

Notes From Hillside, December 2024

Written by Bill Santos, Wilde Lake Representative to the Columbia Association Board of Directors (Columbia Council). Bill serves as Chair of the Columbia Council

For longtime observers of the CA Board of Directors, the December board meeting is always a long slog. The December 12, 2024 was consistent with that observation. The reason December meetings take so long is because it is that time in the fiscal calendar in which the CA Board approves the following:

- The Draft Capital Allocation
- The Draft Budgeted Income and Operating Expenses
- The Annual Charge Cap and Rate

In addition to the budget discussions, we also had a presentation from the Howard County Department of Planning and Zoning on their progress in the Gateway section of East Columbia. Lastly, the Board chose mission and vision statements for the 5-year strategic plan.

Gateway Project Master Plan

Our agenda began with Mary Kendall, Howard County Department of Planning and Zoning Deputy Director and Kate Bollinger, Planning Supervisor and Project Manager for the Gateway Master Plan presenting background information and an update on the Gateway Project Master Planning process. This master planning process has been going on for almost a year, and the planning stage is expected to be completed in late Spring 2025. Since the planning process started, Howard County has evaluated the market demand for differing aspects of what will be included in the Gateway area and also surveyed site conditions. The project team then created three different site concepts for the Master Plan. These concepts are currently being evaluated and a final concept shall be chosen for the Master Plan in the coming months. Once this planning process is complete, it will be brought to the Howard County Council. When the Master Plan is approved, the current intent is that the plan would take approximately 30-years to implement.

Broadly speaking, Howard County sees the Gateway part of Columbia as a future Innovation District. The key features of the Gateway Innovation District include:

- Programming – networking, accelerator, incubator
- Academic and Industry Partnerships
- A mix of Land Uses

- Quality of Life Enhancements
- Live-Work-Play environment

As far as programming is concerned, the county envisions 4500-6600 multifamily (apartment or condo) units being constructed, and 1200-1800 townhouse size units. The county stated the townhouse type housing would be targeted toward the “missing middle” income earners. On the business side, the master plan estimates 1M-1.8M square feet of commercial and innovation development in the area. This will translate to a range of 4700-8100 jobs (estimated to be 8%-10% of the future jobs in Howard County over the next 30-years).

During the Q&A, the CA Board asked questions about which properties were subject to the CA Annual Charge, school construction and school capacity, how to co-locate residential and business without adversely affecting each land use.

Draft Budget Discussions

Next up on the agenda was a discussion between the CA Board and CA Staff regarding the FY2026 budget. At this point it is important to recognize where we are in the budget process. For the Columbia Association, FY2026 begins May 1, 2025 and runs through April 30, 2026. To prepare for the FY2026 budget year, the CA Board deliberated and provided a list of Strategic Budget Objectives to CA Staff to help shape the budget for next year. In November 2025, CA Staff presented a Pre-Submission budget to the CA Board to consider. This is consistent with prior year CA budget planning schedules.

The CA Budget Pre-Submission document sets out to accomplish three broad goals:

1. To establish the CA Annual Charge Rate and Cap for FY2026. The Annual Charge Rate is defined as the amount of money charged each property based on its assessed value. The CA Staff proposes keeping the Annual Charge Rate the same as last fiscal year, \$0.68/hundred.

The Annual Cap is defined as how much that property assessed value can increase, year-over-year, regardless of the true property value assessment increase. The FY2026 recommendation is to maintain the Annual Cap at 3.5%. So for example, if the assessed value of a property in Wilde Lake increased by 15% in one year, the CA annual Charge Rate would not be based on the newly assessed value of the property, but the prior assessed value plus 3.5%.

2. To establish the preliminary Capitol Budget Allocation for FY2026. The CA Capitol Budget is largely driven by required maintenance, regulatory compliance, and established long term renovation and replacement schedules. At this Pre-Submission level, the top line for FY2026 is \$14.5 million dollars. This represents an increase over last year, but is consistent with capital budget expenditures prior to COVID. As the CA budget evolves, from the preliminary to the draft stage, more details will be made available.
3. To establish the Operating Budget preliminary figures. CA Staff are currently working through the details of the FY2026 budget projections. As with each year, they have a pretty good understanding of many of the income and expenses for next year. For instance, CA knows how many lifeguards and swim team coaches they have to hire for next summer, and they have a pretty good idea of how much water they need to purchase to keep the pools full. However, there are other cost centers that require a deeper analysis in order to present the full draft budget. At this time, CA Staff projects that 15-months from now, the corporation will have an increase in net assets of approximately \$3 million. That is to say, after all expenses are paid next year, the estimate is that we will have \$3 million left over. Just a quick note on the \$3 million figure; that is a lot of money to me, but it is less than 5% of the total projected FY2026 CA budget, and CA will have to stretch that \$3 million dollars into May and June of 2026, before CA Annual Charge payments start coming in.

During the discussion session on the FY2026 CA budget, the first item discussed was the amount of money CA would provide to local non-profits, in the form of grants. The Pre-Submission budget package has a line item for \$125,000 for the CA President to use at his discretion for non-profit grants. A motion was made to remove this item in its entirety from the CA Budget. It is clear that some board members do not endorse the idea of using CA budget money to support local non-profits that benefit Columbia residents.

I am not one of those board members. CA has a long history partnering with the Community Foundation of Howard County to provide support and aid to local non-profits that help Columbia residents. Prior to COVID, it was a regularly approved portion of the CA Budget. As part of the response to the COVID shutdown in 2020, CA suspended the grants program. Many of the local non-profits in Columbia are well suited to assist our residents in ways that CA cannot. Since the suspension of the CA grant program, these non-profits have struggled to meet their mission and provide aid in the same way they did prior to COVID. After a short discussion, a majority of the board voted against removing the grant line item from the Pre-Submission Budget.

Elimination of Memberships

A motion was made to eliminate the CA Play membership and provide access to the amenities associated with the Play membership (the 23 outdoor pools, Columbia Swim Center, Owen Brown Tennis Club, Wilde Lake Tennis Club, Indoor Tennis Center, Ice Rink, Sports Park and Skate Park) without cost to residents and employees of businesses that are on CA assessed property. This motion was amended to remove the Play components from all other memberships. Taken together, these motions would reduce CA income by approximately \$7,000,000, or about 10% of the budget. The board members making these motions did not offer any other way to make up the lost income. They did not make any recommendations for program changes to reduce costs. They did not offer any potential closure of facilities to balance the budget. Other board members questioned the financial wisdom of eliminating the membership program for those that pay the annual charge. When the amendment and motion were called for a final vote, a majority of the CA Board voted in opposition to the amendment and motion.

Capital Funding for the Columbia Ice Rink

One of the coming major expenses for the Columbia Association is the replacement of the ice rink surface. It has been extended far beyond its expected life and would require the ice rink to be shut down for about 1-year. CA staff is working with entities with long term rental relationships to transition them to a soon to be open ice rink in the region so that the surface work can be accomplished without disrupting their programs.

Under the current budget, the work on the ice rink is spread out over three fiscal years. I believe some of this has to do with the CA fiscal year running May-April and the Ice Rink operating during the colder months. They just don't line up well. Eric Greenberg, the CA Board member from River Hill, made a motion that all the work for the Ice Rink be accomplished during the next fiscal year. After some discussion, a majority of the CA Board did not vote for this motion.

Annual Charge Rate

CA Staff has recommended keeping the Annual Charge rate at \$0.68/100 of assessed value and also keeping the Annual Charge cap (the highest percentage the Annual Charge can increase, year-over-year) at 3.5%. Staff cited increased labor costs (up 36% since 2021 - largely due to an increase in the minimum wage) and increased insurance rates (up 53%).

CA Board member Eric Greenberg made a motion to reduce the Annual Charge rate by three cents to \$0.65/100. His stated rationale for the motion was that people pay too much and reducing the budget by approximately \$2.5 million would not be a hardship. I mentioned that

the cost of our entire tennis operations are \$2.1 million. The majority of the board did not vote in favor of this motion.

In the end, the CA Board voted to approve the draft capital budget allocation, the draft budget income and operating expenses, and maintaining the current Annual Charge rate (\$0.68/100) and cap (3.5%).

CA Strategic Plan

The CA Board of Directors agreed on a mission and vision to accompany the draft 5-year Strategic Plan. The mission is unchanged and is as follows:

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

The vision is new for this Strategic Plan:

“A Columbia that is intentionally diverse, healthy, sustainable, beautiful, connected and resilient”

The full Strategic Plan will be up for a final vote at our January 2025 meeting.

The next CA Board meeting is January 23, 2025.