Notes From Hillside, October 2025

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

NOTE: To our Bryant Woods families - Please reach out to the board or attend our next meeting. School redistricting can be hard on a school and the community that surrounds it. Please let us know how we can help.

Myths and Budgets

This is the time of year when the Columbia Association begins its budget process. Last month, CA kicked off budget season with a “town hall” type meeting at Slayton House. Thank you to all the Wilde Lake residents that came out and participated in that meeting. On September 25, 2025, the CA Board had a regularly scheduled meeting to discuss the town hall and further flesh out the strategic budget priorities for Fiscal Year 2027 (May 1, 2026 - April 30, 2027).

To understand the current budget debate, it is important to understand how the budget discussion has evolved over the years and CA’s current financial posture. After the financial crises (the Great Recession) of 2008), the United States, Howard County, and Columbia saw a period of slow economic improvement for nearly a decade. Coincident with this economic growth pattern was a nearly flat to slightly positive property value assessments for most properties in Columbia. There were two exceptions to this trend: 1) the sale of existing properties during this period consistently sold above the assessed value, and 2) new construction in the downtown Columbia area resulted in dramatic property value appreciation in that part of Columbia.

These conditions allowed CA to maintain a constant annual charge rate ($0.68/100 dollars of property value) and cap (no more than 3.5% increase year-over-year) during the years before COVID. The 3.5% kept pace with inflation costs and the downtown development brought in the income to fund a new tennis center and various large-scale renovations at other CA facilities. Although each fiscal year had its differences (the expenses incurred during the “snowmaggedon” winter storm stands out), CA had a modest increase in net assets, usually near 10% of total budget, at the end of each year.

When the COVID pandemic hit in March of 2020, the entire world changed, and in many ways, CA is still working to recover. The shutdown that followed hit the Columbia Association particularly hard. As discussed before, CA income from the annual charge is realized in July of each year. By March, eight months after the annual charge invoices go out, much of that income has been translated into programs, services, and staffing amenities. There was hardly enough annual charge money to carry the corporation through the end of the fiscal year, and July 2020 was still several months away.

The other major source of income, memberships, saw a historic downturn never seen before. As schools and businesses shutdown (including all CA facilities), memberships were cancelled at a record pace. For the period starting in the first quarter of 2018 to the third quarter of 2020, CA membership income averaged $4.7M per quarter. The fourth quarter of 2020 (February 2020 through April 2020) saw a membership income drop from $4.8M (FY2020, Q3) to $1.6M (FY2020, Q4). That is a 66% drop in income.

During that same time, the long-serving President, Milton Matthews, stepped down and Lakey Boyd became president of CA. Her tenure at CA was short lived, but there is no doubt that her actions during early months of the pandemic saved the Columbia Association. What had once been regarded as a stable, and somewhat sleepy, financial model was now in turmoil. Large numbers of CA employees were put on indefinite furlough. Those employees deemed as essential at CA received a mandatory 50% pay cut to save money. In 2019, CA had funded a long-standing community grant program at a level of $700,000 for the budget year. That program was zeroed out during COVID. The capital budget was slashed, and projects were put on hold. All possible maintenance was deferred until an uncertain future. The only maintenance activities undertaken were to those that affected life/safety issues or to restore equipment that had failed. The only thing that was funded at pre-COVID levels was the community grants to the Village Associations. In the face of financial ruin, CA kept the villages whole.

As the last months of 2020 played out, and into the next calendar year, CA slowly recovered. Vaccines became available. Furloughed workers were brought back. The fitness centers slowly opened. In the summer of 2021, 15 of the 23 pools opened. Outdoor sports: tennis and golf, saw a surge in popularity. In late spring of 2022, CA passed a budget predicated on returning to as close to normal operations as possible.

However, the pandemic fundamentally changed the Columbia Association. Since March of 2020, CA has been run as a fiscally lean organization. To save money, many positions in the organization have remained vacant, sometimes for more than a year. It has taken five years to restore the fund capital budget to the same level as it was prior to the pandemic (and due to high inflation and tariffs, that funding level provides less than it did before COVID). The CA grants program has only recently been restored, and not to the $700,000 level seen before the pandemic, but at $125,000.

This brief history is important because as the CA Board and CA Staff begin the budget process this year, some old myths are beginning to creep into the discussion, and we cannot afford (either rhetorically or fiscally) to entertain these sideshows anymore. I cannot put my finger on when it started, but the Columbia Association at times gets labeled as some sort of bureaucratic leviathan rife with waste and excess. Why this label gets hung on CA is unclear to me. Maybe it’s the abundance of amenities, or the repeated accolades the community receives drives some sort of socially based counter electro-motive force. I suspect it may have to do with the annual charge. Let me be clear, I have never heard anyone in Columbia say they love paying the annual charge.

However, over the years I have found that folks that participate fully in CA programs, services, and facilities see value in the annual charge, whereas those that rarely participate are often skeptical of how their annual charge dollars are spent.

This skepticism has now found its way to the CA Board. During budget discussions, we have had board members repeatedly point to large sums of money in our financial documents. As if the existence of a multi-million-dollar figure printed on a page is justification enough to drastically rearrange the budget. Moreover, they never provide any means to balance the reduction in income, implying these cuts could be performed without consequence.

For instance, at the September 25, 2025 CA Board Meeting, we had a board member suggest that we significantly reduce the annual charge to residents. When asked what programs, services, or amenities he would like to reduce or eliminate to cover the annual charge reduction, he replied, “We have $42M in cash, why don’t we just use that money?” What followed was a back-and-forth over the validity of his statement. The fact remains, the $42M in cash is largely spoken for, and the actual amount of cash on hand is significantly less.

As stated by my colleague, CA ended the 2025 fiscal year with a total of $42M in cash on the books. However, further analysis shows that this $42M figure is not 100% liquid assets ready to be disbursed on a moment’s notice. Of the $42M, $16M is held as our emergency reserve. As one of the primary lessons learned from the pandemic, CA needs a cash reserve in the event of an emergency when income is not available. An additional $3M must be kept in reserve as a condition of the long-term debt held by CA. So of the $42M, almost half, ($19M) is restricted funds that cannot be spent.

Of the remaining $23M in unrestricted cash, there are two important things to consider. 1) $7M of the unrestricted cash represents unpaid CA membership fees. When an individual or family purchases a CA membership (Play, Fit & Play, etc...), they sign an annual contract, but the cost of the membership is invoiced monthly. Generally Accepted Accounting Principles state that when the membership is purchased, the entire value of the annual contract has to be realized as cash but exists as deferred revenue. This is not to say members are delinquent in paying their fees. It is merely an accounting standard. Currently, the delta between the annual contracts and the remainder of payments due is $7M. 2) As a corporation, CA continues to purchase goods and services. A result of these purchases is an ongoing log of accounts payable. Invoices come from a variety of activities. From coffee cups, and computer routers to playgrounds, treadmills and pedestrian bridges, CA’s accounts payable is an active cost center that is paid out of cash. Wilde Lake residents may recall local projects such as the new pool shell at Bryant Woods Pool, the renovation of the Running Brook Neighborhood Center, and the installation of the new tot lot near the 7-11. All these projects were done in Q4 of FY2025, and would appear on the accounts payable at CA. For the last quarter of FY2025, accounts payable were $13M. So, of the unrestricted cash available, $7M in CA membership deferred revenue plus $13 in our accounts payable leaves $3M of unrestricted cash left.

Now, if we could provide $3M directly back to residents, I think that would be great. However, for an organization with an $80M budget, having less than 5% of total budget in cash on hand is a concern. Good accounting principles state that a minimum amount of cash be available for unknown contingencies that don't meet the level of accessing the emergency reserve fund.

What I am concerned about is that the CA board member pushing the $42M fallacy knows all of the information described above. He knows that of the $42M he quotes, more than 90% of that cash is otherwise committed. At our last board meeting, a lot of good ideas were brought forth. Helping school children, helping reduce power bills for our residents, increasing our reserve fund, planting native trees, and eradicating invasive species. All are worthy of consideration over the next few months. However, we cannot be chasing mythical diversions of cash we do not have. Please help me by talking about this with your neighbors. We need a strong, educated voice from Wilde Lake to help CA realize its full potential. If you have any further questions regarding the CA budget or anything else CA or Wilde Lake related, please contact me and I would be happy to sit down and talk.

Bill Santos
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