

# Columbia Association owes residents answers

By Joel Yesley

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The Alliance for a Better Columbia is committed to lowering the Columbia Association's annual assessment charge by 7 percent in next year's budget. Eliminating the payment of bonuses, which have increased by one-third over the past three years, would be a major step in this direction. Imposing some limits on the growth of employee benefits, which are set to increase by 45 percent from 2007 to 2010, would also be warranted.

Corporations and local governments are responding to the current financial storm by controlling employee costs. For example, Howard County Executive Ken Ulman recently announced his intention to develop a no-growth budget, as well as an alternative one calling for a 5 percent reduction in expenses for next year. Columbia Association spending should not be allowed to increase at rates in excess of revenue growth - as projected in the association's conditional fiscal year 2010 budget.

The Alliance for a Better Columbia has learned that 32 employees have been paid monthly business mileage allowances and an additional 12 have been assigned take-home vehicles, which seems like a luxury the CA can no longer afford. The alliance was informed by Maggie Brown, president of the Columbia Association, that these monthly business mileage allowances are reported to the [Internal Revenue Service](#) as compensation and are therefore taxed, which raises the possibility that the reimbursed travel was not related to employees' job duties. (If the travel had been business-related, any reimbursement for out-of-pocket costs would not have been reportable as employee compensation.)

Last October, the alliance also requested information on bonuses paid to CA staff, including officers. The CA responded by sending a copy of its IRS 990 form, which tax-exempt nonprofits are generally required to file. Although this form lists the total compensation paid to officers and the entire staff, it does not specifically address bonuses. The CA did initially provide some general answers, but our group's requests for clarification regarding how the \$467,000 labeled as "performance incentives" in the 2010 budget is to be divided among senior and lower-level staff have not been satisfied. Instead, Ms. Brown has responded that the retrieval of the requested data would involve "significant" but unspecified costs - and that regardless, the CA was not under any legal obligation to provide the data.

This response raises two concerns. First, what is the CA getting for the approximately \$2 million that was spent to implement the Lawson Financial System, which is designed to readily retrieve the type of basic information the alliance has requested? Second, the CA's determination of its legal obligations is at odds with multiple opinions issued by the Maryland Attorney General's Office regarding requirements of the Maryland Homeowners Association Act for the disclosure of financial information in response to requests from lot owners.

The Alliance for a Better Columbia encourages Columbia residents to express their outrage at this entitlement mentality to their representatives on the Columbia Association Board.