT 287, PLAT 4334
L. 1742, F. 039

LINE OF DIVISION

SANITARY SEWER
WATER MAIN EASEMENTS
PLAT 4147

WATER & SEWER HOUSE
CONNECTION EASEMENTS
PLAT 4257

6TH EXPANSION CONDOMINIUM PLAT
SWAN POINT AT LAKE
ELKHORN CONDOMINIUM
PLAT 5121
SECTION 10

COLUMBIA ASSOCIATION, INC. LIBER 1742, FOLIO 039			
1	R = 890.00'	L=15.34'	
	CHD. S 56°06'27" W	15.34'	
2	N 72°02'00" W	18.42'	
3	S 62°59'03" W	63.82'	
4	S 26°56'34" E	18.26'	
5	R = 890.00'	L=10.00'	
	CHD. S 61°53'07" W	10.00'	
6	N 26°56'34" W	28.45'	
7	N 62°59'03" E	77.95'	
8	S 72°02'00" E	21.10'	
9	S 82°43'54" E	11.13'	
TEMPORARY CONSTRUCTION EASEMENT AREA 1 1,197 SQ. FT. OR 0.027 ACRES± SHOWN THUS:			

8TH EXPANSION CONDOMINIUM PLAT
SWAN POINT AT LAKE
ELKHORN CONDOMINIUM
SECTION 7 & 9
PLAT 5817
SECTION 2

50' 0 50' 100'
SCALE: 1" = 50'



17830 NEW HAMPSHIRE AVE.
SUITE 200
ASHTON, MD 20861
301-260-0090

THE RIGHT OF WAY LINES AND LINES OF DIVISION
SHOWN HEREON ARE BASED ON A FIELD RUN SURVEY
BY MERCADO CONSULTANTS, INC., COMPLETED
AUGUST, 2016.
THIS PLAT WAS PREPARED BY ME, A LICENSED
PROFESSIONAL LAND SURVEYOR, MARYLAND
REG. NO. 508.
THIS PLAT MEETS ALL REQUIREMENTS OF THE
ANNOTATED CODE OF MARYLAND, TITLE 09,
CHAPTER 06, MINIMUM STANDARDS OF PRACTICE.

MARK A. BUSCH
PROF. LAND SURVEYOR NO. 508
LICENSE EXPIRES 07/15/2019

APPROVED:
BUREAU OF ENGINEERING

DATE _____
REAL ESTATE SERVICES
DIVISION

DATE _____

MARK A. BUSCH
MD. REG. PROF. L.S. NO. 508

HOWARD COUNTY DEPARTMENT OF PUBLIC WORKS
SWAN POINT WATER MAIN LOOP GRANT OF EASEMENT
AND TEMPORARY CONSTRUCTION EASEMENTS

COLUMBIA ASSOCIATION, INC.
6310 HILLSIDE COURT, SUITE 100
COLUMBIA, MARYLAND 21046
TM. 36, GRID 21, PARCEL 456
DIST. 16, ACCT. NO. 167169
LIBER 1742, FOLIO 039

DRAWN BY: C.P.E.
CHECKED BY: M.A.B.

PLAT NO. W-4932-1
CAP. PROJ. NO. W-8324

SCALE: 1" = 50'

DATE: 9/20/2017

SHEET 1 OF 1

RESOLUTION AUTHORIZING EASEMENT

The Columbia Association (“CA”) Board of Directors (the “Board”) has considered whether to grant an easement, subject to staff final review, to Howard County, Maryland relating to *Swan Point Water Easement W-8324* on CA Open Space Lot 287, Village of Owen Brown, a copy of which is attached to this Resolution (the “Easement”). The Board makes the following findings with respect to the Easement:

1. The execution and performance of the Easement is taken exclusively for the promotion of the social welfare of the people of Columbia;
2. The Easement is expected to produce civic betterments or social improvements consisting of improved public amenities and public infrastructure; and
3. The Easement produces benefits for the people of Columbia that are necessary incidents to the accomplishment of CA’s purpose to promote the social welfare of the people of Columbia.

Having made these findings, the Board hereby authorizes the execution of the Easement on behalf of CA.

BE IT SO RESOLVED

_____, 2020

A photograph of a forest path in autumn. The path is covered in fallen yellow and orange leaves. Tall trees with similar foliage line the path, creating a canopy of warm colors. The scene is peaceful and scenic.

Open Space and Facility Services September 10, 2020 Update

Columbia
Association

Capital Improvement Projects

Stream Stabilization Rustling Leaf



UNDER CONSTRUCTION

Capital Improvement Projects

Stream Stabilization Rustling Leaf



Capital Improvement Projects

Hoop Structures Built Horse Center



Construction

Vinyl Plank Floor Installed

Owen Brown Community Center Meeting Room



Construction

Carpet Installed

Owen Brown Community Center Preschool Room



Construction

Roof Replacement

Running Brook Neighborhood Center



Open Space Operations

Standard of Care



Open Space

Standard of Care Guidelines

March 2020



Open Space Operations

Return to 40-Hour Work Week



Watershed Management

Stream Stabilization to Begin Wilde Lake & Lake Kitt



Endicott Lane,
Harper's Choice



Below Little Patuxent
Parkway

Air Pear Fans Installed

Membership Service Center, Slayton House,
Amherst House, and other locations



High-Velocity Fans Installed

Supreme Sports Club



Solar System Activated

Slayton House



ENERGY STAR Award



Building a Bench



*Filmed before COVID

No Board action requested or
required







TO: BOARD OF DIRECTORS
FROM: SHERI V.G. FANAROFF
RE: PRE-FILED LEGISLATION
DATE: SEPTEMBER 4, 2020

Although there had been discussions regarding the possibility of scheduling a special session of the General Assembly during the fall of this year, to date no special session has been scheduled. There is no pre-filed legislation at this time.

Columbia Development Tracker

September 1, 2020



The Columbia Development Tracker incorporates projects or development proposals going through their entitlement and/or planning review process. The tracker is composed of four separate sections, which are listed below in order of appearance:

1. Upcoming development related public meetings
2. Previous development related public meetings and decisions
3. Newly submitted development plans
4. Previously submitted development proposals and decisions/status

This monthly report is produced by CA's Office of Planning and Community Affairs with information compiled from Howard County Government

Upcoming Development Public Meetings

Special Note: Temporary Modifications to Development Tracker

In response to the Covid-19 virus, most Howard County planning and development meetings have transitioned to a virtual format with computer and phone-based call in options. The procedures and registration requirements of these virtual meetings varies by meeting type. Columbia Association's Office of Planning and Community Affairs will continue to monitor the status of meetings and hearings. When virtual meetings are held the development tracker will attempt to reflect procedures for attending such meetings.

The Howard County Department of Planning and Zoning is still accepting applications and development proposal plans for review which will continue to be tracked in this report. The Howard County Planning Board, Hearing Examiner, and Zoning Board will continue to meet virtually for the next several months.

Developers may now host virtual pre-submission community meetings subject to approval of their proposed accommodations through the waiver petition process. Material presented during these meetings is required to be posted online for at least two weeks after the meeting and accommodate community comments on those materials. The CA development tracker will note when pre-submission community meetings are being held but will not track the WP submissions associated with these meetings.

Upcoming Development Public Meetings

Project	Village	Meeting Date, Time, and Location	Meeting Type	Stage in the Development Review Process	CA Staff Recommendation
<p>Erickson at Limestone Valley ZB-1118M</p> <p>A proposal to rezone 62.116 acres from B-2 & RC-DEO to CEF-M for development of a continuing care retirement community and to permit the expansion/relocation and architectural enhancement of the existing Freestate Gasoline Service Station. Property under consideration is located off MD 108 at 12170 Clarksville Pike.</p>	Near River Hill	<p>9/2/2020 4:30 pm</p> <p>WebEx Hearing – Register and View Online</p> <p>Continuation of hearing from 6/17/2020, 7/15/2020</p>	Zoning Board	<p>Evaluation for change to CEF-M zoning</p> <p>Planning Board previously recommended approval</p>	No action recommended. CA planning staff is monitoring this proposal.
<p>BA 766-D – British American Bldg. LLC, et al</p> <p>Motions Only appeal of Planning Board approval of SDP-17-041 Royal Farm store 186 SE corner of Snowden River Pkwy and Minstrel Way.</p>	Columbia Non-village, Guilford Industrial Park	<p>9/21/2020 2 pm</p> <p>WebEx Hearing Access Here</p> <p>Call-in No. 1-650-479-3207 access code: 160 049 1842</p>	Hearing Examiner	Motions Only Hearing	No action recommended
<p>ZB-1119M</p> <p>HRVC Limited Partnership, C/O Kimco Realty Corp</p> <p>A request to amend the Preliminary Development Plan for Columbia's New Town District for the purpose of redeveloping the Hickory Ridge Village Center.</p>	Hickory Ridge	<p>9/30/2020 6:00 pm</p> <p>WebEx Hearing – Register and View Online</p> <p>Continuation of hearing from 7/24/2019, 9/4/2019, 9/25/2019 (cancelled), 11/07/2019, 1/15/2020, 1/29/2020, 2/5/2020 6/3/2020, 6/10/2020, 6/24/2020, 7/22/2020</p>	<p>Zoning Board</p> <p>The Planning Board previously voted to recommend approval of the PDP amendment.</p>	<p>Final public meeting and decision</p>	<p>No action recommended. CA planning staff will closely monitor this case.</p> <p>The Village of Hickory Ridge is opposing the plan as submitted and requesting alterations.</p>

Previous Development Related Meetings and Decisions

Project	Village	Meeting Date, Time, and Location	Meeting Type	Decision	Stage in the Development Review Process	CA Staff Recommendation
Oakland Ridge Industrial Park The owner of property at 9190 Red Branch Road is presenting a commercial redevelopment project for 7 acres of property.	Columbia Non-Village	8/4/2020 6:00 pm Virtual meeting	Pre-submission community meeting	Not a decision making meeting	Community meeting prior to submission of plans.	No action recommended at this time. CA planning staff will attend the virtual meeting.
ASDP-78-072 The owner of property at 6376 Bright Plume submitted a request to amend their site development plan to increase lot coverage to 38% in order to expand a deck and sunroom. The SDP currently limits coverage to 30%	Hickory Ridge	8/6/2020 7:00 pm Virtual meeting	Planning Board – decision making meeting	Approved 4-0	Final decision	No action recommended. The project has Hickory Ridge ARC approval.
ASDP-72-025 The owner of property at 6159 Agail Place submitted a request to amend their site development plan to codify an existing encroachment of their dwelling and deck into the side 6' side and 7.5' rear lot line restriction in order to enclose the existing rear deck and retroactively approve the existing lot coverage from 30% to 40%. The new proposed restrictions are 5.9' side and 3.6' rear lines.	Oakland Mills	8/6/2020 7:00 pm Virtual meeting	Planning Board – decision making meeting	Approved 4-0	Final decision	No action recommended. The project has Oakland Mills ARC approval.

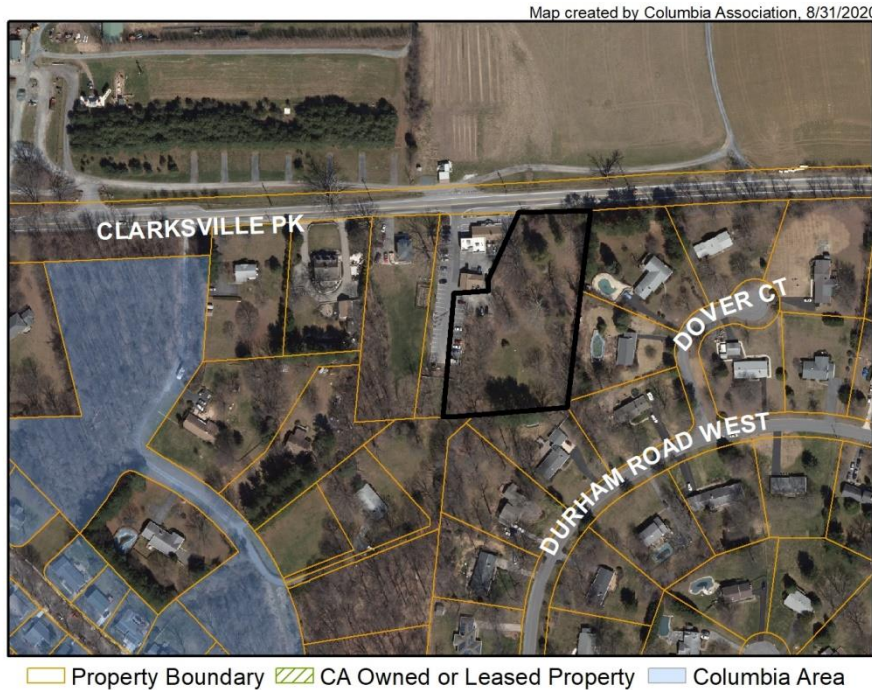
Previous Development Related Meetings and Decisions

Project	Village	Meeting Date, Time, and Location	Meeting Type	Decision	Stage in the Development Review Process	CA Staff Recommendation
SDP-74-122 Snowden Crossing A Site Development Plan redline revision for a property located at 7090 Deepage Drive on Snowden River Parkway. The applicant is proposing a 2,100 SF addition to the existing retail and restaurant building and a 300 SF outdoor seating area. The Planning Board was asked to approve a setback adjustment for minor structures associated with construction of a drive-through access lane for a fast food.	Owen Brown	8/20/20 7:00 pm Virtual Meting	Planning Board – Decision Making Role	Approved	Final public meeting and decision	CA planning staff provided testimony on an earlier version of this plan. The revised plan addressed several concerns raised by CA regarding placement of structures and dumpster enclosure. No further action is recommended.

Newly Submitted Development Plans

ECP-21-003, New Path Reformed Church

Near Harper's Choice



Project Description:

An environmental concept plan was submitted proposing the construction of a new religious facility on currently undeveloped land located at 10425 Clarksville Pike (Route 108).

Submitted: 8/25/2020

Zoning: R-20

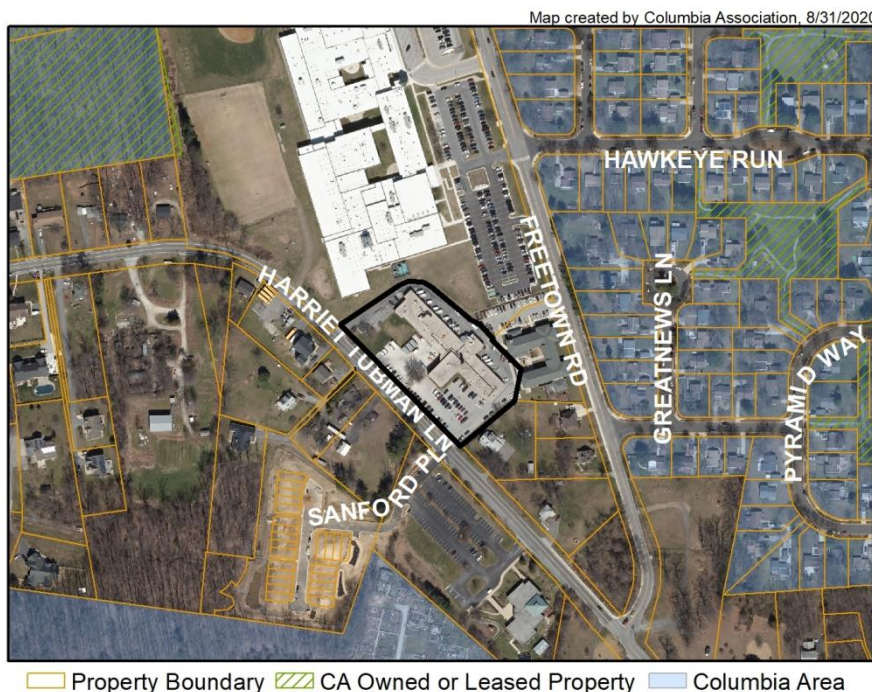
Decision/Status: Under review

Next Steps: Technical review and decision by Department of Planning and Zoning

CA Staff Recommendation: No action recommended - The applicant will need to meet current design standards as determined by the Development Engineering Division.

ECP-20-052, Harriet Tubman Auditorium

Near Hickory Ridge



Project Description: An environmental concept plan was submitted associated with outdoor site improvements including additional parking, playground, outdoor seating area, etc.

Submitted: 8/18/2020

Zoning: R-SC

Decision/Status: Under review

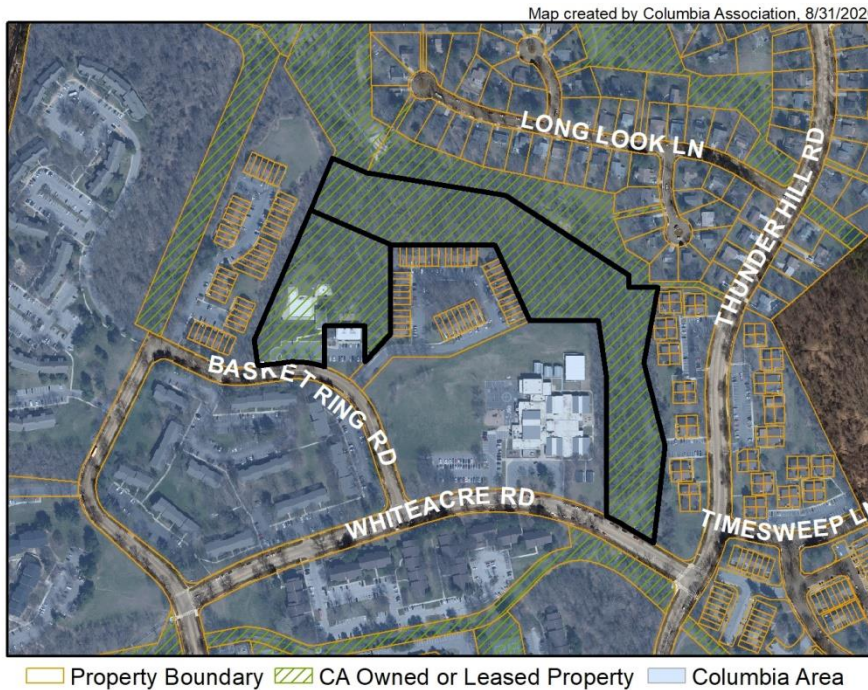
Next Steps: Technical review and decision by Department of Planning and Zoning

CA Staff Recommendation: No action recommended - The applicant will need to meet current design standards as determined by the Development Engineering Division.

Newly Submitted Development Plans

F-21-007, F-21-005

Oakland Mills



Project Description: A final plan was submitted in order to record easements for outfall related Talbott Springs Elementary School.

Submitted: 8/13/2020

Zoning: NT, New Town

Decision/Status: Under review

Next Steps: review and recordation

CA Staff Recommendation: No action recommended

SDP-20-077, Columbia EZ Storage

Near Columbia non-village & Owen Brown



Project Description:

The owners of property at 9265 Berger Road are proposing demolishing the two existing buildings on the rear of the site and constructing one new storage facility.

Submitted: 8/11/2020

Zoning: M-1

Decision/Status: Under review

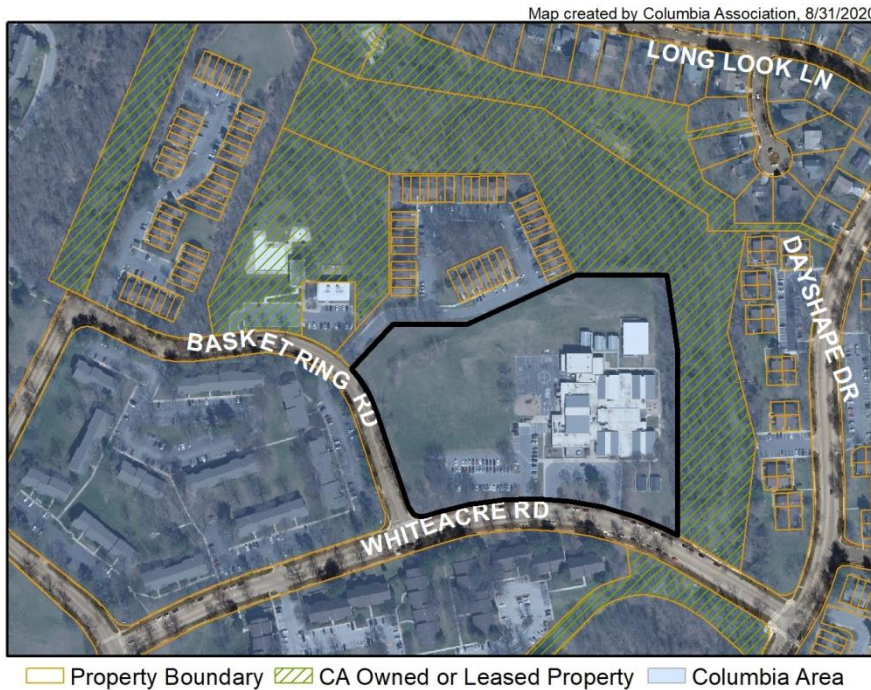
Next Steps: Technical review and decision by Department of Planning and Zoning

CA Staff Recommendation: No action recommended - The project is consistent with permitted uses and surrounding area.

Newly Submitted Development Plans

F-21-004

Oakland Mills



Project Description: A final plan was submitted in order to record easements related to construction of the new Talbott Springs Elementary School.

Submitted: 8/11/2020

Zoning: NT, New Town

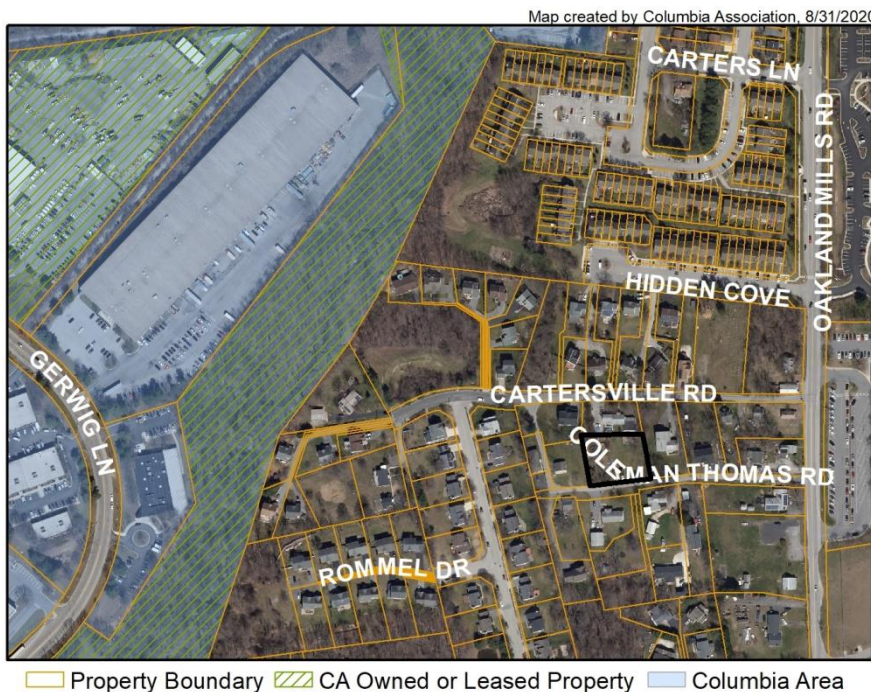
Decision/Status: Under review

Next Steps: review and recordation

CA Staff Recommendation: No action recommended

ECP-21-004

Near Columbia non-village



Project Description:

An environmental concept plan was submitted proposing construction of a single family home on the undeveloped portion of a subdivided lot located at 9237 Cartersville Rd.

Submitted: 8/4/2020

Zoning: R-12

Decision/Status: Under review

Next Steps: Technical review and decision by Department of Planning and Zoning

CA Staff Recommendation: No action recommended - The applicant will need to meet current design standards as determined by the Development Engineering Division.

Columbia Development Tracker (September 2020)

Last Updated 8/31/2020

This is the monthly status summary of previously proposed development and redevelopment projects in Columbia.

Previous Development Proposals and Decisions

Project	Latest Submission or Meeting Date	Project Description	Village	Zoning	Decision/Status	Stage in the Development Review Process / Next Steps	CA Staff Recommendation
SDP-19-025 Cedar Creek Bridge and Trail WP-20-094 (3/13/2020)	11/21/2018, 2/28/2019, 5/28/2019, 1/6/2020	An SDP was submitted for an environmental trail connecting the Cedar Creek development to the Robinson Nature Center. This project is a community enhancement and a condition of approval for CEF-R associated with the adjacent Cedar Creek residential development on Grace Drive. Alternative Compliance Request is for additional time for developer to address DPZ review comments. (Approved)	Near River Hill & Hickory Ridge	NT	Submit Revised	Technical review by staff	No action recommended – development is consistent with concept plan approved as part of CEF-R zoning change.
SDP-19-068 Taco Bell WP-20-090 (3/10/2020)	6/18/2019, 11/25/2019, 4/30/2020	A Site Development Plan was submitted for the Taco Bell located at 7102 Minstrel Way. The existing building will be replaced with a new building (also Taco Bell) and adjustments made to the site design. An alternative compliance request was submitted requesting reactivation of SDP which was automatically voided when the applicant failed to submit revised plans by the deadline. The applicant notes that technological issues prevented successful resubmission by the due date.	Village of Owen Brown	NT	Under Review	Planning Board	No action recommended – staff will monitor this project to ensure adequate landscape buffering is proposed between the project and Snowden River Parkway.
SDP-20-009 F-20-11 F-21-002 Eden Brook	9/20/2019, 12/05/2019, 1/29/2020	A Site Development Plan and Final Plan were submitted in association with the proposed development of 24 single-family attached age-restricted houses at the SW corner of Guilford Road and Eden Brook Drive on the historic Wildwood House site. Easements on CA open space lot 525 (F-21-002) also associated with this project.	Near Kings Contrivance	R-12	Technically Complete 3/10/2020	Review and decision by Department of Planning and Zoning.	No action recommended. Must comply with previous concept plan and relevant code requirements.
Ellicott Gardens II WP-20-049	11/14/2019, 3/9/2020, 8/4/2020	Alternative compliance requesting the removal of five specimen trees in the location of the proposed building and parking lot. The owners of property at 5513 & 5511 Waterloo Road are proposing to develop an 80 unit apartment building on 3 acres of property partially developed with an existing surface parking lot. This is a Howard County Housing Commission project.	Near Long Reach	POR	Under Review	Review and decision by Department of Planning and Zoning.	No action recommended

Columbia Development Tracker (September 2020)

Last Updated 8/31/2020

This is the monthly status summary of previously proposed development and redevelopment projects in Columbia.

Previous Development Proposals and Decisions

Project	Latest Submission or Meeting Date	Project Description	Village	Zoning	Decision/Status	Stage in the Development Review Process / Next Steps	CA Staff Recommendation
SDP-20-027 Ellicott Gardens II WP-20-095	12/23/2019 3/16/2020	The owners of property at 5513 & 5511 Waterloo Road are proposing to develop a 70 unit apartment building on 3 acres of property partially developed with an existing surface parking lot. This is a Howard County Housing Commission project. Alternative Compliance requests additional time to prepare additional storm-water management plans.	Near Long Reach	POR	Submit Revised	Review and decision by Department of Planning and Zoning.	No action recommended
SDP-20-042, Lakeview Retail	2/25/2020, 6/18/2020	The owner of property located on Broken Land Parkway north of Patuxent Woods Dr. is proposing a single multi-tenant retail building, including a fast food restaurant, on a pad site between Broken Land Parkway and the existing office buildings at 9801, 9821, & 9861 BLP. The proposed use is permitted under the current FDP but subject to Planning Board approval of landscaping plans.	Owen Brown	NT	Submit Revised	DPZ staff level review prior to Planning Board	The Office of Transportation recently discussed this project with the Multimodal Transportation Board indicating that the Office has requested the inclusion of a bicycle and pedestrian sidepath on the frontage of Broken Land Parkway connecting from the proposed development north to the intersection at Cradlerock Way. CA Planning staff is highly supportive of this proposal for improved transportation opportunities and recommends CA support the request.
Jordan Overlook SDP-20-044 F-20-073 F-20-059	3/9/2020; 5/21/2020; 5/6/2020; 6/30/2020	The owner of property at 9211, 9214, 9215, & 9219 Jordan River Road (access from Canvasback Dr.), consisting of 5.45 acres total, submitted a site development plan proposing 4 single family detached homes to be built on the three smaller lot. Two final subdivision plans were submitted in association with this proposal (under review).	Near Oakland Mills	R-20	Under Review	Technical review and decision by Department of Planning and Zoning.	No action recommended. Proposal is consistent with surrounding density and zoning.
SDP-20-051, Talbot Spring Elementary School	4/28/2020, 7/2/2020	A site development plan was submitted proposing the construction of an elementary school on the same parcel as the existing school (to be demolished)	Oakland Mills	NT	Under Review	Technical review by Department of Planning and Zoning; then Planning Board.	No action recommended. Proposal is consistent with FDP use and surrounding neighborhood character.

Columbia Development Tracker (September 2020)

Last Updated 8/31/2020

This is the monthly status summary of previously proposed development and redevelopment projects in Columbia.

Previous Development Proposals and Decisions

Project	Latest Submission or Meeting Date	Project Description	Village	Zoning	Decision/Status	Stage in the Development Review Process / Next Steps	CA Staff Recommendation
SDP-20-059, East Columbia 50+ Center	5/26/2020, 8/20/2020	A Site Development Plan was submitted for a 2 story standalone community center at 6600 Cradlerock Way, adjacent to the East Columbia Library. This facility is to replace the existing center located within the library.	Owen Brown	NT	Under Review	Review by Department of Planning and Zoning; then Planning Board.	No action recommended. Project is net community benefit and while impacting existing tree line, is sited to achieve minimum disturbance.
WP-20-108, Limestone Valley Farm	5/22/2020	The owner of property at 5450 Sheppard Lane is proposing to reconfigure existing parcel lines to outline an existing agricultural easement. The applicant submitted an alternative compliance request for relief from the requirements to perform a boundary survey for the entire property instead of the relevant parcel areas.	Near River Hill	RC-DEO	Approved with Conditions 8/19/2020	Technical review and decision by Department of Planning and Zoning	No action recommended – request action has no discernable impact
Zubairi Property SDP-20-071 F-21-001	6/23/2020, 7/9/2020	The owners of property at 6811, 6813, & 6815 Martin Rd submitted a site development plan and final plan for three single family detached homes on three lots.	Near Hickory Ridge	R-SC	Signed 8/12/2020	Review and approval by Department of Planning and Zoning	No action recommended. The proposal is consistent with the zoning and surrounding area.
F-20-080, OS Lot 1 Hammond High School	6/18/2020	A final plan was submitted for the open space lot in Kings Contrivance that contains Hammond High School. Plan is associated with SDP-96-018 to be heard by the Planning Board.	Kings Contrivance	NT	Signed 8/12/2020	Review and recordation by Department of Planning and Zoning	No action recommended on the final plan. Staff submitted testimony in association with this project's SDP.
ECP-19-055, Pope Property	6/16/2020	The owner of property at 10446 Owen Brown Rd submitted an Environmental Concept Plan for 3 single family detached homes on 1.81 acres.	Near Hickory Ridge	R-20	Submit Revised	Technical review and decision by Department of Planning and Zoning	No action recommended. The proposal is consistent with the zoning and surrounding area.
F-20-061, Huntington Point	6/4/2020, 8/28/2020	The owner of property at 9454 Volmerhausen Rd submitted a final plan associated with the development of 8 single family detached homes on 2.02 acres.	Near Kings Contrivance	R-SC	Under Review	Technical review and decision by Department of Planning and Zoning	No action recommended. The proposal is consistent with the zoning and surrounding area.
SDP-20-055 Cedar Creek Phase 2	7/30/2020	The owner of property at 7600 Grace Drive submitted a site development plan for 55 single family detached homes which are part of a larger development proposal at this site.	Near River Hill	CEF-R	Under Review	Review and approval by Department of Planning and Zoning	No action recommended – development is consistent with concept plan approved as part of CEF-R zoning change.
ECP-20-049 Roslyn Rise	7/28/2020	The owner of the Roslyn Rise property submitted an environmental concept plan associated with residential apartment redevelopment plans.	Wilde Lake	NT	Approved 8/5/2020	Technical review and decision by Department of Planning and Zoning	No action recommended - The applicant will need to meet current design standards as determined by the Development Engineering Division.

CA Board Consideration:

- A) Update on CA open space policy to consider e-scooters as electric bicycles.

Old Policy Language

Traffic and parking on CA open space are under the direction of CA staff or Howard County Police. Operating any motorized conveyance (with the exception of class one electric bicycles as defined under Maryland law and personal mobility devices) within parklands, on pathways or in any other place not customarily used for motorized vehicular traffic is prohibited. Not all of CA's pathways are suited for the use of electric bicycles and personal mobility devices, and caution should be used in operating them. CA open space may not be used in such a way as to infringe upon the safe flow of traffic in neighboring streets.

New Policy Language

Traffic and parking on CA open space are under the direction of CA staff or Howard County Police. Operating any motorized conveyance within CA parklands or on CA property not customarily used for motorized vehicular traffic, is prohibited. A motorized conveyance may be used on CA pathways if it is a class 1 electric bicycle or electric scooter (e-scooter) as defined under Maryland law or a personal mobility device. Not all of CA's pathways are suited for the use of electric bicycles, electric scooters and personal mobility devices, and caution should be used in operating them. Class 1 e-bikes, where allowed, may not be ridden at a pedal-assisted speed in excess of 20 miles per hour and must yield to pedestrians. E-scooters, where authorized, may not be ridden at a speed in excess of 15 miles per hour and must yield to pedestrians. Certain areas, such as the Plaza by Lake Kittamaqundi, are designated for pedestrian use only, and the use of motorized conveyances as well as bicycles is prohibited. Signs to that effect are posted in those areas. CA open space may not be used in such a way as to infringe upon the safe flow of traffic in neighboring streets.

- B) To allow commercial e-scooter sharing services to operate on CA pathways subject to a license agreement between the parties.



September 4, 2020

TO: Columbia Association Board of Directors
Milton W. Matthews, President/CEO

FROM: Susan Krabbe, Vice President and CFO

CC: Lynn Schwartz, Director of Finance/Treasurer
Members of the Senior Leadership Team

SUBJECT: Status Report on the Fiscal Year 2021 Operating Budget

Attached are the preliminary organization-wide and department summary statements of activities for the first quarter of FY 2021, which I reviewed with the Board on August 18, 2020.

Format and Timing:

1. These reports contain actual financial results from operations through July 31, 2020. They are labeled "preliminary" Q1 results, because it is possible that as managers prepare their year-end estimates, we will find something that needs to be corrected.
2. Expense allocations other than interest are not on these reports. Running those allocations is one of the last steps in our financial reporting process; it will be completed for the first quarter report to be issued the week of September 14.
3. The official, comprehensive first quarter financial report will be delivered to the Board and Audit Committee and posted on the CA website during the week of September 14 for the Audit Committee meeting on September 21.
4. The attached reports do not include the year-end estimates. You will note that they do not have the third set of four columns that compare the year-end estimate to the budget. The Accounting team is currently reviewing the estimates submitted by managers, and the managers are writing their variance explanations. After the departmental reports are prepared and the entire package is reviewed, the "book" files are sent to the printer, and a few days later, the complete report is distributed to the Board and staff.

Overall, the first quarter results are strong, better than budgeted in most areas. However, I do not anticipate the full year estimate to be this favorable, for the following reasons:

1. Annual charge revenue is recorded in July based on the billed amount. Abatements and credits are submitted all year and will reduce the revenue. As property owners challenge their real property assessments, we will see the impact of that in both the revenue line and in the Collection and Treasuries

expense line, the latter impact due to an abatement reserve increase anticipated for year-end. We have already received an abatement request of \$101,000 for one parcel for three prior years; that particular abatement did not yet address July 2020.

2. Sport and Fitness revenue is higher than budgeted, because the budget approved by the Board on June 4 assumed a Labor Day opening.
 - a. Golf and outdoor tennis opened mid-May
 - b. The fitness clubs, indoor tennis, the Swim Center and Haven opened June 20
 - c. I do not anticipate that we will meet the membership revenue budget prepared in May. The evolving crisis seems to indicate a much slower return by participants to many activities.
3. School Age Services – I do not expect that we will meet this revenue budget. It was based on half of the previous year's revenue, with no crystal ball into the fall school semester (virtual, in-person, hybrid) at that time. As you know, we are working on a program of child care in 10 schools. Registration is underway, but it is still too early to tell what participation might be. Again, the overall School Age Services revenue shortfall will be offset somewhat by reductions in budgeted payroll costs.
4. Depreciation expense – the FY 2021 depreciation expense budget is understated, not because of capital spending, but because we undervalued the forecast of existing depreciation and for new assets already in the pipeline. I am pleased to note that interest expense should be under budget for the year, due to the favorable interest rate we achieved on the new debt, helping to offset the depreciation variance.

As a result, we will be watching expenses very closely and making reductions as needed to achieve the FY 2021 budget.

Other Finance-Related Updates:

1. Feedback from the independent auditors -- the audit principal affirmed the breadth and scope of CA's crisis response. She and her team could not come up with any other recommendations for CA. We did everything they could think of to respond to the crisis.
2. Actual cash flow is tracking very well against our projections. We project not needing to begin borrowing on the new line of credit until May 2021, and then repaying that amount in July 2021 with the annual charge billing proceeds, depending on what the Board approves for the FY 2022 operating and capital budgets.

ORGANIZATION SUMMARY
Preliminary First Quarter Results - FY 2021
For the period ended July 31, 2020
\$000's

Description	FY2021 YTD-Budget	FY2021 YTD-Actual	Variance Amount	Variance %		FY2020 YTD-Actual	FY2021 YTD-Actual	Variance Amount	Variance %
Income:									
Annual Charge	42,573	43,558	985	2.3%		41,997	43,558	1,561	3.7%
Tuition and Enrollment	0	0	0	0.0%		989	0	(989)	-100.0%
Direct Memberships	190	430	240	126.3%		1,160	430	(730)	-62.9%
Fees Income	72	726	654	908.3%		2,236	726	(1,510)	-67.5%
Rental Income	61	269	208	341.0%		509	269	(240)	-47.2%
Net Sales	1	28	27	2700.0%		46	28	(18)	-39.1%
Gain (Loss) on Fixed Asset Disposals	(71)	(9)	62	-87.3%		(48)	(9)	39	-81.3%
Other Income	83	17	(66)	-79.5%		112	17	(95)	-84.8%
Membership Allocations	636	1,097	461	72.5%		3,736	1,097	(2,639)	-70.6%
Total Income	43,545	46,116	2,571	5.9%		50,737	46,116	(4,621)	-9.1%
Expenses:									
Salary, Wages and Contract Labor	2,507	2,483	(24)	-1.0%		7,895	2,483	(5,412)	-68.5%
Annual Performance Incentives	0	0	0	0.0%		11	0	(11)	-100.0%
Payroll Taxes	426	210	(216)	-50.7%		630	210	(420)	-66.7%
Employee Benefits	680	643	(37)	-5.4%		989	643	(346)	-35.0%
Operating Supplies/Expenses	339	225	(114)	-33.6%		929	225	(704)	-75.8%
Technology Supplies/Expenses	456	429	(27)	-5.9%		373	429	56	15.0%
Collection and Treasury Expenses	96	54	(42)	-43.8%		172	54	(118)	-68.6%
Fees	981	624	(357)	-36.4%		1,792	624	(1,168)	-65.2%
Comm. Assoc. Annual Charge Share Grant	786	778	(8)	-1.0%		846	778	(68)	-8.0%
Temporary Funding and Grants Expense	0	0	0	0.0%		(101)	0	101	-100.0%
Rentals	517	426	(91)	-17.6%		535	426	(109)	-20.4%
Utilities	321	302	(19)	-5.9%		534	302	(232)	-43.4%
Insurance and Taxes	393	350	(43)	-10.9%		290	350	60	20.7%
Repairs and Maintenance	475	457	(18)	-3.8%		1,057	457	(600)	-56.8%
Depreciation	2,807	2,964	157	5.6%		2,807	2,964	157	5.6%
Interest Expense Allocation	493	216	(277)	-56.2%		263	216	(47)	-17.9%
Alloc. of Customer and Member Services	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Department's Admin.	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Branding and Media Production	0	0	0	0.0%		0	0	0	0.0%
Total Operating Expenses	11,277	10,161	(1,116)	-9.9%		19,024	10,162	(8,862)	-46.6%
Increase/(Decrease) in Net Assets from Operations	32,268	35,955	3,687	11.4%		31,713	35,954	4,241	13.4%
Alloc. of Admin. Serv. Expenses	0	0	0	0.0%		0	0	0	0.0%
Non-Operating Exp./Contingencies	0	0	0	0.0%		0	0	0	0.0%
Increase/(Decrease) in Net Assets	32,268	35,955	3,687	11.4%		31,713	35,954	4,241	13.4%

DEPARTMENT OF SPORT AND FITNESS
Preliminary First Quarter Results - FY 2021
For the period ended July 31, 2020
\$000's

Description	FY2021 YTD-Budget	FY2021 YTD-Actual	Variance Amount	Variance %		FY2020 YTD-Actual	FY2021 YTD-Actual	Variance Amount	Variance %
Income:									
Annual Charge	0	0	0	0.0%		0	0	0	0.0%
Tuition and Enrollment	0	0	0	0.0%		0	0	0	0.0%
Direct Memberships	190	430	240	126.3%		1,160	430	(730)	-62.9%
Fees Income	17	649	632	3717.6%		2,122	649	(1,473)	-69.4%
Rental Income	21	238	217	1033.3%		463	238	(225)	-48.6%
Net Sales	1	27	26	2600.0%		43	27	(16)	-37.2%
Gain (Loss) on Fixed Asset Disposals	(34)	(9)	25	-73.5%		(48)	(9)	39	-81.3%
Other Income	(1)	0	1	-100.0%		12	0	(12)	-100.0%
Membership Allocations	636	1,097	461	72.5%		3,736	1,097	(2,639)	-70.6%
Total Income	830	2,432	1,602	193.0%		7,488	2,432	(5,056)	-67.5%
Expenses:									
Salary, Wages and Contract Labor	807	1,040	233	28.9%		3,969	1,040	(2,929)	-73.8%
Annual Performance Incentives	0	0	0	0.0%		1	0	(1)	-100.0%
Payroll Taxes	223	92	(131)	-58.7%		336	92	(244)	-72.6%
Employee Benefits	315	211	(104)	-33.0%		358	211	(147)	-41.1%
Operating Supplies/Expenses	57	114	57	100.0%		438	114	(324)	-74.0%
Technology Supplies/Expenses	16	0	(16)	-100.0%		12	0	(12)	-100.0%
Collection and Treasury Expenses	8	14	6	75.0%		44	14	(30)	-68.2%
Fees	194	128	(66)	-34.0%		199	128	(71)	-35.7%
Comm. Assoc. Annual Charge Share Grant	0	0	0	0.0%		0	0	0	0.0%
Temporary Funding and Grants Expense	0	0	0	0.0%		0	0	0	0.0%
Rentals	295	285	(10)	-3.4%		315	285	(30)	-9.5%
Utilities	226	191	(35)	-15.5%		375	191	(184)	-49.1%
Insurance and Taxes	239	210	(29)	-12.1%		166	210	44	26.5%
Repairs and Maintenance	127	306	179	140.9%		623	306	(317)	-50.9%
Depreciation	1,541	1,630	89	5.8%		1,497	1,630	133	8.9%
Interest Expense Allocation	242	113	(129)	-53.3%		135	113	(22)	-16.3%
Alloc. of Customer and Member Services	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Department's Admin.	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Branding and Media Production	0	0	0	0.0%		0	0	0	0.0%
Total Operating Expenses	4,290	4,334	44	1.0%		8,468	4,334	(4,134)	-48.8%
Increase/(Decrease) in Net Assets from Operations	(3,460)	(1,902)	1,558	-45.0%		(980)	(1,902)	(922)	94.1%
Alloc. of Admin. Serv. Expenses	0	0	0	0.0%		0	0	0	0.0%
Non-Operating Exp./Contingencies	0	0	0	0.0%		0	0	0	0.0%
Increase/(Decrease) in Net Assets	(3,460)	(1,902)	1,558	-45.0%		(980)	(1,902)	(922)	94.1%

DEPARTMENT OF COMMUNITY SERVICES
Preliminary First Quarter Results - FY 2021
For the period ended July 31, 2020
\$000's

Description	FY2021 YTD-Budget	FY2021 YTD-Actual	Variance Amount	Variance %		FY2020 YTD-Actual	FY2021 YTD-Actual	Variance Amount	Variance %
Income:									
Annual Charge	0	0	0	0.0%		0	0	0	0.0%
Tuition and Enrollment	0	0	0	0.0%		989	0	(989)	-100.0%
Direct Memberships	0	0	0	0.0%		0	0	0	0.0%
Fees Income	(3)	0	3	-100.0%		62	0	(62)	-100.0%
Rental Income	4	11	7	175.0%		17	11	(6)	-35.3%
Net Sales	0	0	0	0.0%		2	0	(2)	-100.0%
Gain (Loss) on Fixed Asset Disposals	0	0	0	0.0%		0	0	0	0.0%
Other Income	0	0	0	0.0%		0	0	0	0.0%
Membership Allocations	0	0	0	0.0%		0	0	0	0.0%
Total Income	1	11	10	1000.0%		1,070	11	(1,059)	-99.0%
Expenses:									
Salary, Wages and Contract Labor	220	120	(100)	-45.5%		1,037	120	(917)	-88.4%
Annual Performance Incentives	0	0	0	0.0%		1	0	(1)	-100.0%
Payroll Taxes	45	10	(35)	-77.8%		86	10	(76)	-88.4%
Employee Benefits	88	66	(22)	-25.0%		102	66	(36)	-35.3%
Operating Supplies/Expenses	(2)	1	3	-150.0%		100	1	(99)	-99.0%
Technology Supplies/Expenses	0	5	5	0.0%		9	5	(4)	-44.4%
Collection and Treasury Expenses	1	1	0	0.0%		27	1	(26)	-96.3%
Fees	(29)	57	86	-296.6%		555	57	(498)	-89.7%
Comm. Assoc. Annual Charge Share Grant	0	0	0	0.0%		0	0	0	0.0%
Temporary Funding and Grants Expense	0	0	0	0.0%		0	0	0	0.0%
Rentals	34	25	(9)	-26.5%		46	25	(21)	-45.7%
Utilities	6	14	8	133.3%		23	14	(9)	-39.1%
Insurance and Taxes	15	9	(6)	-40.0%		10	9	(1)	-10.0%
Repairs and Maintenance	10	10	0	0.0%		19	10	(9)	-47.4%
Depreciation	58	53	(5)	-8.6%		41	53	12	29.3%
Interest Expense Allocation	12	5	(7)	-58.3%		5	5	0	0.0%
Alloc. of Customer and Member Services	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Department's Admin.	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Branding and Media Production	0	0	0	0.0%		0	0	0	0.0%
Total Operating Expenses	458	376	(82)	-17.9%		2,061	376	(1,685)	-81.8%
Increase/(Decrease) in Net Assets from Operations	(457)	(365)	92	20.1%		(991)	(365)	626	63.2%
Alloc. of Admin. Serv. Expenses	0	0	0	0.0%		0	0	0	0.0%
Non-Operating Exp./Contingencies	0	0	0	0.0%		0	0	0	0.0%
Increase/(Decrease) in Net Assets	(457)	(365)	92	20.1%		(991)	(365)	626	63.2%

DEPARTMENT OF OPEN SPACE AND FACILITY SERVICES
Preliminary First Quarter Results - FY 2021
For the period ended July 31, 2020
\$000's

Description	FY2021 YTD-Budget	FY2021 YTD-Actual	Variance Amount	Variance %		FY2020 YTD-Actual	FY2021 YTD-Actual	Variance Amount	Variance %
Income:									
Annual Charge	0	0	0	0.0%		0	0	0	0.0%
Tuition and Enrollment	0	0	0	0.0%		0	0	0	0.0%
Direct Memberships	0	0	0	0.0%		0	0	0	0.0%
Fees Income	58	28	(30)	-51.7%		15	28	13	86.7%
Rental Income	35	20	(15)	-42.9%		28	20	(8)	-28.6%
Net Sales	0	0	0	0.0%		0	0	0	0.0%
Gain (Loss) on Fixed Asset Disposals	(25)	5	30	-120.0%		0	5	5	0.0%
Other Income	26	0	(26)	-100.0%		1	0	(1)	-100.0%
Membership Allocations	0	0	0	0.0%		0	0	0	0.0%
Total Income	94	53	(41)	-43.6%		44	53	9	20.5%
Expenses:									
Salary, Wages and Contract Labor	635	544	(91)	-14.3%		1,252	544	(708)	-56.5%
Annual Performance Incentives	0	0	0	0.0%		0	0	0	0.0%
Payroll Taxes	62	43	(19)	-30.6%		92	43	(49)	-53.3%
Employee Benefits	224	172	(52)	-23.2%		252	172	(80)	-31.7%
Operating Supplies/Expenses	143	52	(91)	-63.6%		121	52	(69)	-57.0%
Technology Supplies/Expenses	3	0	(3)	-100.0%		2	0	(2)	-100.0%
Collection and Treasury Expenses	0	0	0	0.0%		(3)	0	3	-100.0%
Fees	510	206	(304)	-59.6%		696	206	(490)	-70.4%
Comm. Assoc. Annual Charge Share Grant	0	0	0	0.0%		0	0	0	0.0%
Temporary Funding and Grants Expense	0	0	0	0.0%		0	0	0	0.0%
Rentals	44	14	(30)	-68.2%		21	14	(7)	-33.3%
Utilities	22	24	2	9.1%		25	24	(1)	-4.0%
Insurance and Taxes	74	70	(4)	-5.4%		62	70	8	12.9%
Repairs and Maintenance	326	112	(214)	-65.6%		384	112	(272)	-70.8%
Depreciation	896	948	52	5.8%		969	948	(21)	-2.2%
Interest Expense Allocation	193	76	(117)	-60.6%		94	76	(18)	-19.1%
Alloc. of Customer and Member Services	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Department's Admin.	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Branding and Media Production	0	0	0	0.0%		0	0	0	0.0%
Total Operating Expenses	3,132	2,261	(871)	-27.8%		3,967	2,261	(1,706)	-43.0%
Increase/(Decrease) in Net Assets from Operations	(3,038)	(2,208)	830	27.3%		(3,923)	(2,208)	1,715	43.7%
Alloc. of Admin. Serv. Expenses	0	0	0	0.0%		0	0	0	0.0%
Non-Operating Exp./Contingencies	0	0	0	0.0%		0	0	0	0.0%
Increase/(Decrease) in Net Assets	(3,038)	(2,208)	830	27.3%		(3,923)	(2,208)	1,715	43.7%

DEPARTMENT OF COMMUNICATIONS AND MARKETING
For the period ended July 31, 2020
As of 8/12/2020
\$000's

Description	FY2021 YTD-Budget	FY2021 YTD-Actual	Variance Amount	Variance %		FY2020 YTD-Actual	FY2021 YTD-Actual	Variance Amount	Variance %
Income:									
Annual Charge	0	0	0	0.0%		0	0	0	0.0%
Tuition and Enrollment	0	0	0	0.0%		0	0	0	0.0%
Direct Memberships	0	0	0	0.0%		0	0	0	0.0%
Fees Income	0	50	50	0.0%		36	50	14	38.9%
Rental Income	0	0	0	0.0%		0	0	0	0.0%
Net Sales	0	0	0	0.0%		1	0	(1)	-100.0%
Gain (Loss) on Fixed Asset Disposals	(1)	0	1	-100.0%		0	0	0	0.0%
Other Income	0	0	0	0.0%		0	0	0	0.0%
Membership Allocations	0	0	0	0.0%		0	0	0	0.0%
Total Income	(1)	50	49	-4900.0%		37	50	87	235.1%
Expenses:									
Salary, Wages and Contract Labor	152	137	(15)	-9.9%		359	137	(222)	-61.8%
Annual Performance Incentives	0	0	0	0.0%		0	0	0	0.0%
Payroll Taxes	19	12	(7)	-36.8%		27	12	(15)	-55.6%
Employee Benefits	54	45	(9)	-16.7%		68	45	(23)	-33.8%
Operating Supplies/Expenses	104	42	(62)	-59.6%		208	42	(166)	-79.8%
Technology Supplies/Expenses	15	10	(5)	-33.3%		11	10	(1)	-9.1%
Collection and Treasury Expenses	16	27	11	68.8%		83	27	(56)	-67.5%
Fees	90	44	(46)	-51.1%		71	44	(27)	-38.0%
Comm. Assoc. Annual Charge Share Grant	0	0	0	0.0%		0	0	0	0.0%
Temporary Funding and Grants Expense	0	0	0	0.0%		0	0	0	0.0%
Rentals	47	36	(11)	-23.4%		59	36	(23)	-39.0%
Utilities	3	3	0	0.0%		5	3	(2)	-40.0%
Insurance and Taxes	1	1	0	0.0%		1	1	0	0.0%
Repairs and Maintenance	4	0	(4)	-100.0%		5	0	(5)	-100.0%
Depreciation	5	15	10	200.0%		11	15	4	36.4%
Interest Expense Allocation	1	1	0	0.0%		1	1	0	0.0%
Alloc. of Customer and Member Services	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Department's Admin.	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Branding and Media Production	0	0	0	0.0%		0	0	0	0.0%
Total Operating Expenses	511	373	(138)	-27.0%		909	373	(536)	-59.0%
Increase/(Decrease) in Net Assets from Operations	(512)	(323)	187	36.5%		(872)	(323)	623	71.4%
Alloc. of Admin. Serv. Expenses	0	0	0	0.0%		0	0	0	0.0%
Non-Operating Exp./Contingencies	0	0	0	0.0%		0	0	0	0.0%
Increase/(Decrease) in Net Assets	(512)	(323)	187	36.5%		(872)	(323)	623	71.4%

OFFICE OF THE PRESIDENT
Preliminary First Quarter Results - FY 2021
For the period ended July 31, 2020
\$000's

Description	FY2021 YTD-Budget	FY2021 YTD-Actual	Variance Amount	Variance %		FY2020 YTD-Actual	FY2021 YTD-Actual	Variance Amount	Variance %
Income:									
Annual Charge	0	0	0	0.0%		0	0	0	0.0%
Tuition and Enrollment	0	0	0	0.0%		0	0	0	0.0%
Direct Memberships	0	0	0	0.0%		0	0	0	0.0%
Fees Income	0	0	0	0.0%		0	0	0	0.0%
Rental Income	0	0	0	0.0%		0	0	0	0.0%
Net Sales	0	0	0	0.0%		0	0	0	0.0%
Gain (Loss) on Fixed Asset Disposals	0	0	0	0.0%		0	0	0	0.0%
Other Income	0	0	0	0.0%		0	0	0	0.0%
Membership Allocations	0	0	0	0.0%		0	0	0	0.0%
Total Income	0	0	0	0.0%		0	0	0	0.0%
Expenses:									
Salary, Wages and Contract Labor	182	162	(20)	-11.0%		292	162	(130)	-44.5%
Annual Performance Incentives	0	0	0	0.0%		0	0	0	0.0%
Payroll Taxes	17	13	(4)	-23.5%		18	13	(5)	-27.8%
Employee Benefits	36	28	(8)	-22.2%		44	28	(16)	-36.4%
Operating Supplies/Expenses	7	5	(2)	-28.6%		25	5	(20)	-80.0%
Technology Supplies/Expenses	0	0	0	0.0%		0	0	0	0.0%
Collection and Treasury Expenses	0	0	0	0.0%		0	0	0	0.0%
Fees	134	96	(38)	-28.4%		59	96	37	62.7%
Comm. Assoc. Annual Charge Share Grant	0	0	0	0.0%		0	0	0	0.0%
Temporary Funding and Grants Expense	0	0	0	0.0%		0	0	0	0.0%
Rentals	15	11	(4)	-26.7%		16	11	(5)	-31.3%
Utilities	2	1	(1)	-50.0%		2	1	(1)	-50.0%
Insurance and Taxes	3	3	0	0.0%		2	3	1	50.0%
Repairs and Maintenance	0	0	0	0.0%		0	0	0	0.0%
Depreciation	0	0	0	0.0%		0	0	0	0.0%
Interest Expense Allocation	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Customer and Member Services	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Department's Admin.	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Branding and Media Production	0	0	0	0.0%		0	0	0	0.0%
Total Operating Expenses	396	319	(77)	-19.2%		458	319	(139)	-30.1%
Increase/(Decrease) in Net Assets from Operations	(396)	(319)	77	19.4%		(458)	(319)	139	30.3%
Alloc. of Admin. Serv. Expenses	0	0	0	0.0%		0	0	0	0.0%
Non-Operating Exp./Contingencies	0	0	0	0.0%		0	0	0	0.0%
Increase/(Decrease) in Net Assets	(396)	(319)	77	19.4%		(458)	(319)	139	30.3%

DEPARTMENT OF ADMINISTRATIVE SERVICES
Preliminary First Quarter Results - FY 2021
For the period July 31, 2020
\$000's

Description	FY2021 YTD-Budget	FY2021 YTD-Actual	Variance Amount	Variance %		FY2020 YTD-Actual	FY2021 YTD-Actual	Variance Amount	Variance %
Income:									
Annual Charge	42,573	43,558	985	2.3%		41,997	43,558	1,561	3.7%
Tuition and Enrollment	0	0	0	0.0%		0	0	0	0.0%
Direct Memberships	0	0	0	0.0%		0	0	0	0.0%
Fees Income	0	0	0	0.0%		0	0	0	0.0%
Rental Income	0	0	0	0.0%		0	0	0	0.0%
Net Sales	0	0	0	0.0%		0	0	0	0.0%
Gain (Loss) on Fixed Asset Disposals	(1)	0	1	-100.0%		0	0	0	0.0%
Other Income	56	17	(39)	-69.6%		97	17	(80)	-82.5%
Membership Allocations	0	0	0	0.0%		0	0	0	0.0%
Total Income	42,628	43,575	947	2.2%		42,094	43,575	1,481	3.5%
Expenses:									
Salary, Wages and Contract Labor	510	480	(30)	-5.9%		985	480	(505)	-51.3%
Annual Performance Incentives	0	0	0	0.0%		9	0	(9)	-100.0%
Payroll Taxes	59	40	(19)	-32.2%		72	40	(32)	-44.4%
Employee Benefits	(37)	120	157	-424.3%		166	120	(46)	-27.7%
Operating Supplies/Expenses	28	8	(20)	-71.4%		30	8	(22)	-73.3%
Technology Supplies/Expenses	422	413	(9)	-2.1%		338	413	75	22.2%
Collection and Treasury Expenses	71	12	(59)	-83.1%		21	12	(9)	-42.9%
Fees	47	72	25	53.2%		166	72	(94)	-56.6%
Comm. Assoc. Annual Charge Share Grant	0	0	0	0.0%		0	0	0	0.0%
Temporary Funding and Grants Expense	0	0	0	0.0%		0	0	0	0.0%
Rentals	82	55	(27)	-32.9%		78	55	(23)	-29.5%
Utilities	61	68	7	11.5%		102	68	(34)	-33.3%
Insurance and Taxes	32	28	(4)	-12.5%		26	28	2	7.7%
Repairs and Maintenance	2	9	7	350.0%		17	9	(8)	-47.1%
Depreciation	46	56	10	21.7%		53	56	3	5.7%
Interest Expense Allocation	7	7	0	0.0%		9	7	(2)	-22.2%
Alloc. of Customer and Member Services	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Department's Admin.	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Branding and Media Production	0	0	0	0.0%		0	0	0	0.0%
Total Operating Expenses	1,341	1,369	28	2.1%		2,070	1,369	(701)	-33.9%
Increase/(Decrease) in Net Assets from Operations	41,287	42,205	918	2.2%		40,024	42,205	2,181	5.4%
Alloc. of Admin. Serv. Expenses	0	0	0	0.0%		0	0	0	0.0%
Non-Operating Exp./Contingencies	0	0	0	0.0%		0	0	0	0.0%
Increase/(Decrease) in Net Assets	42,274	42,205	(69)	0.2%		41,988	42,205	217	0.5%

BOARD OF DIRECTORS
Preliminary First Quarter Results - FY 2021
For the period ended July 31, 2020
\$000's

Description	FY2021 YTD-Budget	FY2021 YTD-Actual	Variance Amount	Variance %		FY2020 YTD-Actual	FY2021 YTD-Actual	Variance Amount	Variance %
Income:									
Annual Charge	0	0	0	0.0%		0	0	0	0.0%
Tuition and Enrollment	0	0	0	0.0%		0	0	0	0.0%
Direct Memberships	0	0	0	0.0%		0	0	0	0.0%
Fees Income	0	0	0	0.0%		1	0	(1)	-100.0%
Rental Income	0	0	0	0.0%		0	0	0	0.0%
Net Sales	0	0	0	0.0%		0	0	0	0.0%
Gain (Loss) on Fixed Asset Disposals	0	0	0	0.0%		0	0	0	0.0%
Other Income	0	0	0	0.0%		0	0	0	0.0%
Membership Allocations	0	0	0	0.0%		0	0	0	0.0%
Total Income	0	0	0	0.0%		1	0	(1)	-100.0%
Expenses:									
Salary, Wages and Contract Labor	1	0	(1)	-100.0%		0	0	0	0.0%
Annual Performance Incentives	0	0	0	0.0%		0	0	0	0.0%
Payroll Taxes	0	0	0	0.0%		0	0	0	0.0%
Employee Benefits	0	0	0	0.0%		0	0	0	0.0%
Operating Supplies/Expenses	1	0	(1)	-100.0%		6	0	(6)	-100.0%
Technology Supplies/Expenses	0	0	0	0.0%		1	0	(1)	-100.0%
Collection and Treasury Expenses	0	0	0	0.0%		0	0	0	0.0%
Fees	2	0	(2)	-100.0%		16	0	(16)	-100.0%
Comm. Assoc. Annual Charge Share Grant	0	0	0	0.0%		0	0	0	0.0%
Temporary Funding and Grants Expense	0	0	0	0.0%		0	0	0	0.0%
Rentals	0	0	0	0.0%		0	0	0	0.0%
Utilities	0	0	0	0.0%		0	0	0	0.0%
Insurance and Taxes	15	15	0	0.0%		11	15	4	36.4%
Repairs and Maintenance	0	0	0	0.0%		0	0	0	0.0%
Depreciation	2	2	0	0.0%		0	2	2	0.0%
Interest Expense Allocation	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Customer and Member Services	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Department's Admin.	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Branding and Media Production	0	0	0	0.0%		0	0	0	0.0%
Total Operating Expenses	21	17	(4)	-19.0%		34	17	(17)	-50.0%
Increase/(Decrease) in Net Assets from Operations	(21)	(17)	4	19.0%		(33)	(17)	16	48.5%
Alloc. of Admin. Serv. Expenses	0	0	0	0.0%		0	0	0	0.0%
Non-Operating Exp./Contingencies	0	0	0	0.0%		0	0	0	0.0%
Increase/(Decrease) in Net Assets	(21)	(17)	4	19.0%		(33)	(17)	16	48.5%

VILLAGE COMMUNITY ASSOCIATIONS
Preliminary First Quarter Results - FY 2021
For the period ended July 31, 2020
\$000's

Description	FY2021 YTD-Budget	FY2021 YTD-Actual	Variance Amount	Variance %		FY2020 YTD-Actual	FY2021 YTD-Actual	Variance Amount	Variance %
Income:									
Annual Charge	0	0	0	0.0%		0	0	0	0.0%
Tuition and Enrollment	0	0	0	0.0%		0	0	0	0.0%
Direct Memberships	0	0	0	0.0%		0	0	0	0.0%
Fees Income	0	0	0	0.0%		0	0	0	0.0%
Rental Income	0	0	0	0.0%		0	0	0	0.0%
Net Sales	0	0	0	0.0%		0	0	0	0.0%
Gain (Loss) on Fixed Asset Disposals	(10)	(5)	5	-50.0%		0	(5)	(5)	0.0%
Other Income	2	0	(2)	-100.0%		3	0	(3)	-100.0%
Membership Allocations	0	0	0	0.0%		0	0	0	0.0%
Total Income	(8)	(5)	3	-37.5%		3	(5)	(8)	-266.7%
Expenses:									
Salary, Wages and Contract Labor	0	0	0	0.0%		0	0	0	0.0%
Annual Performance Incentives	0	0	0	0.0%		0	0	0	0.0%
Payroll Taxes	0	0	0	0.0%		0	0	0	0.0%
Employee Benefits	0	0	0	0.0%		0	0	0	0.0%
Operating Supplies/Expenses	1	2	1	100.0%		2	2	0	0.0%
Technology Supplies/Expenses	0	0	0	0.0%		0	0	0	0.0%
Collection and Treasury Expenses	0	0	0	0.0%		0	0	0	0.0%
Fees	34	22	(12)	-35.3%		30	22	(8)	-26.7%
Comm. Assoc. Annual Charge Share Grant	786	778	(8)	-1.0%		846	778	(68)	-8.0%
Temporary Funding and Grants Expense	0	0	0	0.0%		(101)	0	101	-100.0%
Rentals	0	0	0	0.0%		0	0	0	0.0%
Utilities	1	2	1	100.0%		2	2	0	0.0%
Insurance and Taxes	14	14	0	0.0%		12	14	2	16.7%
Repairs and Maintenance	5	19	14	280.0%		9	19	10	111.1%
Depreciation	260	261	1	0.4%		237	261	24	10.1%
Interest Expense Allocation	38	15	(23)	-60.5%		19	15	(4)	-21.1%
Alloc. of Customer and Member Services	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Department's Admin.	0	0	0	0.0%		0	0	0	0.0%
Alloc. of Branding and Media Production	0	0	0	0.0%		0	0	0	0.0%
Total Operating Expenses	1,139	1,113	(26)	-2.3%		1,056	1,113	57	5.4%
Increase/(Decrease) in Net Assets from Operations	(1,147)	(1,118)	29	2.5%		(1,053)	(1,118)	(65)	-6.2%
Alloc. of Admin. Serv. Expenses	0	0	0	0.0%		0	0	0	0.0%
Non-Operating Exp./Contingencies	0	0	0	0.0%		0	0	0	0.0%
Increase/(Decrease) in Net Assets	(1,147)	(1,118)	29	2.5%		(1,053)	(1,118)	(65)	-6.2%



September 4, 2020

To: Columbia Association Board of Directors

From: Kristin Russell, Director of Planning and Community Affairs
Jackie Tuma, Director of Audit and Advisory Services

Subject: Overview of Village and Columbia Association Roles and Financial Responsibilities

We have prepared the attached presentation to provide an overview of the ten community associations and their relationship with CA. The presentation outlines the responsibilities of each organization from both an operational and financial perspective, including current and future impacts of the Covid-19 pandemic.

This is an informational item. No action is required.

Village Community Associations Overview

Presentation to Columbia Association
Board of Directors,
September 10, 2020





Agenda

- Roles and responsibilities - community associations and CA
- Financial summary, including funding relationship between community associations and CA



Community Associations Overview

- Each village has its own residential community association, which is an independent, incorporated, nonprofit civic association formed exclusively for the promotion of the common good and welfare of the residents and property owners of that village.
- Each association has similar yet separate articles of incorporation, by-laws and covenants.
- Each association has its own community-elected board of directors.

Community Associations Overview, Continued



To achieve their mission, the village associations:

- Administer the village covenants.
- Foster community cohesion (events, resident services, information referrals/exchange).
- Oversee village elections and provide support to their Boards of Directors.

Additionally, the village associations manage CA's neighborhood and community buildings:

- Generate revenue by leasing/renting space to commercial, religious, social and civic organizations.
- Offer space at free/reduced rates to civic groups and residents.
- The villages do not pay CA for use of the buildings, and they have limited responsibility for maintenance and repairs.

Community Associations Overview, Continued



Columbia Association provides:

- Use of CA's 24 neighborhood and community center buildings at no charge.
- Annual charge share to each village association.
- Funds allocated for capital improvements for the community/neighborhood center buildings.
- Funds for building maintenance and repairs.
- Maintenance of the grounds, snow removal, trash and debris removal.
- Payment of real estate taxes and maintaining property insurance.
- Payment of the employer portion of village association employee benefits.
- Covenant enforcement legal fees and employing a covenant administrator.
- Administrative and marketing services.



Management Contract

- Building use agreements between CA and each village community association outline the responsibilities of each party.
- The current management contract has been signed by all the associations and CA.
- The term for the management contract is for FY19 through FY24.



Annual Charge Share

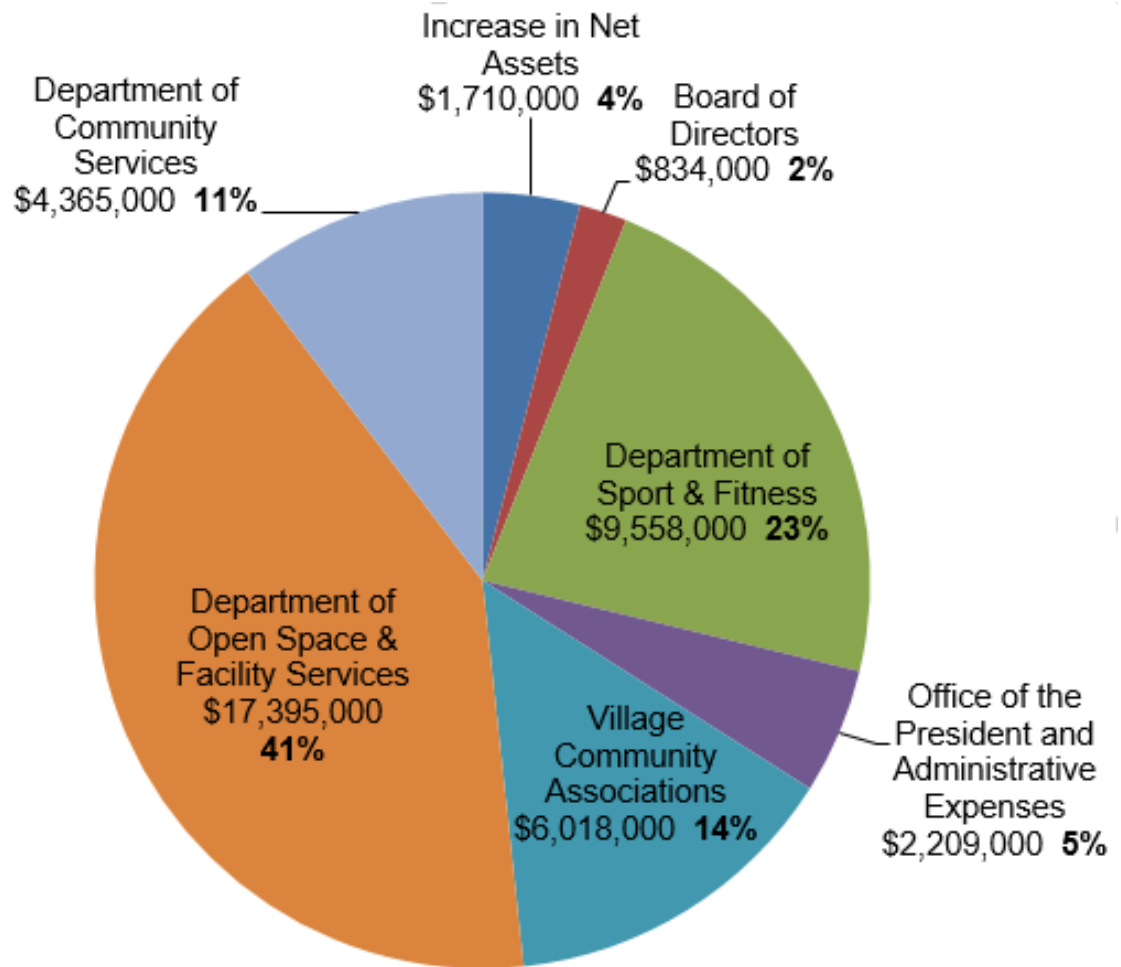
- CA Board approved the Annual Charge Share Formula as part of the FY19-20 budget process.
- The term of the new Annual Charge Share Formula is for FY19 through FY24.
- It is being phased in over a three-year period.



Impact of Covid – Where Are We Now?

- Overall reduction of the FY21 annual charge – 8.58% (\$291,209).
- Reduction of 8.56% (\$79,638) of the *facility credit* portion of the FY21 annual charge.
- Limited capital and operating spending by CA in FY21.
- Management contract amendment - increase of R&M threshold and cap for excess cash waived. Signed by 5 villages.
- Upcoming: FY22 budget decisions.

Allocation of Annual Charge to CA's Cost Centers, FY20



Villages' Cash Position – FY20 vs FY19

Cash & Investments - 4/30/20	\$ 2,347,061
<u>Add:</u> FY21 First Quarter Annual Charge Share (distributed after 4/30/20)	\$ 879,396
<u>Equals:</u> Cash & Investments - 4/30/20 (adjusted for comparability to 4/30/19)	\$ 3,226,456
Cash & Investments - 4/30/19 (includes FY20 First Quarter Annual Charge Share)	\$ 2,934,310
Reserve Account - 4/30/20	\$ 1,145,899
Reserve Account - 4/30/19	\$ 950,983
Excess Cash Reserves - 4/30/20	\$ 178,938
Excess Cash Reserves - 4/30/19	\$ 52,421
Total Full Time Equivalents:	51
Total Approx. Square Footage:	110,513
Estimated Population:	92,568
Number Of Community Buildings:	24

CA Funding - Village Associations

	FY19	FY20	FY21 Budget (Rev. 6/4/20)
Annual Charge Share	\$ 3,191,000	\$ 3,287,000	\$ 3,023,000
Health, life, and short-term disability insurance (100% of employer portion of premiums)	\$ 135,000	\$ 143,000	\$ 181,000
Distribution of the contingency fund to Villages	\$ 101,000	\$ 101,000	\$ -
Capital improvements	\$ 1,261,000	\$ 1,809,000	\$ 1,154,000
Interest	\$ 74,000	\$ 70,000	\$ 125,000
Repairs and maintenance	\$ 446,000	\$ 221,000	\$ 104,000
Fees - Covenant enforcement and consulting fees	\$ 396,000	\$ 176,000	\$ 224,000
Operating supplies and expenses	\$ 21,000	\$ 20,000	\$ 4,000
Rentals	\$ 7,000	\$ -	\$ -
Utilities	\$ 10,000	\$ 10,000	\$ 6,000
Insurance and taxes	\$ 32,000	\$ 46,000	\$ 56,000
Loss on disposal of fixed assets	\$ 101,000	\$ 16,000	\$ 54,000
Allocations of Department's Admin	\$ 42,000	\$ 43,000	\$ -
Allocations of Branding & Media Production	\$ 228,000	\$ 246,000	\$ 276,000
Allocation of Admin. Services Expenses	\$ 963,000	\$ 906,000	\$ 848,000
Support from Open Space Division for village events	Data not available		
Landscaping/maintenance of surrounding grounds, snow removal, bagged trash and debris removal	Data not available		
Total	\$ 7,008,000	\$ 7,094,000	\$ 6,055,000

Estimate of Net Income (Loss) from Management of CA's Facilities

Annual Charge Share - Mission and Facility Management:

	FY19	FY20	FY21 Budget (Rev. 6/4/20)
Mission	\$ 2,318,489	\$ 2,387,592	\$ 2,253,360
Facility management	\$ 872,293	\$ 899,273	\$ 769,840
Annual Charge Share	\$ 3,190,782	\$ 3,286,865	\$ 3,023,200

Estimate of Net income(loss) for Facility Management:

		FY19	FY20	FY21 Budget (Rev. 6/4/20)
Villages' Revenue - Bldg Mgmt	(a)	\$ 2,376,240	\$ 2,254,515	not available
Villages' Expenses - Bldg Mgmt	(b)	\$ (3,079,990)	\$ (3,043,691)	not available
Villages' Net loss for facility mgmt		\$ (703,750)	\$ (789,176)	not available
CA's direct expenses:				
Depreciation		\$ (913,000)	\$ (999,000)	\$ (1,078,000)
Repairs & Maintenance		\$ (446,000)	\$ (221,000)	\$ (104,000)
Interest		\$ (74,000)	\$ (70,000)	\$ (125,000)
Total Net loss for facility mgmt		\$ (2,136,750)	\$ (2,079,176)	not available

(a) Revenue for building management is the sum of each Village's non-CA Annual Charge Share revenue.

(b) Assumes that the Annual Charge Share for the Villages' mission is equal to its expenses for its mission, with all remaining expenses attributed to facility management.



Community Associations - FY20 Village Financial Data

	DORSEY'S SEARCH (b)		HARPER'S CHOICE (a)		HICKORY RIDGE (a)		KINGS CONTRIVANCE (c)		LONG REACH (b)		OAKLAND MILLS		OWEN BROWN		RIVER HILL (b)		TOWN CENTER		WILDE LAKE (b)		TOTAL
	\$	% of Revenue	\$	% of Revenue	\$	% of Revenue	\$	% of Revenue	\$	% of Revenue	\$	% of Revenue	\$	% of Revenue	\$	% of Revenue	\$	% of Revenue	\$	% of Revenue	\$
REVENUES																					
CA Annual Charge Share	301,200	77.0%	398,565	53.2%	303,689	69.6%	310,625	71.0%	478,370	49.4%	395,683	67.8%	332,325	79.1%	298,206	53.2%	335,001	54.4%	376,754	60.9%	3,530,418
Lease & Rental	72,697	18.6%	347,159	46.3%	119,168	27.3%	104,050	23.8%	252,914	26.1%	168,232	28.8%	78,191	18.6%	190,092	33.9%	241,486	39.2%	168,059	27.2%	1,742,046
Tuition & Enrollment	0	0.0%	0	0.0%	0	0.0%	8,826	2.0%	218,149	22.5%	0	0.0%	0	0.0%	0	0.0%	14,044	2.3%	70,410	11.4%	311,429
Interest	224	0.1%	364	0.0%	144	0.0%	1,250	0.3%	9,273	1.0%	62	0.0%	699	0.2%	1,863	0.3%	3,605	0.6%	537	0.1%	18,022
Special Events	1,562	0.4%	1,468	0.2%	5,450	1.2%	2,844	0.6%	2,013	0.2%	17,000	2.9%	1,925	0.5%	1,669	0.3%	9,207	1.5%	1,367	0.2%	44,504
Fees	338	0.1%	115	0.0%	618	0.1%	98	0.0%	72	0.0%	297	0.1%	585	0.1%	517	0.1%	128	0.0%	19	0.0%	2,787
Miscellaneous	14,993	3.8%	1,684	0.2%	7,300	1.7%	10,058	2.3%	6,963	0.7%	2,147	0.4%	6,382	1.5%	67,893	12.1%	12,653	2.1%	1,753	0.3%	131,826
Gain (Loss) on Disposal of Asset	0	0.0%	0	0.0%	0	0.0%	(47)	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	(47)
TOTAL REVENUES	391,014	100.0%	749,356	100.0%	436,369	100.0%	437,705	100.0%	967,754	100.0%	583,420	100.0%	420,107	100.0%	560,239	100.0%	616,124	100.0%	618,899	100.0%	5,780,986
EXPENSES																					
Staff Salaries	180,324	46.1%	342,940	45.8%	217,679	49.9%	237,840	54.3%	356,834	36.9%	302,672	51.9%	192,779	45.9%	264,681	47.2%	308,805	50.1%	363,168	58.7%	2,767,723
Janitorial Wages	5,085	1.3%	8,827	1.2%	0	0.0%	0	0.0%	0	0.0%	4,246	0.7%	0	0.0%	0	0.0%	17,040	2.8%	12,649	2.0%	47,847
Contract Labor	0	0.0%	43,448	5.8%	0	0.0%	5,626	1.3%	99,178	10.2%	115	0.0%	1,100	0.3%	0	0.0%	0	0.0%	900	0.1%	150,366
Payroll Benefits	16,674	4.3%	48,933	6.5%	9,813	2.2%	36,182	8.3%	20,044	2.1%	42,130	7.2%	13,849	3.3%	31,442	5.6%	59,935	9.7%	23,283	3.8%	302,284
Payroll Taxes	14,387	3.7%	27,070	3.6%	18,311	4.2%	19,619	4.5%	30,908	3.2%	23,680	4.1%	16,899	4.0%	21,984	3.9%	26,210	4.3%	30,846	5.0%	229,914
Janitorial Expenses	13,338	3.4%	86,076	11.5%	29,255	6.7%	18,478	4.2%	58,073	6.0%	38,731	6.6%	25,483	6.1%	40,631	7.3%	36,381	5.9%	32,657	5.3%	379,104
Fees	27,414	7.0%	31,224	4.2%	37,535	8.6%	11,274	2.6%	20,907	2.2%	23,387	4.0%	3,998	1.0%	30,274	5.4%	24,441	4.0%	13,076	2.1%	223,529
Operating Expenses	12,899	3.3%	30,759	4.1%	7,328	1.7%	8,107	1.9%	59,154	6.1%	5,103	0.9%	12,602	3.0%	8,642	1.5%	16,628	2.7%	18,759	3.0%	179,980
Business Expenses	1,094	0.3%	605	0.1%	2,456	0.6%	853	0.2%	1,688	0.2%	2,256	0.4%	1,354	0.3%	2,489	0.4%	1,358	0.2%	1,386	0.2%	15,539
Insurance	4,508	1.2%	8,384	1.1%	10,116	2.3%	10,060	2.3%	12,620	1.3%	9,369	1.6%	6,125	1.5%	11,766	2.1%	11,078	1.8%	8,013	1.3%	92,039
Advertising	433	0.1%	822	0.1%	1,384	0.3%	1,409	0.3%	3,162	0.3%	5,607	1.0%	345	0.1%	5,647	1.0%	26,648	4.3%	551	0.1%	46,008
Newsletter	13,170	3.4%	7,624	1.0%	18,431	4.2%	20,752	4.7%	28,084	2.9%	17,860	3.1%	36,914	8.8%	43,687	7.8%	18,446	3.0%	11,869	1.9%	216,836
Other Printing	2,395	0.6%	251	0.0%	550	0.1%	165	0.0%	0	0.0%	5,969	1.0%	0	0.0%	231	0.0%	481	0.1%	764	0.1%	10,806
Donations/Contributions	1,750	0.4%	3,703	0.5%	3,150	0.7%	325	0.1%	1,750	0.2%	7,686	1.3%	12,000	2.9%	100	0.0%	3,068	0.5%	4,500	0.7%	38,032
Special Events	37,029	9.5%	13,663	1.8%	13,735	3.1%	12,398	2.8%	14,050	1.5%	18,870	3.2%	40,999	9.8%	6,830	1.2%	10,580	1.7%	11,342	1.8%	179,495
Taxes	9	0.0%	338	0.0%	284	0.1%	153	0.0%	878	0.1%	224	0.0%	316	0.1%	1,000	0.2%	615	0.1%	0	0.0%	3,818
Utilities	17,158	4.4%	36,228	4.8%	10,910	2.5%	13,181	3.0%	41,589	4.3%	25,968	4.5%	24,871	5.9%	23,117	4.1%	25,413	4.1%	33,333	5.4%	251,766
Repairs & Maintenance	26,485	6.8%	25,464	3.4%	4,305	1.0%	9,917	2.3%	48,236	5.0%	19,976	3.4%	10,113	2.4%	19,986	3.6%	11,678	1.9%	22,026	3.6%	198,187
Furniture & Fixtures	1,246	0.3%	536	0.1%	2,097	0.5%	957	0.2%	9,372	1.0%	2,678	0.5%	2,027	0.5%	1,872	0.3%	3,226	0.5%	5,361	0.9%	29,372
TOTAL EXPENSES before depreciation	375,398	96.0%	716,894	95.7%	387,337	88.8%	407,295	93.1%	806,527	83.3%	556,527	95.4%	401,775	95.6%	514,380	91.8%	602,031	97.7%	594,481	96.1%	5,362,646
Depreciation	7,571	1.9%	15,020	2.0%	7,565	1.7%	3,940	0.9%	14,241	1.5%	3,541	0.6%	3,253	0.8%	3,712	0.7%	1,279	0.2%	8,516	1.4%	68,638
TOTAL EXPENSES	382,969	97.9%	731,914	97.7%	394,903	90.5%	411,235	94.0%	820,769	84.8%	560,068	96.0%	405,028	96.4%	518,091	92.5%	603,310	97.9%	602,997	97.4%	5,431,284
INCREASE (DECREASE) In Net Assets - FY20	\$ 8,044	2.1%	\$ 17,442	2.3%	\$ 41,466	9.5%	\$ 26,470	6.0%	\$ 146,985	15.2%	\$ 23,352	4.0%	\$ 15,079	3.6%	\$ 42,148	7.5%	\$ 12,814	2.1%	\$ 15,902	2.6%	\$ 349,702
INCREASE (DECREASE) In Net Assets - FY19	\$ 8,460		\$ 1,968		\$ 25,496		\$ 16,982		\$ 168,831		\$ 28,967		\$ 25,001		\$ 33,728		\$ 7,568		\$ 35,744		\$ 352,745

Source: Villages' board-approved FY20 fourth quarter financial statements.

- (a) Pending Village Board's approval of the financial statements.
- (b) FY20 financial statements are subject to independent audit, which may result in adjustments.
- (c) CA was notified on 8/19/20 that financial statements are being revised, with minimal impact.

Community Associations - Comparative Financial Data - FY20

	DORSEY'S SEARCH	HARPER'S CHOICE	HICKORY RIDGE	KINGS CONTRIVANCE	LONG REACH	OAKLAND MILLS	OWEN BROWN	RIVER HILL	TOWN CENTER	WILDE LAKE	TOTAL
CASH & CASH EQUIVALENTS AT 4/30/20 (a):	\$ 91,697	\$ 249,633	\$ 155,196	\$ 195,638	\$ 422,202	\$ 300,178	\$ 143,673	\$ 232,037	\$ 238,237	\$ 318,571	\$ 2,347,061
Add: FY21 First Quarter Annual Charge Share (distributed after 4/30/20)	\$ 73,736	\$ 94,461	\$ 76,057	\$ 77,233	\$ 126,827	\$ 92,947	\$ 81,017	\$ 76,962	\$ 83,845	\$ 96,309	\$ 879,396
Equals: Cash & cash equivalents at 4/30/20 (adjusted for comparability to 4/30/19)	\$ 165,433	\$ 344,094	\$ 231,253	\$ 272,870	\$ 549,029	\$ 393,125	\$ 224,690	\$ 308,999	\$ 322,082	\$ 414,880	\$ 3,226,456
CASH & CASH EQUIVALENTS AT 4/30/19 (includes FY20 First Quarter Annual Charge Share):	\$ 167,796	\$ 363,510	\$ 229,208	\$ 193,321	\$ 444,987	\$ 328,358	\$ 221,623	\$ 282,299	\$ 345,479	\$ 357,730	\$ 2,934,310
RESERVE ACCOUNT AT 4/30/20 (b):	\$ 41,870 (c)	\$ 88,742	\$ 117,004	\$ 83,623	\$ 272,849	\$ 111,840	\$ 85,820	\$ 129,161	\$ 81,112 (c)	\$ 133,879	\$ 1,145,899
EXCESS CASH RESERVES AT 4/30/20	\$ -	\$ -	\$ 39,537	\$ -	\$ 107,044	\$ 534	\$ 3,175	\$ 21,360 (c)	\$ -	\$ 7,288	\$ 178,938
Excess cash reserves being returned to CA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 534	\$ -	\$ -	\$ -	\$ -	\$ 534
RESERVE ACCOUNT - 4/30/19	\$ 41,996	\$ 69,490	\$ 103,162	\$ 66,636	\$ 188,588	\$ 96,002	\$ 79,651	\$ 93,422	\$ 92,451	\$ 119,584	\$ 950,983
Excess cash reserves - 4/30/19	\$ -	\$ -	\$ 21,988	\$ -	\$ 30,060	\$ -	\$ 373	\$ -	\$ -	\$ -	\$ 52,421
TOTAL FULL TIME EQUIVALENTS:	2.96	6.00	4.44	4.55	6.58	5.43	3.60	4.98	5.00	7.00	50.54
TOTAL APPROX. SQUARE FOOTAGE:	8,076	14,962	4,192	4,519	22,607	12,426	6,824	7,436	12,984	16,487	110,513
ESTIMATED POPULATION:	7,446	8,441	12,203	10,366	15,662	9,086	10,543	6,183	5,848	6,790	92,568
NUMBER OF COMMUNITY BUILDINGS	2	3	1	2	4	4	1	2	1	4	24
TOTAL FULL TIME EQUIVALENTS: FY19	3.00	7.36	4.93	4.59	6.71	6.70	3.60	4.86	4.00	6.76	52.51

Notes:
Data was obtained from Village Managers and/or-Village board-approved FY20 fourth quarter financial statements.

- (a) - Cash and cash equivalents includes petty cash, cash in checking and savings accounts, and short-term investments.
- (b) - This figure represents uncommitted cash and investments (adjusted for accruals such as accounts payable, security deposits, accrued liabilities, deferred revenue, accounts receivable, and prepaid expenses). In addition, uncommitted cash and investments were adjusted for (1) cumulative returned Village contingency funds (\$20,242 per Village) and (2) waived FY17 excess cash reserves for Harper's Choice, Oakland Mills, Owen Brown, and Wilde Lake.
- (c) Amounts were changed from villages' FY20 financial statements to reflect adjustments for audit fees and contingency fund repayments.



September 4, 2020

To: Members of the Columbia Association Board of Directors
Milton W. Matthews, President/CEO

From: Susan Krabbe, Vice President and CFO

Cc: Lynn Schwartz, Director of Finance/Treasurer
Members of the Senior Leadership Team

Subject: Proposed Operating and Capital Budget Parameters for FY 2022

A critical component in the Columbia Association (CA) budget process is the approval by the CA Board of the operating and capital parameters. The capital parameter is the total amount of the capital budget for a fiscal year. The operating parameter is the target for the annual increase in net assets (the annual excess of revenues over expenses) for the fiscal year. These parameters will be used to develop the proposed FY 2022 budget, along with input from the Board, community stakeholders and staff throughout the budget process. The budget process, which extends from July 2020 to February 2021, provides numerous opportunities for Board and community input and review. The proposed budget document will be provided to the CA Board and the community on Friday, January 8, 2021.

Establishing these parameters early in the budget process serves multiple purposes:

- a) It ensures that the significant time CA staff spends on developing the detailed budgets over the next few months produces a bottom line result that meets the overall objectives of the Board;
- b) It ensures that the budgets developed and corresponding financial accounting results will comply with all existing debt covenants; and
- c) It ensures that CA will have sufficient cash availability at all times throughout the fiscal year to pay for planned operations and capital expenditures.

Operating Parameters – Two Alternatives

Based on the discussion at the August 31 Board Operations Committee meeting, it seems that the CA Board would like to have more than one recommendation from staff for the targeted increase in net assets for the FY 2022 operating budget (the “operating parameter.”)

The FY 2021 and the conditional FY 2022 operating parameter approved by the CA Board in February 2020 was \$3 million. It was immediately clear with the sudden and unprecedented onset of the COVID-19 pandemic in March 2020 that not only would CA not achieve an increase in net assets of \$3 million for FY 2020, the fiscal year nearly ending, but that it would not be

possible to achieve that parameter in FY 2021, primarily due to the very cautious and gradual return of the government and community to schools and programs and facilities similar to ours. As you are well aware, the CA Board approved a revised FY 2021 operating budget with a budgeted increase in net assets of \$35,000.

Even though CA is a nonprofit corporation, it is still very important to continue to grow the value of the organization through annual increases in net assets. First and foremost, annual increases in net assets generate cash that is necessary for paying CA's operational bills, funding required debt service and making capital investments in CA facilities and amenities. Second, the trend of growth in net assets is watched closely by CA's current and prospective lenders, auditors and vendors. Lender analysts question in detail year-to-year declines in the annual increase in net assets. This year, nearly all organizations will show declines in earnings, net assets and/or fund balances. However, maintaining annual increases in net assets should be a priority for the Board.

Therefore, it is important that CA produce positive results, at least a minimal increase in net assets, for our community, lenders and other stakeholders. We are confident that CA can achieve an increase in net assets in FY 2022 similar to the FY 2021 budget of \$35,000. Managers will need to continue to carefully monitor revenue and expenses, and make adjustments to expenses in the event of any revenue shortfalls during the year. The team has demonstrated since the onset of the pandemic that this is achievable. If there were to be a second mandated shutdown, we know how to respond quickly and effectively to reduce expenses to offset revenue losses; we are in a better cash position, and CA could weather such a storm.

It is possible that CA could achieve more favorable results, or could be pressed to stretch to achieve a higher increase in net assets. That would certainly be evaluated more favorably by the credit community. An operating parameter of \$1,000,000 would be based on the assumptions that there will not be another shutdown; CA participants and members return in greater numbers to programs and facilities; and that Howard County Public Schools return to at least some form of in-person instruction with CA resuming at least half of its pre-COVID-19 School Age Services program.

Therefore, we recommend operating parameters (increase in net assets) for two alternatives:

- Option 1 (conservative): Increase in Net Assets of \$35,000
- Option 2 (more aggressive): Increase in Net Assets of \$1,000,000

Our recommendation was analyzed carefully in the context of the actual financial results for FY 2020, the first quarter FY 2021 results and our projections for the remainder of the fiscal year. Additionally, we reviewed projected capital spending, economic factors, interest rates, and other potential increases for both revenue and expenses. Both alternative targets for the increase in net assets also take into consideration the proposed capital budget for FY 2022 (please see below), as reflected through the impact of the capital budget on depreciation, interest, loss on disposals and other operating expenses. Budgeted revenue and expenses for FY 2022, the line items netting to the increase in net assets, will depend in large part on the Board's decisions related to the continuance of existing programs and services, while weighing the probability of increased annual charge abatements, occasional damaging storms and other indeterminate events.

Capital Parameters

Based on review of the projected capital needs and funding capacity, we recommend that the capital budget for FY 2022 be **\$8,000,000**, the same as FY 2021. We recommend this amount, regardless of which of the two operating parameter alternatives the Board chooses.

It is absolutely essential to understand that an \$8 million capital budget is far from adequate for maintaining CA's physical assets over the long term. Unless the CA Board chooses to eliminate a substantial portion of those physical assets, a return to the pre-COVID annual benchmark of \$15 million for most years per the October 2019 Ten-Year Financial Plan is necessary. Based on staff expectations at this time and barring another catastrophe of this magnitude, it may be possible for the FY 2024 capital budget to return to the \$15 million level.

While \$8 million does not come close to fully funding the Capital Improvements Plan (CIP) for FY 2022 and requires a significant reduction from the \$15 million conditionally approved in February, a capital budget of \$8 million will continue to allow CA to address safety concerns and the most critical needs of its aging infrastructure. It would also enable CA to address, in what staff hopes is a temporarily limited fashion, its organizational priorities for open space and environmental sustainability. Clearly a number of capital projects in the conditionally approved FY 2022 capital budget will need to be deferred and perhaps set aside entirely, which the Board will determine during its deliberations.

The chart below shows the pre-COVID 10-year average capital budget:

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	10-Year Average
(\$ in 000's)											
Capital budget	\$20,000	\$20,000	\$17,000	\$21,000	\$9,900	\$12,810	\$13,416	\$9,164	\$9,933	\$10,476	\$14,370

Recommendations

In summary, staff proposes two alternatives for the Board's consideration, with the approval of one for the FY 2022 operating budget parameter:

- Option 1: Increase in Net Assets of \$35,000
- Option 2: Increase in Net Assets of \$1,000,000

Staff proposes an FY 2022 capital budget of \$8,000,000.

Thank you for your leadership in the budget process, which is especially challenging given the pandemic and resulting economic crisis. This is a difficult time to be a CA Board member; your efforts are appreciated.



September 4, 2020

To: Members of the Columbia Association Board of Directors
Milton W. Matthews, President/CEO

From: Susan Krabbe, Vice President and CFO

Cc: Lynn Schwartz, Director of Finance/Treasurer
Members of the Senior Leadership Team

Subject: Proposed Annual Charge Rate and Cap for FY 22

Background

The annual charge applies equally to residential and commercial properties within the boundaries of Columbia Association (CA) and is currently \$0.68 per \$100 of assessed valuation, subject to a three-year phase-in and 3.5% cap on annual assessed valuation increases. The maximum allowable rate is \$0.75 and the legislatively mandated cap is 10%.

CA has reduced the rate twice: from \$0.75 to \$0.73 in 1992 and from \$0.73 to \$0.68 in July 2004. CA has reduced the cap multiple times since it was mandated in May 2004; most recently to 2.5% in 2009. CA increased the cap from 2.5% to 3.5% in 2017 to provide additional financial resources for capital projects to address CA's aging infrastructure, resulting in approximately \$252,000 in additional annual charge revenue for FY 17. Even with that change, the combination of both the cap and the rate being below their permitted maximums mean that CA could generate approximately \$8 million in additional annual charge revenue, based on July 2020 data.

CA's actions have been in strong contrast to Howard County's approach to the real property tax. Howard County's cap of 5% has not changed since the Columbia community was founded in 1967. While the County's rate has both increased and decreased over the past 52 years, the most recent change was in 2002, when the County's rate was changed as a result of a legislated change in methodology.

Before the COVID-19 pandemic, annual charge income accounted for approximately 54% of CA's total revenue. For many years, the greatest use of annual charge income was for CA's open space areas – lake and pond dredging; tot lots, plazas, pathway and bridge maintenance; and open space mowing, plantings and snow removal. Additionally, annual charge income:

- Supported the village community associations;
- Supported the CA Camps program, the Art Center, and the Columbia Archives;

- Supported operations of most of our aquatics facilities – outdoor pools and Swim Center; and,
- Funded no-charge community events, such as the Lakefront festivals, international and cultural activities, the Volunteer Center, the Columbia Community Exchange and others.

The annual charge income also contributed to the CA Points program, income-qualified discounts and resident pricing for recreational facilities and programs.

From 2009 when the cap was lowered to 2.5% through 2020, annual charge income increased an average of 3% per year. This trend reflects the increase in the cap to 3.5% in 2017 and new construction within the boundaries of CA. During this 12-year period, residents consistently expressed their desire for new services and programs, as evidenced by requests for new parks, enhanced aquatics venues, and improvements to open space, recreational and fitness facilities, etc. Plus, aging capital assets continue to drive significant increases in maintenance and repair costs.

Impact of the COVID-19 Pandemic

The revised FY 21 budget approved by the CA Board on June 4, 2020 includes annual charge income of just over \$40 million, about 71% of the total budgeted revenue of \$56 million. At this point, we anticipate FY 21 total revenues to be \$55.7 million, of which the projected annual charge income will constitute 73%.

Given this forecast, almost all of CA's no-charge programming, already severely limited by state-mandated restrictions on public gatherings, has been eliminated for FY 21. The Department of Open Space and Facilities Services is projected to be the single largest recipient, 39% or \$15.8 million, of the projected FY 21 annual charge income.

Sport and Fitness income, which was once 38% of total revenue, is projected to bring in about \$12.9 million for FY 21, now about 23% of total projected revenue.

School Age Services income, previously contributing 5% or almost \$4 million to total revenue, is now projected to be \$1.4 million for FY 21, now about 2.6% of total projected revenue. This income source has been significantly impacted by the decision of the Howard County Public Schools System to operate virtually through at least January 2021.

The pandemic and the related State-mandated closures have resulted in an economic crisis for many industries and organizations, including CA. Prior to this scenario, CA had been so committed to and focused on community events and activities, fitness and recreation, all of which have contributed tremendously to building the excellent quality of life that residents of the community and beyond have enjoyed for 53 years. These activities, programs and services have been severely impacted by the pandemic and the resulting economic crisis.

CA will have to pull back significantly on its offerings, focusing most of our economic and human resources on open space and baseline maintenance of our physical assets for FY 22 and, likely, FY 23.

Budget Considerations

The budget implications of the annual charge income are significant, as it will be more than three quarters of the total annual revenue for the organization. Changing the rate by one cent, either up or

down, would result in a total difference of approximately \$642,000. The impact on the average residential property is about \$16 per year.

The annual charge applies to commercial properties exactly as it applies to residential properties. Therefore, for example, a one-cent change in the rate would impact the owner of The Mall in Columbia by a corresponding increase or decrease in its annual charge bill by approximately \$13,800.

Recommendations

Staff recommends that the Board keep the annual charge rate at \$0.68 and the cap at 3.5% for the FY 22 budget, despite the financial constraints outlined above.

The FY 21 average annual charge bill for residential properties is \$1,070. A one-cent rate reduction represents a 1.5% decrease in each property owner's annual charge bill, with an average impact of about \$16 for the year, or about four cents a day.

Given the COVID-19 pandemic and resulting financial crisis and the uncertainty as to the duration of both, staff believes that an increase would be detrimental to the organization's reputation in the community to an extent that would outweigh the benefit of the additional revenue. Yes, CA has significantly cut back on its offerings of services, programs and activities; nevertheless, we believe such decisions are indicative of the times and are expected of CA by its community stakeholders.

The Board's options are to increase the annual charge rate and/or cap; to decrease either or both; or to keep them unchanged.

**COLUMBIA ASSOCIATION
ANNUAL CHARGE ANALYSIS**

August 21, 2020

Sample Properties	Billable Valuation	FY 21 Billed Annual Charge	Annual Impact of a \$0.01 Change in the Rate	First Year Impact of Reducing the Cap to 2.5%
1	\$397,033	\$1,350	\$20	\$0
2	\$390,676	\$1,328	\$20	\$13
3	\$284,197	\$966	\$14	\$9
4	\$305,969	\$1,040	\$15	\$10
5	\$474,900	\$1,615	\$24	\$0
6	\$268,299	\$912	\$13	\$9
7	\$308,737	\$1,050	\$15	\$10
8	\$321,500	\$1,093	\$16	\$0
9	\$277,400	\$943	\$14	\$0
10	\$405,995	\$1,380	\$20	\$13
<i>Average Residential Property</i>	<i>\$314,708</i>	<i>\$1,070</i>	<i>\$16</i>	
Howard Hughes Corp Properties (formerly HRD)	\$381,835,831	\$1,298,242	\$19,092	\$3,926
Brookfield Properties (formerly GGP)	\$276,697,903	\$940,773	\$13,835	\$8,994
Total for Columbia Association	\$12,838,389,369	\$43,650,526	\$641,919	\$254,805

Notes:

1. The CA Board members' properties were used as a sample representing one from each village. This also provides transparency regarding the impact of any Board decision on the annual charge rate. The average impact on the 10 Board members' properties is about \$17, slightly higher than the overall average.
2. The impact of a one-cent increase in the rate over the 27,000 residential properties would be only \$16 per year but would provide \$642,000 in total that could be used by CA in other areas of need.
3. The 2.5 percent cap applies to six of the ten sample properties shown above.
4. A sample of commercial properties was included to show the impact of a one-cent change on those as well.



September 4, 2020

To: Members of the Columbia Association Board of Directors
Milton W. Matthews, President/CEO

From: Susan Krabbe, Vice President and CFO

Cc: Dan Burns, Director of Sport and Fitness
Lynn Schwartz, Director of Finance/Treasurer
Members of the Senior Leadership Team

Subject: CA Board Membership Pricing Guidance for the FY 2022 Budget

As part of the foundation for the FY 2022 operating and capital budgets, the CA Board of Directors approves the annual charge rate and cap, which is projected to contribute about 71.5% of CA's FY 2021 budgeted revenue of \$56 million. The CA Board also provides guidance to staff for membership pricing.

Background

Membership revenue is projected to contribute 17.4% (approximately \$9.7 million) of CA's FY 2021 budgeted revenue. Before the COVID-19 pandemic and resulting economic crisis, membership revenue consistently contributed about 26% of revenues since at least FY 2013. The first quarter FY 2021 estimate projects that contribution to be 15.7%, slightly under the FY 2021 budget and significantly below the pre-COVID historical trend of 26%.

CA staff work to attempt to orient pricing for memberships and other programs and activities to minimize the use of annual charge revenue for services that may be able to fund themselves. Staff's working assumption has been that what can pay for itself at maturity through its own users should pay for itself, and that the annual charge be reserved to subsidize or fully fund those activities and amenities that are either enjoyed by all (such as open space) or support CA's community mission (such as income-qualified pricing, village community associations, the arts, lakefront music and movies, etc.). For context, CA's income-qualified pricing provides 50% discounts on memberships for those residents earning below 110% of the federal income guidelines based on family size. As of April 30, 2019, 1,410 households within the boundaries of CA accessed CA memberships through this program. The total estimated FY 19 discount for these resident memberships was approximately \$691,000. A very rough estimate of the impact of income-qualified discounts on the FY 2021 membership revenue budget is about \$352,000.

In recent years, Sport and Fitness leadership has focused on minimizing the department's reliance on annual charge revenue, and has achieved the membership revenue contribution to Sport and Fitness operating expenses indicated on EXHIBIT A. Prior to March 2020 and the mandated shut-down, our focus to rely less on the annual charge for Sport and Fitness expenses had been directly impacted by such factors as increases in the minimum wage and other regulatory requirements related to employees, as well as increases in depreciation and interest expense, reflecting the capital investment in Sport and Fitness facilities (e.g., major renovations at the Athletic Club and Swim Center, the replacement of SplashDown, the new Long Reach Tennis Club, etc.) as we worked to keep our programs and services relevant to our ever evolving community.

In the COVID-19 reality, these factors continue to impact our programs and facilities, as minimum wage continues to increase, mandatory leave regulations are still in place, and in some instances expanded, and aging infrastructure still requires maintenance, repair and replacement, depending on the value that the Columbia community sees in them and the CA Board's determination of whether or not they should be continued.

In developing rates, staff considers multiple factors including CA's own operating and capital requirements, competitor pricing, sales feedback, survey data and increased current and future resource requirements. Based on these factors, staff recommends an increase of 2% - 3% for residents, depending on the type of membership, and up to a market-competitive increase for non-resident memberships. As occurred in FY 2021, staff would not automatically increase rates for memberships that for various reasons should not change. The recommended ranges are consistent with Board-approved policy from 2011 that was also applied in the membership restructuring project in 2016 (see Attachment 1).

The Ten-Year Financial Projection shared with the Board on June 27, 2019 reflects a minimal 2% increase in average membership pricing for the ten-year period, and still requires a one-cent increase in the annual charge rate in FY 2026. The FY 2022 membership projection also included 5% growth in membership sales and 3% growth in the total number of memberships after attrition over the FY 2020 budget. These projections have been superseded by the recent COVID-19 pandemic and will be trending lower than anticipated, but as noted above, many expenses will continue to increase.

Using the FY 2020 approved budget as a base, Exhibit B indicates the incremental membership revenue that would be generated at three different possible percentage increase levels in rates. It also shows the important cumulative effect over five years at each level of increase. Revenue lost as a result of not increasing membership rates (barring a change in member behavior through increased sales or decreased attrition) is lost in perpetuity. Lost revenue would need to be offset by increased membership sales, increases in other income categories, program or service reductions or decreases in expenses including depreciation, resulting in less capital investment. Exhibit B shows a few examples of what would be required ... and when.

Staff Recommendations

The staff presents the following alternatives for Board consideration and, ultimately, the approval of one or the other of these options.

1. As noted above, staff recommends an increase of 2% - 3% depending on the type of membership for residents and up to a market-competitive increase for nonresident

memberships. Of course any price change would only occur for memberships that provide access to facilities and programs that the CA Board chooses to retain in the FY 2022 budget. This is not a mandate to increase all rates by these amounts, but to allow staff to make those changes that make sense from market or equity perspectives.

2. An alternative approach that staff believes may help the organization and the Board to advance CA through values and policy direction would be to base the Board's membership guidance on a threshold at a more strategic level. To this end, staff recommends that the Board require a minimum contribution from membership revenue of 45% of Sport and Fitness total operating expenses for the FY 2022 budget. Then staff would balance revenue and expense changes to achieve that requirement.

Staff will then use this membership rate guidance to develop membership revenue for the proposed FY 2022 budget that will be distributed to the CA Board and the community in early January 2021.

Exhibit A - Membership Revenue Contribution to Sport and Fitness Expenses

<i>Dollars in 000's</i>	FY 17 Actual	FY 18 Actual	FY 19 Actual	FY 20 Actual	FY 21 Budget	FY 21 Q1 Estimate
Total Membership Revenue	\$18,210	\$18,484	\$18,928	\$16,286	\$9,745	\$8,720
Increase (Decrease)		1.5%	2.4%	(14.0%)	(40.2%)	(10.5%)
Total Operating Expenses (including allocations)	\$31,393	\$31,831	\$33,608	\$33,005	\$25,289	\$25,049
<i>Increase (Decrease)</i>		1.4%	5.6%	(1.8%)	(23.4%)	(0.9%)
Membership Revenue - funding of operating expenses	58%	58%	56%	49%	39%	35%
<i>Increase (Decrease)</i>		0.1%	(3.0%)	(12.4%)	(21.9%)	(9.7%)
Depreciation and Interest	\$4,963	\$5,405	\$6,158	\$6,722	\$7,165	\$7,274
<i>Increase (Decrease)</i>		8.9%	14.0%	9.1%	6.6%	1.5%

Exhibit B - What If?

	3%	2.5%	2%
Increase in FY 21 Membership Revenue	\$311,000	\$259,000	\$207,000
5 Year Cumulative Increase	\$1.6 million	\$1.3 million	\$1.0 million
Additional New Sales at May 1 in lieu of increase	298	248	199
Additional New Sales at June 1 in lieu of increase	325	248	217

Membership Pricing Philosophy

(Last reviewed by the CA Board in May 2016)

1. The goal of resident membership rates is to maximize participation while generating a revenue stream to meet CA's financial goals.
2. The goal of non-resident membership rates is, at a minimum, to match the market for comparative services and programs. (An exception to this is in the rare instances where a specific facility has limited capacity. In this case, non-resident rates are raised above the market to manage the number of non-resident memberships.)
3. Resident membership rates are significantly discounted in acknowledgement that residents pay an annual charge to CA.
4. In an effort to make Sport & Fitness memberships affordable to all residents, additional discounts on the resident membership rates are available for CA residents who are income-qualified.
5. Our goal is to make the composite rates less than the sum of the standalone memberships. (We offer these rates as incentives for individuals to choose the membership that encourages them to participate in all of the Sport & Fitness programs, services and facilities.)
6. There is no double discounting.
7. Adding value and services will increase both market share and revenue.



September 4, 2020

To: Columbia Association Board of Directors
Milton W. Matthews, President/CEO

From: Susan Krabbe, Vice President and CFO

Cc: Lynn Schwartz, Director of Finance/Treasurer
Members of the Senior Leadership Team

Subject: New Reserve Fund Parameter

Background

As you know, the March 2020 mandated closures of CA's facilities and programs due to the COVID-19 pandemic created serious financial challenges for CA for several reasons. The closure of Howard County Public Schools as of March 16, 2020 resulted in the FY 2020 loss of \$810,000 revenue from the School Age Services program. CA chose to not bill members for memberships while the facilities were closed, resulting in a loss of \$4.2 million, which included non-dues revenue from all fitness and recreational activities. The closures came near the end of the FY 2020 fiscal year, giving staff little time to reduce expenses to more fully offset the lost revenue. Nonetheless, the team responded very well, so that CA ended FY 2020 with an increase in net assets of \$1.7 million.

The timing was also difficult for CA in that it was mid-month; we did not bill the March membership revenue, and we had very limited options to offset the cash shortfall created by the absence of the Sport and Fitness revenue. The existing line of credit had a limit of \$12 million for the month of March. CA's cash reserves were limited to the excess cash in the general liability self-insurance trust. We obtained permission to transfer \$3 million, the majority of that excess cash, to CA's account as a precaution, helping CA to keep the line of credit balance under \$8 million for the month, and providing some reserve cushion as we implemented cost reduction measures immediately and until we received the new loan proceeds in June 2020.

Financing Strategy

For decades, CA had significant long-term debt outstanding due to the concept of pre-servicing, whereby the Columbia community was able to enjoy amenities such as pathways, tot lots, neighborhood centers, parks, lakes and ponds, fitness and sports facilities, indoor and outdoor pools, an art center, teen center, etc., many of which were built far in advance of a population adequate to support them. CA did not have any cash reserves for the first few decades of its existence. Previous management teams and

Boards established a very effective strategy taking advantage of extremely favorable short-term rates to pay off high interest rate, non-callable bonds; obtain an upgraded bond rating and issue new, long-term debt with more favorable terms. In FY 2015, CA retired the last of those bonds, obtained an upgraded issuer credit rating of Aa1 and issued \$30 million in long-term debt to pay off the \$27 million balance on the short-term line of credit. CA kept the short-term line of credit in place to continue to take advantage of historically low short-term interest rates to help fund much-needed capital reinvestments, including significant projects in open space, such as the first-time ever dredging projects for all three of CA's lakes.

For FY 2018 through FY 2020, CA's cash flow from operations averaged \$16 million, while the capital spending averaged \$19 million and long term debt repayment averaged \$1.9 million. Thus, over the three most recent fiscal years, CA generated enough cash flow from operations to fund almost 77% of its capital reinvestment and long-term debt repayment.

The October 2019 updated 10-Year Financial Projection projected little need for more long-term debt, in part due to an average annual capital budget of only \$15 million (down from \$20 million for more recent years. In fact, the model projected only one long-term debt issuance of \$35 million to occur in FY 2026, primarily to finance the purchase of CA's headquarters building.

June 2020 Financing

As you know, due to the pandemic and resulting mandated closures, as well as changes in CA's relationship with the then-existing line of credit holder, CA obtained a \$20 million term loan and a revolving line of credit of up to \$20 million, both of which are secured by the annual charge revenue. The \$20 million term loan was used to pay off the old line of credit balance of approximately \$17.5 million.

This new financing requires CA to maintain minimum liquidity of \$3 million. That amount has been set aside in CA's cash flow projections. Unfortunately, that amount is not available for use.

"Rainy Day" or Reserve Fund Information

Staff research into "rainy day" or reserve funds indicates that at least at the state government level, the median rainy day fund balance as a percentage of general fund expenditures in 2019 was 7.3% for all 50 states. The State of Maryland's rainy day fund balance was 5% of its general fund expenditures in 2019. Howard County's rainy day fund is to be maintained at no less than 7% of the total audited general fund expenditures for the prior fiscal year.

Staff research into reserve fund guidance for nonprofit organizations (without funding sources like the CA annual charge) found general recommendations of three to six months' of expenses, with the low end being enough to cover at least one full payroll including taxes. Clearly these amounts vary widely as shown in this chart.

	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget
CA's total expenses	\$68,812,000	\$68,498,000	\$55,961,000
5% of CA's total expenses (similar to State of Maryland)	\$3,440,600	\$3,424,900	\$2,798,050
7% of CA's total expenses (similar to Howard County)	\$4,816,840	\$4,794,860	\$3,917,270
3 months of CA's total expenses	\$17,203,000	\$17,124,500	\$13,990,250
6 months of CA's total expenses	\$34,406,000	\$34,249,000	\$27,980,500

Research indicates that funding sources vary, with some entities setting aside a portion of their ongoing annual revenue and others designating less routine sources, such as funds from legal settlements, growth in annual revenue, special or additional taxes, etc. Regardless of the source, those funds are not used for current operating expenses, and have various restrictions over their withdrawal and usage, as well as their replenishment.

The pandemic and corresponding economic downturn have created extreme financial uncertainty for most organizations, including CA. Balancing the funding of a reserve fund with the agility needed to respond to the constantly evolving pandemic is crucial over the next fiscal year, at least.

Recommendations

For the FY 22 budget, staff recommends that the Board approve a reserve parameter of \$2 million for FY 22, in addition to the \$3 million liquidity required by the new financing. This \$2 million would be the beginning of a reserve fund for CA that would be built upon on an annual basis going forward.

Staff further recommends that \$1 million of the \$3 million excess cash transferred from the general liability self-insurance trust be returned in May 2021. The actuarial analysis for the FY 2020 financial statements did not require the return of the \$3 million, so the return of \$1 million would be a favorable adjustment to the program at this time.

Our current cash flow projections include the return of the \$3 million to the general liability self-insurance trust that was removed in March 2020 as a precautionary measure to offset the revenue shortfall noted above, indicating that it would be possible to establish an initial reserve of \$2 million and return \$1 million to the trust. This combination of really \$3 million in additional cash reserves moves CA forward on at least the lower benchmarks in the above chart.

Longer term, staff recommends that the Board charge staff with the development of a full rainy day fund policy and program, including funding sources and timeline, withdrawal and replenishment directions, to be submitted for Board evaluation, analysis and approval by April 30, 2021.

September 4, 2020

Chair's Remarks September 10, 2020 CA Board Work Session

<u>Date</u>	<u>Activity</u>	<u>Time</u>
Sept 10, 2020	CA Board work session (Virtual)	7:00 PM
Sept 21, 2020	Audit Committee	7:00 PM
Sept 22, 2020	New Town Visioning and Planning Workshop 4 (Virtual)	7:00 PM
Sept 24, 2020	CA Board meeting (Virtual)	7:00 PM
Sept 30, 2020	Zoning Board hearing 9(continuation) on Hickory Ridge Village Center (County virtual)	6:00 PM

RR = Registration Required or there is a Cost associated with this Activity

Note that CA will offer full day childcare (7am- 6pm), beginning on September 8, at the following schools: Clarksville, Centennial, Clemens Crossing, Cradlerock, Hammond, Northfield, Phelps Luck, Swansfield, Waterloo, and Worthington. Registration is open for the Daily/Weekly Program. Please see this website for details

www.columbiaassociation.org/community-program/kids/before-after-school-care/#20202021schoolyearbeforeandaftercare

CA financial reports and statements are accessible at

www.columbiaassociation.org/about-us/financials/financial-reports/. The web page has information concerning budgets, audited financial statements, reports and financial statements.