



**Columbia**  
Association

2021

# Virtual Town Hall



# Budget Overview

# How is CA Doing Financially?

## Solid Cash Position

New long-term financing (June 2020) at historically low interest rate

Very reasonable total debt of \$37.1 million as of April 30, 2021

Extremely accurate cash flow projections

## Strong Expense Controls

Careful spending – operating and capital – linked to income production

## Positive Bottom Line

Making sure that income exceeds ongoing expenses for FY22

## Most Recent Credit Rating

CA's most recent issuer credit rating was Aa1 (issued by Moody's in May 2015)

# CA's COVID-19 Experience Timeline

The state-mandated closure began March 15, 2020. Steps were taken *immediately* to offset any loss:

- Postponed most capital projects
- Cut operating expenses
- Paid employees 100% of their pay through March 29, 2020, implemented 50% salary reductions for senior staff
- First round of extensive furloughs and layoffs, effective April 13, 2020
  - ◆ Year-round workforce reduced from 1,046 people to 209 by early May
  - ◆ More than 700 staff layoffs overall

## CA's COVID-19 Experience Timeline (continued)

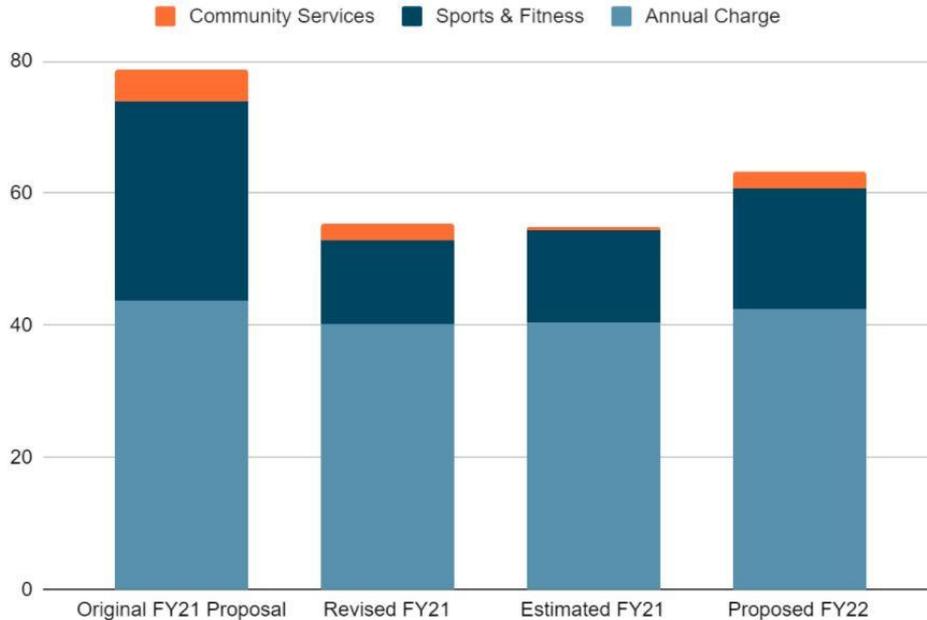
- Reopened golf and outdoor tennis mid-May 2020
- Reopened fitness, indoor tennis and other activities on June 20, 2020 (with capacity restrictions)
- Reduced School Age Services program to about 50 kids in full-day care in 3 schools due to 100% virtual learning in Howard County (down from over 2,000 kids in 23 sites)

# #1 Goal for the FY22 Budget

*To serve **as many community stakeholders as possible**, with as **diverse** an array of services, programs and activities as can be offered **within CA's financial constraints**.*

# Impact of COVID-19 on CA's Budget

Income (\$ millions)



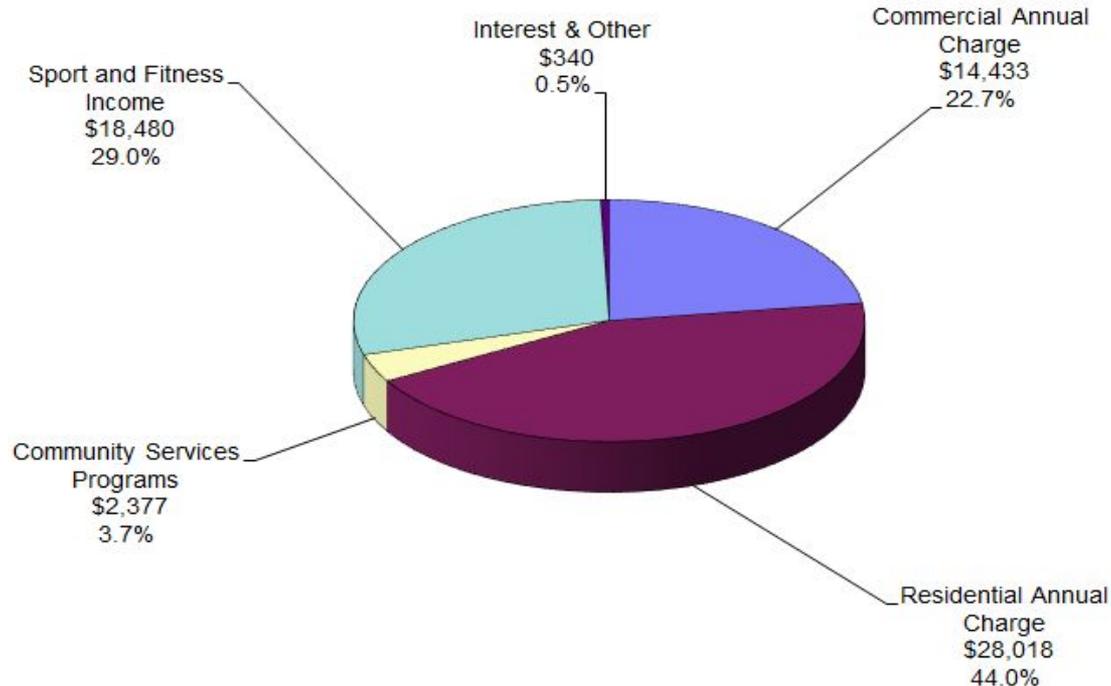
*Note - Open Space/Facility Services represents less than 1% of income in each budget scenario and is not shown.*

# Draft FY22 Budget - Income

(\$000's)

## PROJECTED FY 2022 INCOME

**\$63,648**



# FY 2022 Draft Budget Summary

- No increase in the annual charge rate or cap
- Open 15 outdoor pools in May 2021 with full CNSL (Columbia Neighborhood Swim League)
- Proposed closure of Haven on the Lake
- Investments in cybersecurity and digital media
- Proposed total financial support of the 10 villages of \$6.1 million (including \$3.2 million in annual charge share and employee benefits costs)

# Financial Side of Sport & Fitness

Sport & Fitness (S&F) includes:

- Outdoor pools
- Swim Center
- Ice Rink
- Three fitness clubs (all with indoor pools)
- Hobbit's Glen Golf
- Fairway Hills Golf
- Indoor and outdoor tennis
- Haven on the Lake
- SportsPark and SkatePark

Even in pandemic-shortened fiscal year 2020, S&F had almost **2.3 million visits!**

## Financial Side of Sport & Fitness (continued)

The fitness clubs combined generally did not operate at a loss before COVID-19, but S&F did.

- **38** aging facilities requiring renovation, new roofs, HVAC systems, etc.
- Depreciation expense increased by \$1.5 million between just FY 2018 and FY 2021
- Discounted pricing - resident rates well below market, income-qualified and CA Points programs
- Increases in the minimum wage and other regulatory requirements

# Financial Side of Sport & Fitness (continued again)

Steps taken to reduce S&F loss during COVID-19:

- Eliminated Community Health Division
- Reduced Supreme's hours from 24/7
- Postponed filling vacant positions
- Ran Wilde Lake Tennis only for USTA programs in 2020
- Paused towels, coffee and tea services (for both financial and safety reasons)
- Recommending 15 out of 23 outdoor pools for summer 2021
- Recommending the closure of Haven

## Beyond FY 2022?

- Economists have projected a 3-4 year recovery for the hospitality/entertainment industry
- Regional experts recently slashed their projections for economic recovery through March 2021, but are optimistic for the rest of 2021
- Our best prediction: CA may be back to pre-COVID income levels in 3-4 years



*If there is no struggle,  
there is no progress.*

*Frederick Douglass*

# Thank you!