

TESTIMONY ON CA'S FY11 and FY12 BUDGETS

By

Alliance for a Better Columbia

Good evening. My name is Tom Scott, and I am here to testify on the budgets for the next two years on behalf of the Alliance for a Better Columbia (ABC). ABC is committed to the goal of lowering CA's annual assessment charge by 5 % or \$2,789,000. We are proposing several steps the Board could take to facilitate the achievement of this goal without adversely affecting the projected increase in net assets.

Operating Budget

Making Sports and Fitness programs, other than Outdoor Pools, profitable overall would save at least \$2,578,000. This alone would almost do it but we have some other suggestions too.

We note that in the President's letter Mr. Nelson says that the bonus package is being reduced by 50%. While ABC believes this is a step in the right direction, we would prefer that the bonus package be eliminated altogether, for additional savings of \$287,000 in FY11 and \$291,000 in FY12. CA should also limit benefits to the FY10 level, saving another \$181,000.

The Board should make a serious attempt to control the costs of employee compensation, which accounts for over 40 % of the total budget. Although the president stated that salary increases would be capped at 2 % next year, the proposed budget calls for an increase of nearly twice that amount in the salary and wage component, even though the number of FTEs is scheduled to increase by under 1 %. CA staff should not receive any

increases in compensation based on increases in the cost of living in these difficult times, when the cost of living is not increasing. CA should also be attempting to shift more of the responsibility for health care and retirement costs to the staff, as several corporations have done in recent years.

The golf courses are expected to lose \$959,000 in FY 2011. Expectations that the golf courses would be self-supporting after the completion of extensive renovations at Hobbits Glen have not been realized. The \$2.5 million in capital improvements proposed for this course is unlikely to stanch the flow of red ink, which is projected to increase by 31 % between FY 2009 and FY 2011. Another sports facility lacking broad community appeal is the Sports Park, with its actual loss of over a million dollars in the last 5 years.

ABC learned over a year ago that 32 employees have been paid monthly business mileage allowances, and an additional 12 have been assigned take-home vehicles. The high number of take-home vehicles seems to be a luxury CA can no longer afford as opposed to an essential need. How many employees on call outside of normal business hours would not be able to use their own personal vehicles if an emergency arose? We note that the Howard County Executive has recently recommended a further reduction in the use of take-home vehicles by county employees.

The Board can also save over \$100,000 by eliminating grants to the Columbia Foundation and the Economic Development Authority. CA should consider encouraging residents to make private donations to the Columbia Foundation and other charitable organizations. For many residents this is far more cost-effective. Columbia residents should not be billed twice for receiving the same economic development services from the county.

ABC continues to favor making the Sister Cities Exchange self supporting. It is not possible to tell what this would save because the Sister City Exchange subsidy is not disclosed in the budget.

Capital Budget

Regarding the capital budget, the item for lower pond improvements at Hobbits Glen should be evaluated carefully. ABC realizes that the current dam creates an unsafe condition, but this condition can be cured by draining the pond. Has CA investigated how much county water would cost or how many years of county water could be bought for \$888,000? Has CA considered a cistern such as Open Space Management uses? With the installation of the Bermuda grass on the fairways, is the pond still needed? One of the benefits CA staff touted for Bermuda grass was the reduction of water requirements.

The over ½ million dollars needed for Phase 1 and 2 of the Hobbits Glen clubhouse renovation look like a down payment on a very expensive project. Once the down payment is made, CA staff will be pushing for an undisclosed sum to finish the project. How much will the entire renovation cost? Is such an expenditure necessary for a club that was named the “Best Golf Facility in Howard County” for the eighth year in a row?

Thank you.

Note: Finally, the Package Plan rates need to be reworked. The budget indicates that Package Plan 1 CA individual rates for new members is \$540,

but the Package Plan 1 Limited (no golf) rate is \$552. So an individual must pay an additional \$12 to forego the privilege of playing golf.

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