



October 13, 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: Data Requested by the CA Board for October 19 Work Session

At its work session in July 2020, the CA Board discussed its desire for a discussion of CA's facilities, amenities and programs and their operating cost, revenue generation potential, capital reinvestment requirements and a number of other data points. Board members were asked to submit their questions and information needs. Attachment 1 contains that list, by the CA Board member making the request.

CA staff has invested many hours in pulling together the requested information. Itemized below is the information we have compiled, as is applicable to the program or facility:

1. The FY 2019 (last full year) statements of activity (or "Profit & Loss Statement") for each facility or program;
2. The cash contribution or cash shortfall generated by the facility or program;
3. Usage data (total usage, resident/non-resident member check-ins, etc.) as available;
4. Fixed costs if operations were closed on April 30, 2021;
5. Fixed costs if operations were suspended on April 30, 2021;
6. One year of capital reinvestment required (based on the 5-year annual average from the June 2019 Capital Improvement Plan for fiscal years 2021 through 2025); and
7. Staff's assessments of several questions, such as:
 - a. Is this service county-wide?
 - b. Does Howard County provide the same service outside of Columbia?
 - c. Is the facility on land that is included in the credited open space calculation?
 - d. Is the facility on land that can be sold or redeveloped according to its zoning designation?

The information has been prepared for the departments of Sport and Fitness, Community Services and Open Space and Facility Services, and for the Village Community Associations. We also attached the report on the Neighborhood Centers, which was presented to the CA Board in June 2019. The report shows the costs, separately, for each of the 14 neighborhood centers.

Attachment 1

From Dick Boulton:

- What are our fixed costs such as debt service, leases, etc. that must be paid regardless?
- Once these are paid, how much Annual Charge revenue remains?
- What are our services/amenities priorities? What do our residents most expect of us?
- What are our best revenue opportunities? What pays for itself?
- What services/amenities are there that, while not necessarily profitable, can produce revenues that offset fixed costs?
- What services/amenities should we carry because it would be too difficult/expensive to reopen them were we to let them lapse?
- What is the light at the end of the tunnel? What will CA look like after the effects of the pandemic are behind us? How long will it take to get there?

From Janet Evans:

- Understand all of the required overhead and maintenance costs so we understand the baseline.

From Ginny Thomas:

- I would like to have the staff ID programs and services that are providing a County wide service. Those that have been supported in the past by State or County dollars but now are 100% CA dollars. Also facilities, projects, or services that the County is providing elsewhere in the County but we are paying for here—overpass, etc.
- How much has it cost CA to subsidize low income people in the last 3 budgets? What will the amount be in FY2021 and FY 2022? How much is in the County budget to subsidize low income people in the Parks and Rec budget? We CA lien payers are saving HC a lot of money they would have to spend on these facilities, services, etc. But we are also paying taxes towards supporting them being built outside of Columbia.
- Are we looking at the space we are paying for and maybe how we can downsize and put some of it on the market?

From Jessamine Duvall:

- I would ask that the meeting begins with a brief review of CA's Mission, the Board's Governing Mission and Values, and the 2019 Strategic Plan Priorities. This will get us all in the mindset of big-picture thinking as we evaluate programs and services and will ensure that the intent of Janet's original proposal is honored.

From Lin Eagan:

- We should definitely look at CA programs from a County perspective. Our liens and facilities provide services for many residents who don't live within the lien boundaries. While they do pay more to use our facilities, they will never pay for themselves. That is not necessarily a bad thing, but we should also expect the County to help us subsidize facilities and programs that support countywide agendas. Reflecting back on the hours of discussion about a new indoor pool for the Clippers, we came to the conclusion that it

could only be done with the County as a substantial partner. Perhaps it's time to look at other services and facilities that benefit the County and see how we all might benefit.

From Andy Stack:

- The 5-year CIP for each facility
- Loss on disposals
- Cost to demolish and restore site (actually Susan)
- Amount of annual charge encumbered by the two term loans and the line of credit. Our debt is secured by the Annual Charge and regardless of what happens the debt needs to be paid (out of Annual Charge funds, if necessary).