

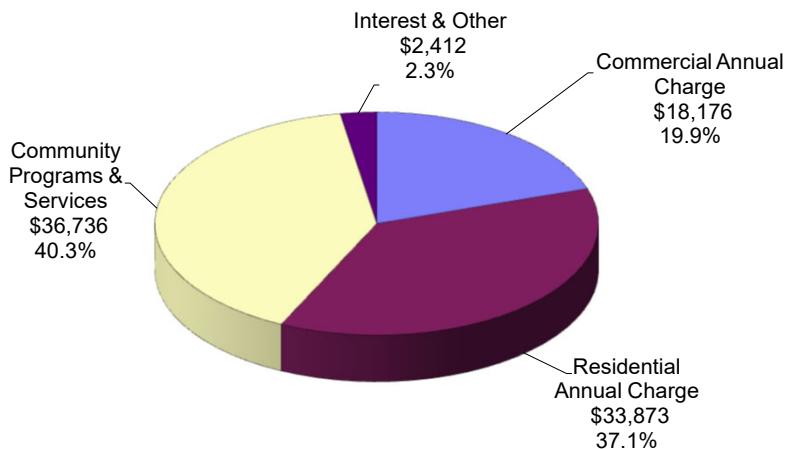
Notes from Hillside January 2026

Last week, the CA Board of Directors held a Town Hall style meeting at Slayton House. We had approximately 40-50 people in attendance, and I am proud to say a healthy turnout from Wilde Lake. There were two topics on the agenda: the FY2027 CA Draft Budget followed by a free-form discussion between residents, CA Board members, and CA Senior Staff.

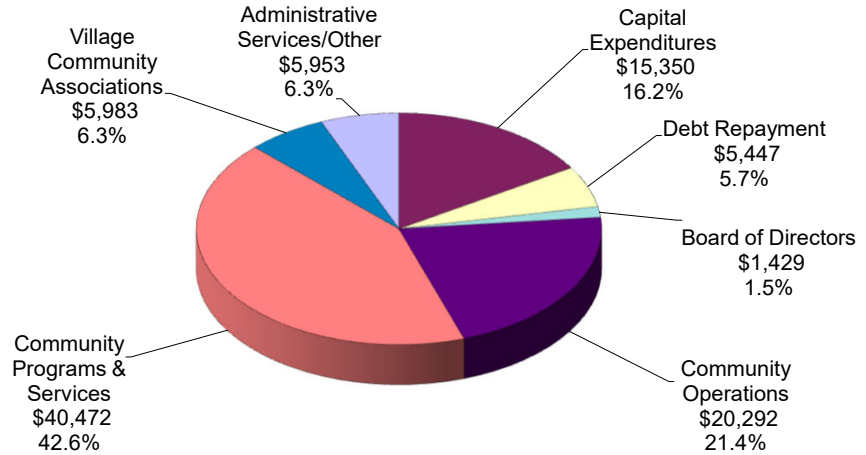
CA Draft Budget

Overall, CA is in good financial condition. The FY2027 draft budget estimates the current fiscal year will conclude with revenue at \$88M and projects FY2027 revenue to exceed \$91M. This is based on maintaining the annual charge rate constant (as it has been for over 20 years) at \$0.68/100 of property value. In addition the rate increase cap has been maintained at 3.5%. CA revenue from memberships has also increased each year since the end of the pandemic, and the revenue from memberships for this fiscal year (FY2026) is estimated to exceed \$21M. For a breakdown of the major sources of revenue and expenses, I have included a chart from page 23 of the FY2027 draft budget for reference.

WHERE THE MONEY COMES FROM \$91,197



WHERE THE MONEY IS USED
\$94,926



Capital Budget

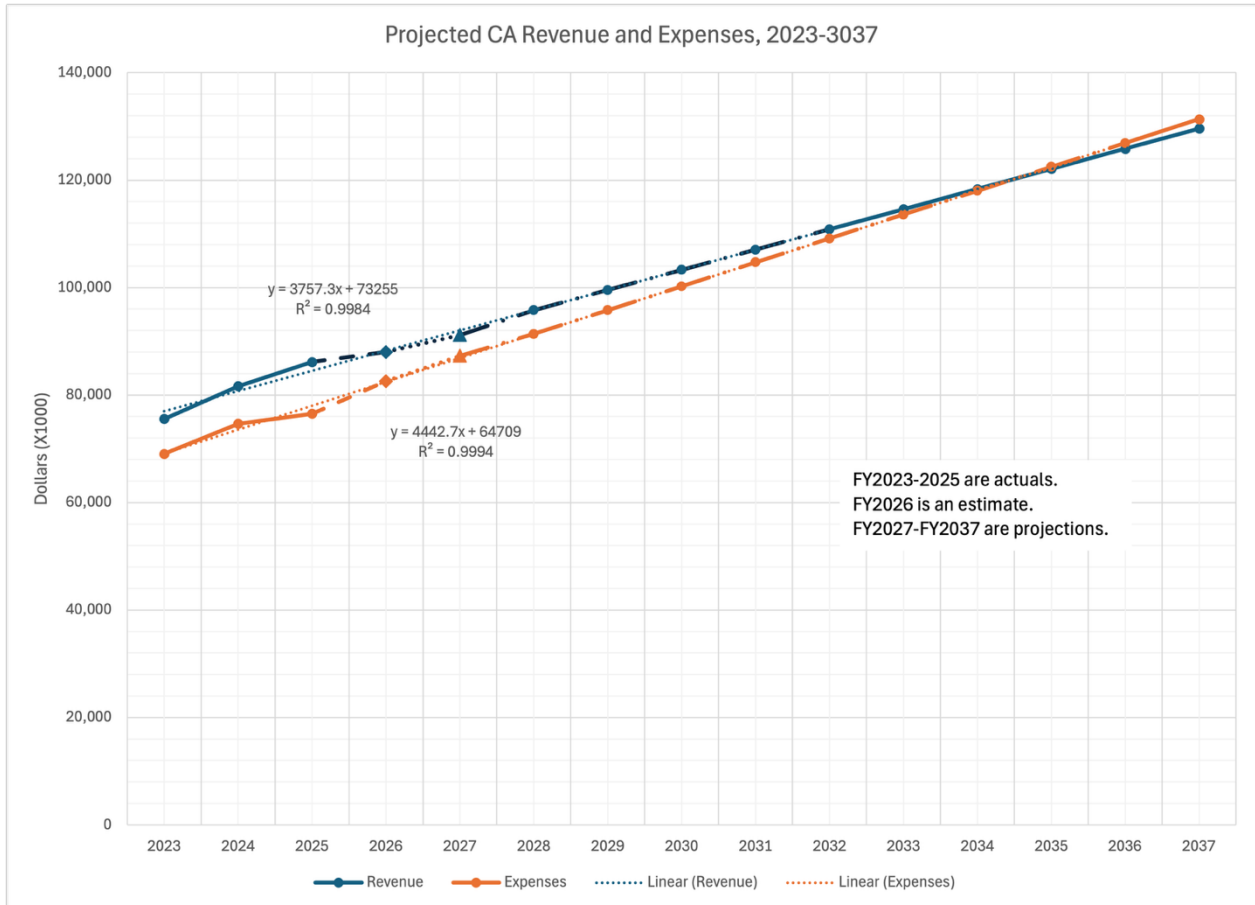
CA continues to invest in Columbia Villages and Neighborhoods. For FY2027, CA will spend over \$3M on improving CA pathways, bridges, boardwalks, and tot lots throughout the Open Space system. In addition, the Running Brook pool is slated for upgrades to the pump room equipment, as well as needed ADA upgrades.

Long Term Fiscal Concerns

Although the outlook for FY2027 is strong, I have concerns over the long term. The following was not part of the discussion at the last CA board meeting, but reflects additional research I have done on CA revenue.

Since the end of the pandemic, CA has seen expenses rise faster than revenue. Granted, the changes have been small – revenue increases have been in the neighborhood of 4%, while increases of expenses have been closer to 6%. Using data from page 39 of the draft budget, I have created a chart of CA revenue and expenses. Utilizing the actual revenue and expense data from FY2023-FY2025, along with the estimated FY2026 and projected FY2027, I was able to ascertain the slope of revenue and the slope of expenses. I then projected each out to 2037, ten years in the future.

To be clear, this is a simple estimation of future revenue and expenses, and it comes with a broad assumption that the choices made in this draft budget would hold for the next decade. Before making any decisions about the future a far more detailed and robust analysis must be performed. I believe this work is being done as part of the Economic Impact Study funded in this budget.



As shown in the chart above, CA expenses are projected to exceed CA revenue starting in FY2035 and by FY2027, the projection shows expenses exceeding revenue by an estimated \$1.7M. So as we look at our long term, we need to be cognizant that either expenses will have to be significantly reduced or revenue will have to be increased.

CA Board and Residents

After the CA budget presentation, CA senior staff and the CA Board made their way into the crowd and sat down to have small group discussions on a variety of topics. Based on my experience, the topic most residents wanted to talk about was the proposal to convert a CA pool into a splash pad. In particular, there was strong opposition in the room for converting Bryant Woods Pool into a splash pad. I have been in discussion with many of the residents that live in close proximity to Bryant Woods, and most often I heard that the parking situation at Bryant Woods cannot support a splash pad. I think there is some truth to that assertion.

However, the opposition to a splash pad in Bryant Woods is not universal. I have also heard from a significant number of Bryant Woods residents that would welcome a splash pad. In addition, almost all the folks I have talked with about splash pads were not opposed to a splash pad in another Columbia Village, with the caveat that residents near the splash pad were accepting of the idea.

As I laid out in my last post, if the CA board votes to go forward with a splash pad at our February 26, 2026 meeting, CA staff will spend most of the rest of the calendar year working with villages to find a location for the splash pad through a collaborative process.

Overall, it was great to sit down and talk face-to-face with residents and hear their concerns. Many residents had challenging questions and I think it was healthy to work through the answers together. I hope we can do more of these type of events in the future.