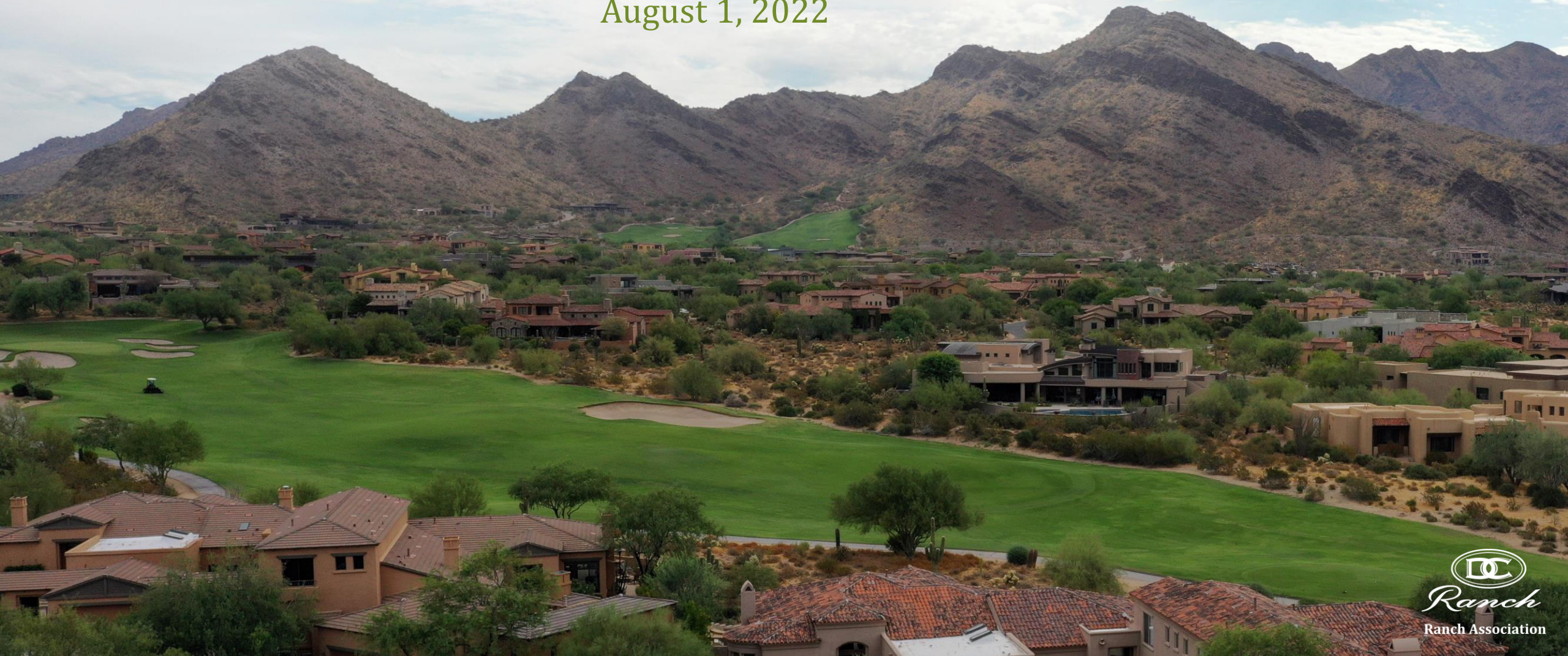


# DC Ranch Association Board of Directors Meeting

August 1, 2022





# Mission Statements

- **Ranch Association:** Emphasizing customer care and sustained property values. Protects fiscal and environmental assets. Provides professional financial, landscape, and maintenance staff. Manages security services.
- **Community Council:** Visioning and facilitating initiatives that enhance residents' quality of life and serve collective interests. Provides recreational, educational, cultural, and volunteer opportunities. Promotes the DC Ranch brand and manages communication programs.
- **Covenant Commission:** Establishes and maintains standards for architectural and landscape design while working with property owners, builders, and architects to preserve harmony with our desert environment.

# Principles of Civil Dialogue

Respect and diversity of thought are valued at DC Ranch. Civil dialogue should be used when addressing the Board, another resident, or a DC Ranch staff member.



# Meeting Agenda

- Call to order
- Roll Call / Establish Quorum
- President's Comments
  - Jenna Kohl, Community Council
- Consent Agenda
- Executive Director's Report
- Unfinished Business
  - Director of Financial Operations-2<sup>nd</sup> Quarter Financial Report
  - Artificial Turf Guidelines
  - DCRL-20 Artificial Turf Maintenance Standard
- Unfinished Business (continued)
  - Security Committee Charter update
  - Security Committee selection process
  - Decision on Committee Meeting recordings
- New Business
  - Board of Directors 2022 goals
  - Executive Director goal summary
  - Policy 104
  - Staff Retention/Salary Philosophy
- Committee Reports
- Member Open Forum
- Announcements
- Adjournment

# Roll Call

- Phil Geiger– President
- Greg Kiraly– Vice President
- Elaine Cottey – Secretary
- John Shaw– Treasurer
- Marla Walberg– Director
- Geoff Wilner– Director
- Don Matheson - Director



# President's Comments

- Public Comment Statement
- Jenna Kohl, Community Council Executive Director

# Consent Agenda

- a. June 20, 2022-Board Meeting
- b. June 20, 2022-Executive Session

# Executive Director's Report

- The new Landscape Manager, Jeff Rons has started.
- Hired the shared IT Manager position, Michael Rivers is scheduled to start on August 8, 2022.
- DCRA participated in a risk management assessment last week to ensure we are adequately insured on all facets of the Association.
- Wrapping up the roof inspections at Market Street Villas.
- Received 26 applications for the Security Committee.
- We were notified we were not selected to receive Firewise funds through the AZ Department of Forestry for the Fuels Mitigation grant.
- Finishing up Firewise clearing in Horseshoe; two more weeks in Sterling Villas/Estates area. Next will be Camelot 2.13/2.14. To date, we have cleared 17,000 linear feet of defensible space.
- Broken mailbox parcel boxes on Camelot at 96<sup>th</sup> way were replaced about three weeks ago. Mailbox kiosks will be reviewed for replacement earlier than anticipated in the Reserve Study and will consider changes in the 2023 budget.



# Executive Director's Report

- Working on the gravel refresh project at Sterling Villas, as well as adding new plants in the planting bed along a driveway and repairing irrigation in the planted pots on the columns to water pots without damaging the columns.
- Ordered final phase of park furniture. (\$249,500) Last year's final delivery of furniture has arrived and placed in the neighborhoods.
- New speed humps have been installed on Trail's End, going to/from the DC Ranch Country Club.



# Executive Director's Report

- Getting bids for stucco wall repair and painting throughout the community.
- Sidewalk inspections are being conducted and scheduling of repairs will begin. (\$38,000) Completed 1.13 to date.
- Gatehouse computers are on order for replacement. (\$3,000)
- 44 Sissoo streetscape trees were removed per owners request this past week. New 42" box Evergreen Elm trees will be planted the first part of September when the weather cools a bit.
- Resident Leadership Academy Class 3 begins in August with 12 residents selected to participate.

# Director of Financial Operations 2<sup>nd</sup> Quarter Financial Report

**2<sup>nd</sup> Quarter 2022 Financial Report**  
Director of Financial Operations  
Dee Nortman



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# Statement of Revenue and Expense (Operating) For the Period Ending June 30, 2022



	Month Ending June 2022			Year to Date through June 2022		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Revenue</b>						
Assessment	\$ 706,966	\$ 706,486	\$ 480	\$ 4,240,046	\$ 4,238,916	\$ 1,130
Non-Assessment	80,802	76,778	4,024	320,128	332,562	(12,434)
<b>Total Revenue</b>	<b>787,768</b>	<b>783,264</b>	<b>4,504</b>	<b>4,560,174</b>	<b>4,571,478</b>	<b>(11,304)</b>
<b>Expenses</b>						
Operating Expenses	649,511	627,969	21,542	3,599,903	3,461,840	138,063
Reserve Funding	155,750	155,750	-	959,500	959,500	-
Non-Operating Costs	-	-	-	-	-	-
<b>Total Expense</b>	<b>\$ 805,261</b>	<b>\$ 783,719</b>	<b>\$ 21,542</b>	<b>\$ 4,559,403</b>	<b>\$ 4,421,340</b>	<b>\$ 138,063</b>
<b>Net Income/(Loss)</b>	<b>\$ (17,493)</b>	<b>\$ (455)</b>	<b>\$ (17,038)</b>	<b>\$ 772</b>	<b>\$ 150,138</b>	<b>\$ (149,366)</b>



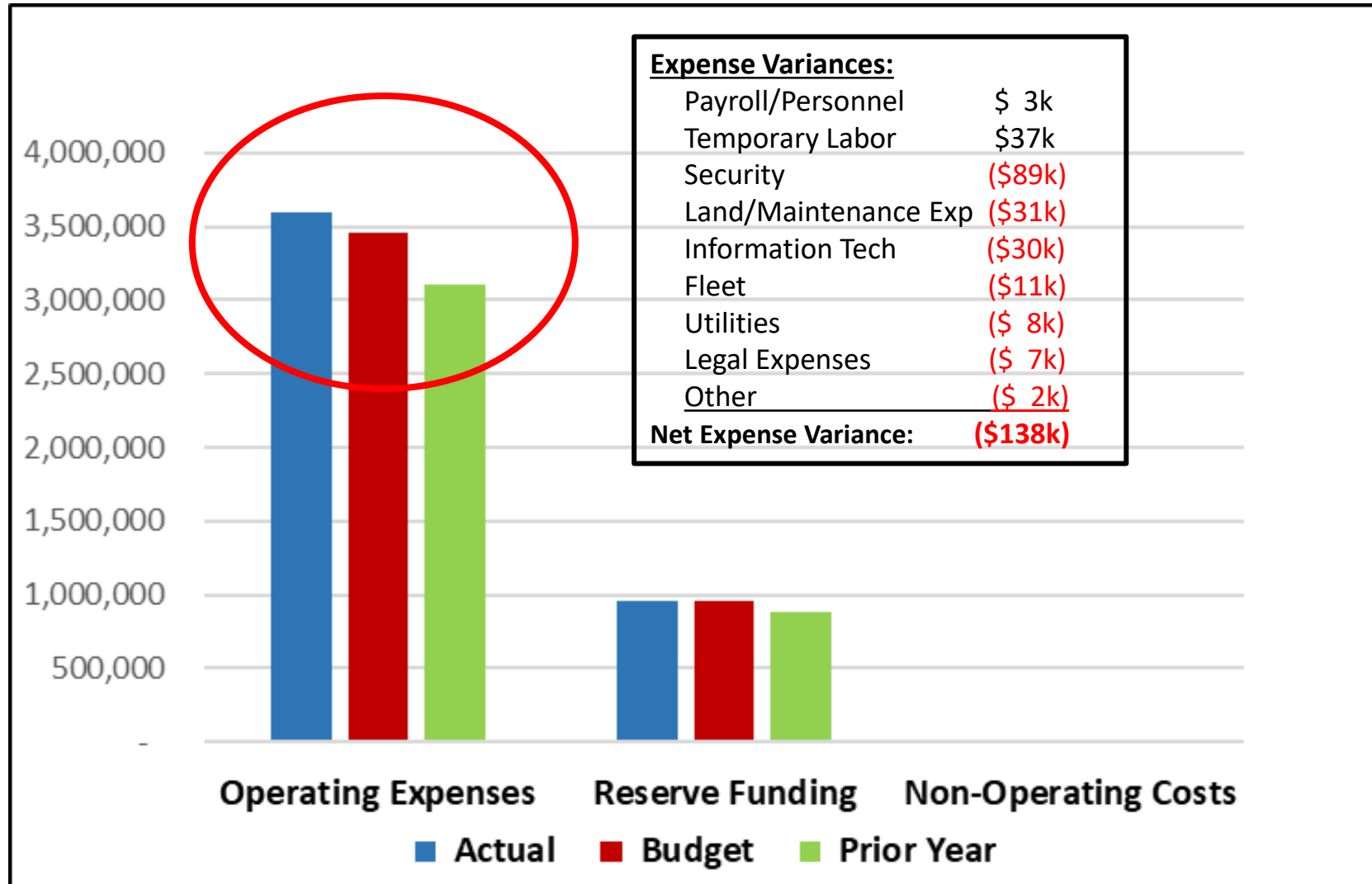
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# Expense Comparison

## For the Period Ending June 30, 2022



# Balance Sheet at 6/30/2022



Assets			
	<u>6/30/2022</u>	<u>12/31/2021</u>	<u>Y/Y Change</u>
<b>Operating Cash</b>	\$ 1,276,067	\$ 1,321,423	\$ (45,357)
<b>Reserve Funds</b>	10,208,776	9,685,520	523,257
<b>Capital Funds</b>	69,492	50,000	19,492
Accounts Receivable, Net	166,470	18,357	148,113
Intercompany Receivables	0	18,420	(18,420)
Prepaid Expenses	185,341	129,149	56,192
Other	2,206	-	2,206
<b>Total Current Assets</b>	<u>354,017</u>	<u>165,926</u>	<u>188,090</u>
<b>Fixed Assets</b>			
Property & Equipment	356,062	356,062	0
Depreciation	(227,206)	(195,058)	(32,148)
	<u>128,856</u>	<u>161,004</u>	<u>(32,148)</u>
<b>Total Assets</b>	<u><b>\$ 12,037,208</b></u>	<u><b>\$ 11,383,873</b></u>	<u><b>\$ 653,334</b></u>

Liabilities/Equity			
	<u>6/30/2022</u>	<u>12/31/2021</u>	<u>Y/Y Change</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 280,928	\$ 335,732	\$ (54,804)
Intercompany Payable	315,982	222,040	93,942
Accrued Expenses	121,614	106,125	15,489
Prepaid Assessments	299,335	274,737	24,597
Deferred Revenue	-	0	0
Other Current Liabilities	-	0	0
	<u>1,017,858</u>	<u>938,635</u>	<u>79,223</u>
<b>Long-Term Liabilities</b>			
Note Payable - Equipment	12,589	27,695	(15,106)
Other	-	-	-
	<u>12,589</u>	<u>27,695</u>	<u>(15,106)</u>
<b>Equity</b>			
Operating Equity	824,737	824,737	0
Reserve Equity	9,542,807	9,542,807	0
Capital Equity	50,000	50,000	0
CY Net Income/(Loss)	589,217	0	589,217
	<u>11,006,761</u>	<u>10,417,544</u>	<u>589,217</u>
<b>Total Liabilities/Equity</b>	<u><b>\$ 12,037,208</b></u>	<u><b>\$ 11,383,873</b></u>	<u><b>\$ 653,334</b></u>

# Balance Sheet at 6/30/2022



Assets				Liabilities/Equity			
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Depreciation	(227,206)	(195,058)	(32,148)	Note Payable - Equipment	12,589	27,695	(15,106)
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				<b>Equity</b>			
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\$497k



# Balance Sheet at 6/30/2022



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# Accounts Receivable in DC Ranch

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On 6/27/2022, the A/R balance was \$23,951 for both Community Council and Ranch Association combined.

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This represents less than 3% of the nearly \$900k in assessments billed each month.

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And of this amount, only about \$3,500 (<1%) is considered delinquent (over 30 days past due).

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This is an excellent collections record in the community management (HOA) world.

# Statement of Cash Flows

## for period ending June 30, 2022



	<u>Current Month</u> Month Ended June 2022	<u>Year-to-Date</u> Year Ended June 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (deficit) for period	\$ 47,443	\$ 589,217
Adjustments to reconcile net income (deficit)		
Depreciation	5,358	32,148
<u>(Increase)/Decrease in:</u>		
Accounts receivable	(105,646)	(151,982)
Intercompany receivables	-	18,420
Prepaid expenses	(17,865)	(56,192)
<u>Increase/(Decrease) in:</u>		
Accounts payable	(17,084)	(45,495)
Accrued payroll expenses	16,540	16,770
Deferred revenue		-
Prepaid assessments	(5,948)	(35,270)
Prepaid Council assessments	(1,487)	59,867
Intercompany payables	167,190	93,942
Other liabilities	408	(8,928)
NET CASH FROM OPERATING ACTIVITIES	88,908	512,498
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property, Plant & Equipment	-	-
NET CASH FROM INVESTING ACTIVITIES	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Note Payable PPP Funds	-	-
Principal payments of long-term debt	(2,518)	(15,106)
NET CASH FROM FINANCING ACTIVITIES	(2,518)	(15,106)
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>86,391</b>	<b>497,392</b>
CASH, BEGINNING OF PERIOD	11,467,945	11,056,943
<b>CASH, END OF PERIOD</b>	<b>\$ 11,554,335</b>	<b>\$ 11,554,335</b>



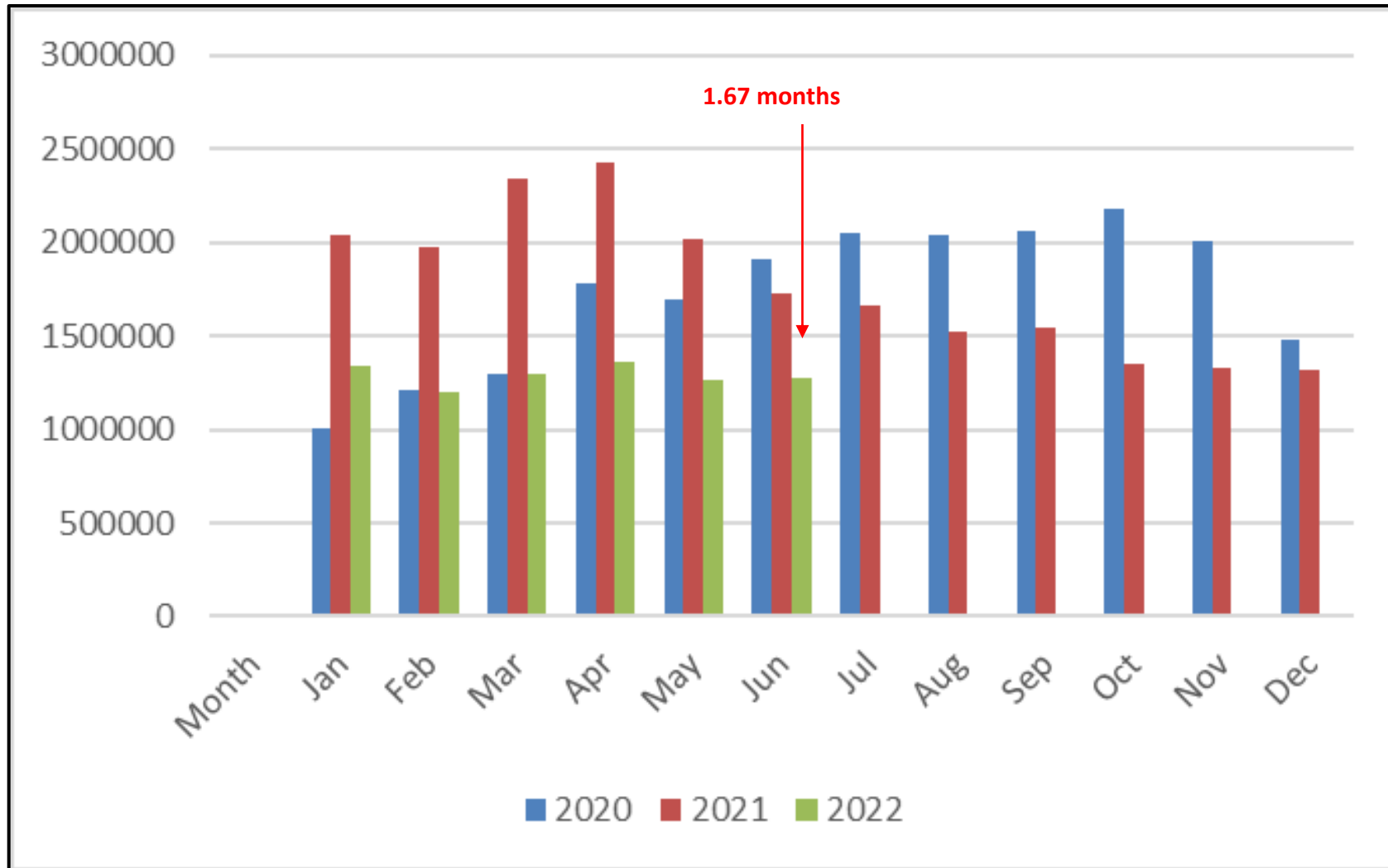
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# Operating Cash Balances by Month



# Questions?



# Unfinished Business

- Artificial Turf Guidelines
- DCRL-20 Artificial Turf Maintenance Standard
- Security Committee Charter Update
- Security Committee Selection Process
- Decision on Meeting Recordings



# New Business

- Board of Directors 2022 Goals
- Executive Director Goals Summary
- Policy 104
- Staff Retention/Salary Philosophy

# New Business-Board of Directors Goals

- Provide for necessary and functional audio and video access to Board meetings for both in-person and zoom attendees or relocate the meetings to another suitable location.
- To ensure that all board members are fully informed and to enable the executive director to focus on the Association's business, request that all board members funnel their requests for information and questions through the Board president who will be the primary point of contact with the Executive Director and transmit all information to all board members.
- Reaffirm the role of the Board of Directors as primarily policy making, budget development, and oversight of the Executive Director's performance and initiatives. The Board should be referring concerns from the community to the Executive Director or her designee to address and inform the Board of the action taken. The Board formally evaluates the Executive director at least annually based on adopted goals and timelines.
- Provide, to the greatest extent possible, without compromising the Board or its actions, transparency to the Board's actions, decision making process and rationale. Encourage open dialogue and debate on issues as needed to ensure the best decision possible.

# New Business-Board of Directors Goals

- Provide the necessary resources for the Executive Director and staff to properly complete her work to meet both the Board's and Executive Directors' annual goals.
- Take action to consistently follow up on T&D, modifications committee approvals and denials, and Covenant Commission determinations to ensure full and timely compliance and proper documentation. This is likely to require additional personnel, training and restructuring of current roles.
- Engage the community in the review, understanding, and recommendations for improved safety measures for the DC Ranch community through the safety committee and complete its review by February 2023.
- Complete the Firewise implementation throughout the community as identified, plan and continue the maintenance of the defensible space.

# New Business-Board of Directors Goals

- Implement the new conflict of interest policy for the Board, all Ranch Association Committees and each of their members. Provide everyone with adequate training on this issue.
- Reassess the fines and fee structure of all community standards documents to ensure compliance and memorialize in Board Policy.
- Continue progress on the tree replacement plan for Arcadia.
- Re-educate the Community on the defined roles of the Covenant Commission, the Community Council and the Ranch Association and the three-part governance structure of DC Ranch.
- Convene a discussion with authorized representatives of sub-associations and the governance organizations of DC Ranch to assess possible future improvements to sub-association status.
- Conduct Board review of the Executive Director's Performance in November 2022 and again March 2023.

# 2022 Executive Director Goal Summary

- Goal One
  - I. Promote Safety Throughout the Community
    - Strategy: DC Ranch promotes safety for residents, staff and guests through appropriate security measures and infrastructure.
- Goal Two
  - II. Attract and Retain High Quality Staff and Leadership
    - Strategy: Be THE employer of Choice
- Goal Three
  - III. Optimize Governance Structure
    - Strategy: Update governance policies to address issues and optimize efficiencies in organizational structure.

# New Business-Executive Directors Goals

## Goal Four

### IV. Maintain the Highest Level of Landscape and Maintenance

Strategy: The overall beauty and appearance of DC Ranch is a source of pride and a natural marketing channel for the community. DC Ranch provides the finest care to this unique desert landscape and maintains the level of appearance consistent with the emphasis placed on services, safety and quality of life for the community. Attention to detail is high.

## Goal Five

### V. Sustain Financial Stewardship

Strategy: Current and future investments are supported by a long-range strategy/set of practices for financial stewardship.

## Goal Six

### VI. Maintain Community Standards Enforcement DC Ranch residents expect

Strategy: To consistently uphold the standards of design, quality and maintenance of all residential property in DC Ranch through consistent, covenant enforcement and modification review process.

# Committee Reports

- Firewise Committee next meeting, October 4, 1 pm, Main Conference Room/zoom.
- Budget and Finance Committee-Appointment of Budget and Finance Committee Member
- Modification Committee
- Policy Committee



# Member Open Forum



We want to hear from residents  
(three-minute limit).

Please raise your hand to be called  
upon to speak.

# Announcements

- Next Board Meeting, September 12, 6 pm
- Resident Leadership begins August 23
- Public Budget Meeting, October 10

# Adjournment