

**Minutes of the
BOARD OF DIRECTORS MEETING
Held December 9, 2021**

Approved January 27, 2022

A hybrid (virtual and in-person) meeting of Columbia Association's Board of Directors was held on Thursday, December 9, 2021. Present were Chair Janet Evans, Vice Chair Virginia Thomas, and members Dick Boulton, CA President/CEO Lakey Boyd, Jessamine Duvall, Eric Greenberg, Christine (Tina) Horn, Andrew Stack, Ashley Vaughan, and Shari Zaret. Also in attendance were CA Senior Vice President Susan Krabbe; Vice President, Community Operations Dennis Matthey; and Vice President, Community Programs and Services Dan Burns.

1. Call to Order: The Board of Directors Meeting was called to order at 7:01 p.m. by Chair Janet Evans.

- (a) The meeting was being held in a hybrid format, both virtually and in-person at CA Headquarters.
- (b) Ms. Evans took roll of the directors in attendance.
- (c) All attendees and listeners/viewers were reminded that the meeting was being live-streamed and being recorded, with links available on the CA website.
- (d) The Timekeeper was Ms. Vaughan.

2. Announcement of Closed/Special Meetings Held/To Be Held

CA's **Audit Committee** held a closed virtual meeting on December 8, 2021. Members present were Andrew Stack, Dick Boulton, Eric Greenberg, and Timothy Redmond. The vote to close the meeting was 4-0-0.

The closed meeting was authorized under the Maryland Homeowners Association Act, Md. Code, Real Property §11B-111(4)(i), Discussion of matters pertaining to employees and personnel, and (iv), Consultation with staff personnel, consultant, attorneys, board members, or other persons in connection with pending or potential litigation or other legal matters. The meeting was closed from 8:00 p.m. until 8:56 p.m. for a review of several internal audit reports and a consultation with staff on personnel or other legal matters.

3. Approval of Agenda

Action: Ms. Thomas moved to approve the agenda. Ms. Horn seconded the motion, which passed by a vote of 9-0-0.

For: Messrs. Boulton, Greenberg, and Stack, and Mmes. Duvall, Evans, Horn, Thomas, Vaughan, and Zaret

Against: None

Abstain: None

4. Verbal Resident Speakout

(a) Russell Swatek – Long Reach – Spoke about Merriweather noise reduction, and a proposed letter from CA's Board of Directors to local officials and the Howard County State Delegation; and the Downtown Columbia Arts and Cultural Commission

(b) Alex Hekimian – Oakland Mills – Spoke about focused on affordable pool-only memberships, excessive Merriweather noise, and information about CA and Symphony of Lights

(c) John DiTomasso – Spoke about CA and Symphony of Lights

(d) Doug Lea – Town Center – Spoke about open space; a “city feel” rather than suburbia; and a focus on the Chrysalis in the budget

(e) Mae Beale – Owen Brown – Spoke about continued funding for the Inner Arbor Trust

(f) Lynn Foehrkolb - Art Center Advisory Committee, Town Center Association BOD – Spoke about the Columbia Art Center budget and funding for the Inner Arbor Trust

(g) State Delegate Jen Terrasa – King’s Contrivance – Spoke about funding for the Inner Arbor Trust

5. Consent Agenda

(a) Approval of Minutes – November 11, 2021 Board Meeting - Approved by consent

6. Board Votes

(a) Independent Auditors for FY 2022

Action: Mr. Stack moved to accept the recommendation of the Audit Committee to continue with the same Independent Auditors for FY 2022. Ms. Thomas seconded the motion, which passed by a vote of 9-0-0.

For: Messrs. Boulton, Greenberg, and Stack, and Mmes. Duvall, Evans, Horn, Thomas, Vaughn, and Zaret
Against: None
Abstain: None

(b) IRS Form 990

Action: Mr. Stack moved accept the recommendation of the Audit Committee to approve IRS Form 990. Ms. Thomas seconded the motion, which passed by a vote of 9-0-0.

For: Messrs. Boulton, Greenberg, and Stack, and Mmes. Duvall, Evans, Horn, Thomas, Vaughn, and Zaret
Against: None
Abstain: None

(c) Decision re: Key components to include in the FY 23 Budgets

Ms. Boyd described the four key components:

- 1) Minimum Wage + Compression
- 2) Capital Budget
- 3) Cash Reserves
- 4) Grant Requests

Minimum Wage + Compression discussion and questions focused on current and projected progression of minimum wages, the challenges of being competitive for staffing, changes to current staff compensation, and making strategic operational cuts or potentially adjusting the Annual Charge to offset the anticipated \$500,000 cost of the wage increases.

Action: Mr. Stack moved to accept the staff’s recommendation to look at pricing adjustments and make strategic cuts at staff’s discretion, while minimizing the impact on customer experience, for accommodating the upcoming legislated Howard County minimum wage increases and the resulting compression impact. Mr. Boulton seconded the motion.

Discussion included a question about whether the strategic cuts broadly could include proposed increases to the budget.

Action: Ms. Vaughan amended the proposed motion to include that staff also offer a proposal that includes an increase to the Annual Charge to cover the \$500,000. Ms. Zaret seconded the amendment.

Discussion included clarification by Mmes. Boyd and Krabbe that one proposal will be offered by staff, not several scenarios. Other discussion centered on the optics of raising the Annual Charge in a pandemic; the desires of the community not to raise the Annual Charge; increasing membership fees instead; how the anticipated rise in real estate assessments could offset the wage changes; the potential for inaccessibility of

CA membership and programs with fee hikes; CA will be stretched due to outside circumstances requiring financial obligations; and looking at fees for residents vs. nonresidents.

Ms. Evans opted to leave these motions pending and go through all the key components of the FY 23 Budget before making specific financial decisions regarding them.

Ms. Boyd stated that the test cases estimated the capital budget at \$10M. She described the staff recommendation to add \$1M to the Category III allocation and to reduce FY 23 repairs and maintenance expenses by \$56,000.

Ms. Boyd then focused on the Cash Reserves portion of the budget, to which staff recommends no FY 23 contributions, with the intention to allocate some of the projected FY 22 surplus in that direction.

The final key component was Grant Requests, which were not part of the previously proposed test cases. Grant allocations have remained at \$0 during the pandemic and providing grants would require cuts to operations. The only grant request received was an unsolicited one for \$200,000 by IAT. Staff recommends keeping grant requests at \$0, although CA will continue its stewardship and maintenance of Symphony Woods at approximately \$100,000 per year of in kind service. Mr. Stack inquired whether a grant could be given this year and not next year, so it goes in the FY22 budget instead.

Action: Mr. Stack moved that Cash Reserves staff recommendation be adopted, with no cash reserves planned. Mr. Boulton seconded the motion, which passed by a vote of 9-0-0.

Action: Mr. Stack moved that the Capital Budget staff recommendations for \$1M to go to Category III allocation, with the capital budget going from \$10M to \$11M; and to reduce FY 23 repairs and maintenance expenses by \$56,000 be adopted. Ms. Thomas seconded the motion, which passed by a vote of 9-0-0.

Returning to the minimum wage and compression discussion, Ms. Krabbe mentioned that the \$500,000 number to cover the wage changes is conservative. Means of raising funds through fees were mentioned. Ms. Duvall asked that Annual Charge increases be part of what staff considers as an option.

Action: Ms. Evans called the question. Mr. Stack suggested raising the cap above 3.5%, instead of adjusting the annual charge, as an option to be a friendly amendment to Ms. Vaughan's amendment. Ms. Vaughan approved this and a vote was called by Ms. Evans.

The motion failed by a vote of 4-5-0.

For: Mmes. Duvall, Horn, Vaughan, and Zaret

Against: Messrs. Stack, Greenberg, and Boulton, and Mmes. Evans and Thomas

Abstain: None

Action: Returning to the first motion proposed by Mr. Stack regarding the plan to follow the recommend flexibility for staff concerning about minimum wage increases and compression, Ms. Evans called the vote.

The motion passed by a vote of 8-0-1.

For: Messrs. Boulton, Greenberg, and Stack, and Mmes. Duvall, Evans, Horn, Thomas, and Vaughan

Against: None

Abstain: Ms. Zaret

Regarding the grant request section of the FY23 budget:

Action: Ms. Duvall moved to keep grant requests at \$0 and to continue stewardship at Symphony Woods at approximately \$100,000 per year. Ms. Horn seconded the motion.

The motion failed by a vote of 4-5-0.

For: Messrs. Boulton and Stack, and Mmes. Duvall and Horn

Against: Mr. Greenberg, and Mmes. Evans, Vaughan, Thomas, and Zaret

Abstain: None

Action: Ms. Thomas moved to fund IAT at \$200,000 with conditions to be set. Mr. Greenberg seconded the motion.

Ms. Vaughan made a friendly amendment, accepted by Ms. Thomas, which would have staff propose a prioritized breakdown of which operations would need to be cut to get up to the \$200,000 amount.

Ms. Thomas offered a friendly amendment that the prioritized cuts not be limited to operations and Ms. Vaughan accepted that.

Mr. Greenberg suggested a friendly amendment that staff look at \$100,000 and \$200,000 options for preferred feasibility and Ms. Thomas accepted this.

Ms. Duvall offered another friendly amendment that the IAT grant request be contingent on the signing of a global agreement around Symphony Woods and the easement revision being completed by the time of dispersal of funds. Ms. Thomas did not accept this as a friendly amendment.

Mr. Stack offered an additional friendly amendment for the IAT funds to be held in a contingency account, with the terms of dispersal being determined at a later date. Ms. Thomas accepted this.

Ms. Evans called the vote.

The motion passed by a vote of 9-0-0.

For: Messrs. Boulton, Greenberg, and Stack, and Mmes. Duvall, Evans, Horn, Thomas, Vaughan, and Zaret

Against: None

Abstain: None

Ms. Evans presented a suggestion for newly allocated \$1M in capital funds: additional funding to begin the process for reimagining the lakefront on CA property with new designs to incorporate other changes happening in that area. This would be prioritized over other capital projects. Mr. Matthey suggested a midterm solution for something more immediate before coming to a conclusion for the long term. It was suggested to allocate \$300,000 to \$400,000 to begin. Ms. Evans asked that the CA property boundary map be added to the shared drive. This concept for reimagining for the lakefront area received a thumbs up vote from the Board.

7. Board Discussion

(a) Financial Reports and Updates

(i) FY 2022 2nd Quarter Financial Report

A written report was provided.

(ii) FY 2022 2nd Quarter Financial Statements

A written report was provided.

(b) Dashboard –

A written report was provided. Dan Burns commented that it was consistent with the previous quarter. The Clarabridge survey was the best ever received, indicating positive feedback about the friendliness and helpfulness of the staff. Additionally, this was the first time secondary demographics were captured.

8. Questions Only

(a) Most Recent Development Tracker

A written report was provided. Mr. Boulton asked that the minutes reflect resident requests during Resident Speakout to which the Board would like more information. Mr. Boulton also asked about development on Snowden River Parkway. Mmes. Boyd and Bellah provided answers about its distinct characteristics.

(b) Community Operations Update - A written report was provided.

(c) President's Report - A written report was provided, much of which was covered verbally in section 7(a)(i).

(d) Report from the Inner Arbor Trust - A written report was provided.

(e) Pre-Filed Legislation - A written report was provided.

(f) Board Priority Review

(g) Tracking Forms

(i) Board Requests - A written report was provided.

(ii) Resident Requests - A written report was provided.

9. Proposed New Topics

- Ms. Vaughan requested adding discussion about information sessions for the community about bamboo planting, with no opposition.
- Mr. Boulton requested including the letter about Merriweather noise levels provided by Russ Swatek during Resident Speakout, with no opposition.

10. Chairs' Remarks

Oral remarks included thanks to residents, staff, and Board. The next Board work session is January 13, 2022, which will include discussion of extension of Minority Business Enterprise Policy; Advisory Committees' appointments; legal training from CA's General Counsel; and updates from Community Programs and Services and Community Operations. The final budget will be published January 21, 2022, with online feedback January 22-26, 2022 and Board discussion on January 27, 2022.

11. Adjournment

Action: Ms. Thomas made a motion to adjourn, seconded by Ms. Horn. The motion passed by a vote of 9-0-0.

For: Messrs. Boulton, Greenberg, and Stack, and Mmes. Duvall, Evans, Horn, Thomas, Vaughan, and Zaret

Against: None

Abstain: None

The meeting adjourned at 9:57 p.m.

Respectfully submitted,

Bonnie Butler
Recording Secretary