



The Mission of the Community Council is to facilitate a connected and welcoming community that instills pride and a sense of belonging in each DC Ranch resident. The Council's work includes visioning and facilitating initiatives that enhance residents' quality of life, serve collective interests and promote the DC Ranch brand. These benefits make DC Ranch a very special place to live.

DC Ranch Community Council Board of Directors BOARD MEETING

November 3, 2022 | 5:30 p.m.

Hybrid Meeting; Attendance welcome at The Homestead Community Center or via [Zoom](#)

(All Council Board and Staff will be in person at The Homestead.)

AGENDA

- | | | |
|-------|--|------------------------------|
| I. | Call to Order | Jill Hegardt |
| II. | Establish Quorum | Jill Hegardt |
| III. | Approval of Board Meeting Minutes | Jill Hegardt |
| | a. September 22, 2022 | |
| | b. October 20, 2022 | |
| IV. | President's Report | Jill Hegardt |
| | a. Governance Committee | |
| | b. Consider Extension of Appointment of Joint Board Director | |
| V. | Staff Reports | |
| | a. Staff Update | Jenna Kohl |
| | b. Preliminary Report on the Community | Kathryn DeBoer, |
| | Wide Survey conducted by WestGroup Research | Chief Research Officer SVP |
| | c. Financial Report – Monthly Financials & Benefit Fee | Laura Spears |
| VI. | Old Business - NONE | |
| VII. | New Business | |
| | a. Consider Approval of the 2023 Operating Budget | Jenna Kohl |
| | b. Consider Approval of 2023 Council Meeting Schedule | Melissa Fuentes |
| VIII. | Adjourn Meeting | Jill Hegardt |

COMMUNITY VALUES

- Sense of Community
- Healthy Lifestyles
- Artistic and Cultural Opportunities
- Diversity and Inclusiveness
- Lifelong Learning
- Family
- Environmental Stewardship
- Relationship with the Larger Community



DC Ranch Community Council

To: DC Ranch Community Council Board of Directors
From: Jenna Kohl, Executive Director
Date: 10/27/2022
Subject: *Director Appointment Extension for Joint Council -Commissioner Role*

Recommendation

It is recommended that the Board extend the appointment for Ron Belmont to March 31, 2023, to be consistent with his term on the Covenant Commission and to align with the Community Council terms.

Overview

The joint director is appointed by the Community Council and is a position that serves on both the Community Council and the Covenant Commission, as defined in the Board's Governance Policy. The joint board director role is addressed in the governing documents. Article IV Section 4.5 of Covenant Commission bylaws states that "One Commissioner shall also serve as a director of the DC Ranch Community Council, Inc...the Community Council shall have the right to select, from the Commissioners appointed pursuant to Section 4.3, one Commissioner to serve as the Commissioner/Council Director." Section 13.4 of the Council Covenants states that "though the Community Council shall have no authority over the Covenant Commission, one member of the Covenant Commission shall serve as a Community Council Director, as provided in Section 5.5."

In March 2022, Ron Belmont was appointed to the joint board director role for a term starting April 1 and concluding concurrent with his term on the Covenant Commission at the time, on December 31, 2022.

Initially, the Covenant Commission terms ran through December 31. The Covenant Commission is modifying their terms to run April 1 to March 31. Aligning Director Belmont's term with his term on the Covenant and consistent with Council director terms is recommended.



Staff Report

November 2022

Finance and Administration

- *Budget Development.* The 2023 budget presented on October 20 will be before the Board for finalization and adoption on November 3. Staff will send out the approved budget and NVM ballot mailing to residents by the end of November.
- *Recruitment.* Recruitment is underway for an IT Manager, Resident Services Specialist, Events and Rental Specialist, and Front Desk team member.
- *Sustainability Plan Workshop.* Executive Director Kohl attended a workshop to review and weigh in on the City of Scottsdale's draft sustainability plan on Oct. 25.
- *Sustainability Committee.* The Sustainability Committee charter has been reviewed by the Community Council and Covenant Commission and will be reviewed by the Ranch Association. We will be recruiting 5 community members with expertise in sustainability and environmental initiatives to serve on the committee. Terms are one year, and the application will be online in November.
- *Historic Committee.* The Historic Committee held their first meeting in October. This is a dynamic, diverse, and talented group. They focused on activities surrounding DC Ranch's 25th anniversary; look for creative activities in 2023 including a commemorative edition of Ranch News, historic postcard, and digital scrapbook. Historian Joan Fudala will speak with the group at their next meeting.
- *Desert Camp Site Improvement Project.* The design-build team is moving into phase 2 – design development. This results in a more detailed design including furnishings and fixtures. The Council design committee will conduct site visits to see layouts and equipment in comparable fitness centers, and the next two months will be full of meetings to refine specifics to ensure that the final design aligns with the DC Ranch brand and commitment to providing a special place for residents to enjoy for many years.
- *Board Director Recruitment.* The Nominating Committee for the Board of Directors met in October to set the timeframe for recruitment of board director applicants for terms starting April 1, 2023. Applications will be posted online in mid-December.
- *Joint Service Activity.* In late November, the Ranch Association and Community Council team members will be participating in a joint service activity through Hands on Phoenix to build reading libraries, create reading kits, and more; this activity is centered around our team values of teamwork, passion and fun.
- *Sterling Awards.* DC Ranch Community Council is a finalist in the Small Business Award category. The awards, sponsored by the Scottsdale Area Chamber of Commerce, are focused on *celebrating people and organizations who demonstrate excellence, innovation, and community stewardship.* Winners will be announced at the awards luncheon on Nov. 18.
- *Anniversaries.* Congratulations to team members that celebrate anniversaries in Q4:

- October: Samantha Canchola– 1 year and Devin Haggerty – 7 years.
- November: Dee Nortman – 4 years and Sarah Hackett - 1 year.

Events and Programs

- *Social Hour.* The bi-monthly social hour is held on the north patio at Desert Camp to provide a cozy gathering where new and established residents can meet and socialize. The ambiance is enhanced with music, light bites, and beverages. The last social hour was held Sept. 23 on the north patio; just over 55 residents attended the event. The next social hour, the Mistletoe Mixer, is Dec. 16 and will feature an acoustic guitar player to celebrate the holiday season.
- *Game Night.* On Sept. 24 neighbors gathered for a friendly and competitive Cornhole Tournament inside The Homestead grand hall. The first-place winners won a custom made cornhole board set; second place winners won a gift basket with gift cards and goodies. This event drew 26 players and 8 spectators who proved to be a great cheering section. The event also provided a bartender, light bites, and music video entertainment.
- *Neighborhood Park Parties.* Drawing on the beauty of nature and community, this outdoor celebration features custom park parties tailored to each of the four villages. In September, the Council hosted a park party in Silverleaf Village, and another was held in Country Club Village. In October, a third park party was held in Desert Camp Village where *Moonshots* food truck provided comfort food to residents. These 3 events drew a total of 90 residents. The final park party this fall is Sat., Nov. 19 in Desert Parks Village.
- *Homecoming Dance.* Due to low registration numbers, the Homecoming Dance was canceled.
- *Adult Spooky Rum Tasting.* Approximately 20 residents learned about the nuances of this popular libation while sampling four specialty rums from different island regions. This intimate gathering included a bartender, nosh, eclectic décor, and lilting island music.
- *Prickly Pumpkin Patch.* On Thurs., Oct. 27 DC Ranch's littlest residents will get to pick their very own pumpkin to take home and decorate. Kids will be treated with juice and cookies, and a fun pirate ship photo-op. Registration is expected to reach seventy-five participants.
- *Spooky Carnival.* This Signature Event is a highlight of DC Ranch's fall event season. Approximately 600 residents of all ages will dress up in their favorite costume and enjoy a spooky evening at Desert Camp. The carnival will be full of games, prizes, bounce houses, photo-ops, a DJ, and pirate character actors for entertainment. The night will also include a gourmet, catered dinner, desserts, and other refreshments.
- *DC Ranch Women's Club.* The quarterly newsletter was emailed to 270 DC Ranch women in September. The newsletter included information on upcoming gatherings and committee meetings, recap of past Women's events, and a reminder to complete the Resident Demographic Survey. In September, 18 ladies discovered the colorful history of the Wrigley Mansion, one of the most storied landmarks in Phoenix, through a one-hour tour. Afterward, all gathered downstairs within the mansion at Geordie's Restaurant and Lounge for a light happy hour. In October, 33 DC Ranch women put their luck to the test at an evening of Bingo & Vino. Multiple fabulous prizes were donated from local businesses in support of this event and over 7 ladies went home as lucky winners.
- *Spotlight Speakers Series.* On Oct. 19, over 60 residents learned about the fascinating experiences of travel writer Dan Fellner. Fellner is an eight-time Fulbright Fellow who has taught journalism and communications. He has visited 120 countries, all 50 U.S. states, and published more than 120 travel articles. Residents enjoyed his presentation.

- *Creative Arts: Paint Your Pet.* On Sept. 29, 19 residents gathered at Desert Camp to celebrate their fur baby with a one-of-a-kind keepsake. Painting instructor Carrie Curran created a hand drawn version of their pet and led participants through the painting that made it frame worthy. Residents snacked on some delicious appetizers, while painting their beloved pets and drinking wine. One resident said “What a wonderful idea and class. I am painting this for my son’s Christmas present.”
- *Performing Arts Series: Candlelit Classics.* On Nov. 13, residents will enjoy an enchanted evening of music while surrounded by flickering candlelight outdoors at The Homestead Community Center. They can bring their own lawn seating and blankets to bask in beautiful string performances by talented musicians who will feature classical music from all genres, including some pop tunes. Light bites and beverages are included.
- *Kids Cuisine: Cupcake Wars.* Young foodie residents (ages 9-15) will join a professional chef at The Homestead kitchen on November 11 to prepare a tasty meal and enjoy their creations family style. The dessert course will fire up imaginations with a head-to-head competition to see who can decorate the best cupcakes. Much messy fun will be had!

Community Engagement

- *DC Ranch Leadership Academy.* Class III continues and has 2 sessions and graduation remaining. Graduation will be held at Vito’s Italian Ristorante in early December. Feedback has been positive, and many resident members are looking forward to getting involved once they complete the program.
- *Three Missions, One Vision project.* The Community Engagement and Communications teams are working together to oversee the production of a new video highlighting the unique governance structure of DC Ranch. It could be viewed by residents, board members, realtors and new employees. Anticipated completion date is Q4 2022.
- *DC Ranch Gives.* Fourteen residents volunteered with Arizona Humane Society in September. The Blood Drive with American Red Cross on Oct. 1 exceeded the goal of 17 donors with 26 residents donating blood. The Gives Newsletter was sent in October to 115 residents and featured upcoming group service projects, winter donation drive information, and the volunteer spotlight highlighted resident Jeanne Leckie.
- *New Resident Welcome.* Neighborhood Voting Members and community volunteers continue to welcome new residents each month with welcome bags.
- *‘Round the Ranch Sunset Tours.* In-person Sunset Tours continue; the next one is scheduled for Sat., Nov. 12 and will depart from Jalapeno Inferno on Market Street with Scottsdale historian Joan Fudala as the tour guide.
- *DC Ranch Ambassadors.* Ambassadors are utilized a few times each month to help promote activities and happenings within DC Ranch. Ambassadors have recently helped by encouraging residents to attend the Desert Camp Site Improvement Project Open House, donate blood at the Gives Blood Drive, complete the Resident Demographic Survey, attend Spotlight Speakers Series, and register for The Pirate Life: Rum Tasting. Two residents were added in the month of September to the Ambassadors distribution list.
- *Volunteer of the Year.* Nominations for Volunteer of the Year awards are collected year-round on dcranch.com. Recipients will be selected by a committee of previous award recipients and honored at the annual Volunteer Appreciation Celebration. Consider nominating a resident or community partner in the following categories: Leadership, Good

Neighbor, Philanthropy, Youth, and Community Partner. Deadline for 2023 Volunteer of the Year nominations is Fri., March 10, 2023.

Communications

- *Spooky Carnival Promotion.* On Talk Like a Pirate Day (Sept. 19), the Communications Team ran a promotion on Facebook and Instagram to encourage residents to register for Spooky Carnival: Pirates Cove. Several DC Ranch families participated, and one family was chosen as the winner, to receive reserved parking, VIP table, special photo-op, and extra gold coins for the kids to trade in for prizes at the event.
- *Resident Demographic and Interest Survey.* The survey was conducted from Sept. 26 through Oct. 9. The Communications Team used several ways to encourage residents to complete the survey, including emails; text message; postcard; and signage at programs, community centers, and several gates. Over 850 residents completed the survey. The results will be analyzed and shared with the Community Council board and residents in the coming months. Teams on the Community Council and Ranch Association will use the results in various ways to continue to improve services and programs.
- *Text Messaging.* A new list was added to the text messaging system to allow residents to sign up to receive updates during Desert Camp construction and for any community center or amenity disruptions. 200 residents so far have opted-in to the list.
- *25th Anniversary Logo.* In preparation for DC Ranch's 25th anniversary next year, the Communications Team has designed a special logo to commemorate the milestone.
- *Professional Development.* In September, Elizabeth Dankert attended Phoenix Design Week, a conference produced by AIGA, the professional association for design. Jules Everson and Elizabeth Dankert attended virtual Adobe MAX sessions in October. Adobe is the primary design software package the Communications Team uses to create DC Ranch publications, brochures, newsletters, booklets, mailers and signage.

Facilities

- *Professional Development.* In October, Luis Ayala attended the Southwest Buildings and Facilities Expo at the Phoenix Convention Center. The event has over 175 companies displaying products and services necessary for operation, management, and maintenance of buildings and facilities.
- *Community Center Use.* The Desert Camp Community Center front desk had over 2,000 check-ins combined for September and October. There were 9 facility rentals for private use between Desert Camp and The Homestead Community Center. Racquet court use has increased from approximately 80 reservations per month, per court, to a range of 110 to 148 reservations per court (tennis and pickleball) in the month of October.
- *Facility Maintenance.* The lawns at both Community Centers and Market Street Park have been overseeded for the winter. Arborists recently completed work on trees in and around the pool area at Desert Camp. A replacement wine refrigerator has been installed at Desert Camp Community Center, and over 25 bulbs were replaced for lighting at The Homestead parking lot. A new expansion tank has been installed and valve replacement has been completed on the water heater at The Homestead Community Center.

Recreation

- *Professional Development.* In September, Mike Fenzel and Samantha Canchola attended the National Recreation and Parks Association Conference at the Phoenix Convention Center, where recreation professionals from across the nation get an inside look at the latest products for the field and gather expert knowledge from inspirational education sessions.
- *Fitness Classes.* Indoor classes *Strength & Balance, Yoga Basics, and All Levels Yoga* had 88 registrants for September and October. *Aqua Fitness* served 45 residents September through October. An increase in class max capacity to 25 for indoor fitness and 20 for Aqua Fitness begin January 1 along with an increase to monthly and drop-in registration fees.
- *Women's Self Defense Class.* In September a powerful group of 20 DC Ranch Women joined instructor Tiffany Richards, a second-degree black belt and a nationally sought-after self-defense expert, in her Scottsdale Airpark studio. Each woman learned unique skills such as defending against multiple attacks and holds, moving and striking with force, and using their powerful voice that allowed them to leave class carrying themselves confidently.
- *Grapenuts.* Grapenuts reconvened in September as 16 resident wine enthusiasts joined together for a *Sips & Potluck event*. All who attended were able to catch up with neighbors and hear stories about their summer adventures. In October, a small group of 6 sampled some eerie-sistible treats during *Spooktacular Pairings*. Residents each brought their own bottle of wine along with a Halloween candy that pairs with it and learned which pairings trick, and which ones treat.
- *Reel Deal Movie.* In October, families of all ages gathered on the Desert Camp North Patio to catch *Hook* on the big screen - a classic pirate adventure film starring Robin Williams. Popcorn and beverages were provided and young scallywags were able to hop aboard their own pirate ship for a photo op as well as create their very own Captain Hook hand.
- *Pickleball.* Pickleball Club drop-in times changed with the seasons this past September; players now meet from 7a.m. to 10 a.m. every Friday and Sunday. Start times adjust again beginning in December. *Pickleball Clinics* continue to show strong numbers as two additional Beginner I & Beginner II Clinics were offered in October. Each session now extends for two days of hands-on instruction by a certified USAPA Pickleball Instructor. All sessions sold out for a total of 32 participants with 8 residents on the waitlist.

Public Affairs

- *State Land Development.* As directed by the Community Council board, Chris Irish is writing an Engagement Plan for the 120+ acres of state land purchased by the Mack Real Estate Company. The land runs along the 101 and Pima Road. On the north it is bordered by Trailside View and on the south by Bell Road. The eastern boundary abuts the DC Ranch Neighborhood Park, DC Ranch Corporate Center and the Bell94 Sports Complex. The land is currently zoned I-1 which is industrial/office and includes warehousing. It is possible the owners may seek a zoning change that could be more compatible with DC Ranch.
- *Development of the Northeast Corner of 94th Street and Bell.* First American Builders had a preliminary meeting with the city's planning department to discuss grading and drainage. Their next step is to develop a site plan. The owner stated that at this time they do not plan to submit for a zoning change. The land is zoned R-7, one residential unit per 7,000 sq. ft.
- *DC Ranch Neighborhood Park and Bell94 Sports Complex.* Scottsdale Parks and Recreation Department recently held a grand opening for both facilities. Several Community Council team members and residents attended.



**DC Ranch Community Council
Financial Highlights – Director Analysis
for period ending September 30, 2022**

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total CC</u>
Revenue	\$ 4,493,611	\$ 20,800	\$ 119,132	\$ 4,633,543
Expenses	2,743,111	208,189	238,045	3,189,345
Operating Income/(Loss)	\$ 1,750,500	\$ (187,389)	\$ (118,913)	\$ 1,444,198
Depreciation	-	-	33,723	33,723
Total Income/(Loss)	\$ 1,750,500	\$ (187,389)	\$ (152,637)	\$ 1,410,475
Transfers In/(Out)	(1,930,454)	212,454	1,718,000	-
Total Surplus/(Deficit)	\$ (179,954)	\$ 25,065	\$ 1,565,363	\$ 1,410,475

Revenue

Operating revenue for September totaled \$307k, lower than budget by \$91k (23%). Year-to-date revenue is favorable to budget by \$1.3 mil (37%). Significant variances to budget include:

- Community Benefit Fees came in \$20k (20%) lower than forecast for September. Benefit Fees YTD reflect a revenue surplus of \$1.31 mil (130%).
- Assessments are slightly higher than budget due to the lots that were estimated to be subtracted for new Ranch Association maintenance facility, which has not been finalized. The nine (9) lots for the new Legacy at DC Ranch neighborhood began paying assessments in June.
- Charitable Event revenue for September is under budget by \$74k, due to cancellation of the Dinner in the Desert event this year. There is a corresponding offset of \$68k in expense savings.
- Other revenue has a positive variance to budget YTD due to interest, key fobs and fees collected for T&D inspections.

Expense

Operating expenses for September came in \$75k (19%) favorable to budget, with year-to-date expense \$341k (11%) lower than budget. Transfers totaling \$1.7 mil have been made to the capital fund YTD, over and above the budgeted amount. Notable expense variances include:

Administration

- Personnel costs are \$122k lower than estimated in the budget YTD due to open and transitioning positions.
- Administration is \$5k under budget YTD due to the timing of special projects for the year.
- Employee Relations & Training is favorable to budget by \$12k YTD due to deferred or reduced in-person meetings, professional development and uniform purchases.

Programs

- Program expenses are favorable to budget by \$175k YTD due to a savings in the Spring Festival event (due to reduced capacity); cancellation of Dinner in the Desert charitable event; timing of expense for

the Milestone Anniversary Program; communications collateral and photography/videography expenses; and savings and/or cancellations of smaller events and recreation programming.

Facilities

- Facilities expense overall is \$29k below budget YTD due to the timing of supply purchases, service expenditures and holiday decoration costs, which may be spent at a later date. We anticipate approximately \$5k in savings due to reduced monsoon clean up expense for paths and trails.

Balance Sheet/Cash Flow

- Operating cash on hand is equal to 4.04 months as of 9/30/2022.
- There are \$7.6 mil in capital funds and \$2 mil in reserve funds. Reserves are currently 93.9% funded.
- The balance in Capital Fund-Current Projects represents the amount of funds remaining to complete Board approved projects.

Looking Forward

- Future escrow amounts *in progress* are as follows:

<u>Month</u>	<u>Currently in escrow</u>	<u>Budgeted Benefit Fees</u>
October 2022	\$83,219	\$161,327
November 2022	\$61,138	\$194,309

Community Council continues the year strong with \$1.8 mil in net income and favorable variance to the operating budget through the 3rd quarter. This has allowed Council to transfer \$1.7 mil to the capital fund over and above the budgeted monthly transfer amount. Community Benefit Fees performed well through August, but are now slowing and leveling closer to (or below) budget amounts.

DC RANCH COMMUNITY COUNCIL

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending September 30, 2022

	September 2022			Year-to-Date			Annual
	Current Month	Budget	Budget Variance	Year to Date	Budget	Budget Variance	2022 Budget
INCOME							
Residential Assessments	\$ 141,830	\$ 141,908	\$ (78)	\$ 1,274,130	\$ 1,277,172	\$ (3,042)	\$ 1,702,896
Commercial Assessments	50,440	49,140	1,300	453,960	442,260	11,700	589,680
Community Benefit Fees	80,700	100,647	(19,947)	2,429,681	1,121,733	1,307,948	1,650,000
Total Assessment Revenue	272,970	291,695	(18,725)	4,157,771	2,841,165	1,316,606	3,942,576
Event/Club/Class Registrations	3,298	3,577	(279)	38,900	35,969	2,931	54,810
Charitable Events	-	73,750	(73,750)	-	73,750	(73,750)	123,750
Arts & Education	960	680	280	18,850	21,529	(2,679)	23,741
Total Program Revenue	4,258	78,007	(73,749)	57,750	131,248	(73,498)	202,301
Community Center Rentals	1,000	500	500	13,950	13,200	750	20,200
Community Garden	-	-	-	5,280	5,280	-	5,280
Total Facilities Revenue	1,000	500	500	19,230	18,480	750	25,480
Management Fee	26,205	26,205	-	235,845	235,845	-	314,460
Advertising	360	360	-	5,760	5,400	360	7,200
Interest	1,150	35	1,115	3,906	315	3,591	433
Other Income (CFD, key fobs, misc)	580	300	280	13,350	7,750	5,600	14,450
Total Other Income	28,295	26,900	1,395	258,861	249,310	9,551	336,543
Total Operating Income	306,523	397,102	(90,579)	4,493,611	3,240,203	1,253,408	4,506,900
EXPENSES							
Personnel Expenses	210,755	207,482	3,273	1,745,946	1,867,338	(121,392)	2,493,974
Administration	33,835	32,872	963	316,840	322,124	(5,284)	419,624
Employee Relations & Training	5,091	2,015	3,076	38,890	50,544	(11,654)	63,419
Total Administrative Expense	249,681	242,369	7,312	2,101,675	2,240,006	(138,331)	2,977,017
Events/Clubs/Classes	10,818	13,201	(2,383)	147,509	199,261	(51,752)	343,954
Charitable Events	-	67,500	(67,500)	-	67,500	(67,500)	117,500
Communications/Community Eng	6,439	12,102	(5,663)	62,705	103,285	(40,580)	129,913
Arts & Education Programs	2,608	2,100	508	36,280	51,925	(15,645)	61,225
Total Program Expense	19,865	94,903	(75,038)	246,493	421,971	(175,478)	652,592
Desert Camp Community Center	21,795	25,118	(3,323)	224,979	228,685	(3,706)	301,080
The Homestead Community Center	15,140	10,680	4,460	90,690	95,125	(4,435)	124,188
Seasonal Decorations	-	-	-	30,358	38,775	(8,417)	66,775
Market St Park/Paths & Trails	2,273	10,430	(8,157)	18,651	30,959	(12,308)	39,394
Total Facilities Expense	39,209	46,228	(7,019)	364,678	393,544	(28,866)	531,437
Insurance (non-EE) & Taxes	3,339	3,161	178	30,264	28,619	1,645	38,582
Other Expenses	-	-	-	-	-	-	-
Total General Expense	3,339	3,161	178	30,264	28,619	1,645	38,582
Total Operating Expense	312,094	386,661	(74,567)	2,743,111	3,084,140	(341,029)	4,199,628
Net Operating Income/(Loss)	(5,571)	10,441	(16,012)	1,750,500	156,063	1,594,437	307,272
Reserve & Capital Contributions	(25,606)	(25,606)	-	(1,930,454)	(230,454)	(1,700,000)	(307,272)
Transfers In/(Out)	(25,606)	(25,606)	-	(1,930,454)	(230,454)	(1,700,000)	(307,272)
Net Operating Surplus/(Deficit)	\$ (31,177)	\$ (15,165)	\$ (16,012)	\$ (179,954)	\$ (74,391)	\$ (105,563)	\$ -

DC RANCH COMMUNITY COUNCIL

BALANCE SHEET

At September 30, 2022

	<u>9/30/2022</u>	<u>12/31/2021</u>	<u>Y/Y Change</u>
ASSETS			
CASH			
Cash - Operating	\$ 1,515,974	\$ 1,754,711	\$ (238,737)
Petty Cash	500	500	-
TOTAL CASH	<u>1,516,474</u>	<u>1,755,211</u>	<u>(238,737)</u>
CAPITAL FUND			
Capital Fund - Current Projects	722,708	104,373	618,335
Capital Fund - Savings	6,856,001	5,876,822	979,179
TOTAL CAPITAL FUND	<u>7,578,709</u>	<u>5,981,195</u>	<u>1,597,514</u>
RESERVE FUND			
Accounts Receivable (Net)	35,229	17,560	17,668
Intercompany Receivable	51,590	206,348	(154,758)
Prepaid Expenses	116,385	51,715	64,671
Other Current Assets	-	1,427	(1,427)
TOTAL CURRENT ASSETS	<u>203,204</u>	<u>277,050</u>	<u>(73,846)</u>
PROPERTY, PLANT & EQUIPMENT			
Furniture & Fixtures	28,459	28,459	-
Property & Equipment	141,249	141,249	-
Leasehold Improvements - Comm Garden	137,042	137,042	-
Homestead Remodel & Improvements	110,112	110,112	-
Desert Camp Remodel & Improvements	161,479	161,479	-
Construction In Progress	7,849	7,849	-
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>586,189</u>	<u>586,189</u>	<u>-</u>
Less Accumulated Depreciation	(367,663)	(333,940)	(33,723)
PROPERTY, PLANT AND EQUIPMENT, NET	<u>218,525</u>	<u>252,249</u>	<u>(33,723)</u>
TOTAL ASSETS	<u><u>\$ 11,562,940</u></u>	<u><u>\$ 10,287,210</u></u>	<u><u>\$ 1,275,730</u></u>
LIABILITIES			
Accounts Payable	\$ 40,563	\$ 63,530	\$ (22,967)
Intercompany Payable	-	18,420	(18,420)
Accrued Expenses	101,170	128,284	(27,113)
Prepaid Assessments	21,427	89,252	(67,825)
Deferred Revenue	8,549	3,300	5,249
Other Current Liabilities	(592)	3,077	(3,669)
TOTAL CURRENT LIABILITIES	<u>171,117</u>	<u>305,862</u>	<u>(134,745)</u>
TOTAL LIABILITIES	<u><u>\$ 171,117</u></u>	<u><u>\$ 305,862</u></u>	<u><u>\$ (134,745)</u></u>
NET ASSETS			
Capital Equity	6,138,912	6,138,912	-
Reserve Equity	2,090,895	2,090,895	-
Operating Equity	1,751,541	1,751,541	-
Current Year Profit/Loss	1,410,475	-	1,410,475
TOTAL NET ASSETS	<u><u>\$ 11,391,823</u></u>	<u><u>\$ 9,981,348</u></u>	<u><u>\$ 1,410,475</u></u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 11,562,940</u></u>	<u><u>\$ 10,287,210</u></u>	<u><u>\$ 1,275,730</u></u>

DC RANCH COMMUNITY COUNCIL

STATEMENT OF CASH FLOW

Year-To-Date September 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net income (deficit) for period	\$	(179,954)
Adjustments to reconcile net income (deficit)		
Accounts receivable		(17,668)
Prepaid insurance		(9,229)
Prepaid programs and expense		(57,424)
Prepaid expenses		1,982
Intercompany Receivable		154,758
Accounts payable		(19,424)
Accrued payroll expenses		(27,113)
Deferred revenue - facility rentals		4,195
Prepaid assessments		(67,825)
Prepaid event registration		1,054
Intercompany Payable		(18,420)
Transfer of funds from Operating to Reserve/Capital Accounts		
Other liabilities		(3,669)

NET CASH FROM OPERATING ACTIVITIES		<u>(238,737)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property, Plant & Equipment		<u>-</u>
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NET INCREASE (DECREASE) IN CASH		(238,737)
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CASH, BEGINNING OF PERIOD		<u>1,755,211</u>
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CASH, END OF PERIOD	\$	<u><u>1,516,474</u></u>
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ADDITIONAL INFORMATION - OPERATING FUNDS REQUIREMENTS:

Per Board policy, operating funds should be between 3-6 months of budgeted annual operating expenses.

Number of months budgeted expenses in cash, end of period:	4.04
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Total 2022 operating budget expenses	\$	<u>4,506,900</u>
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MINIMUM - Average of three months	\$	<u>1,126,725</u>
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Amount over minimum		Amount under minimum
\$	389,749	<u>N/A</u>

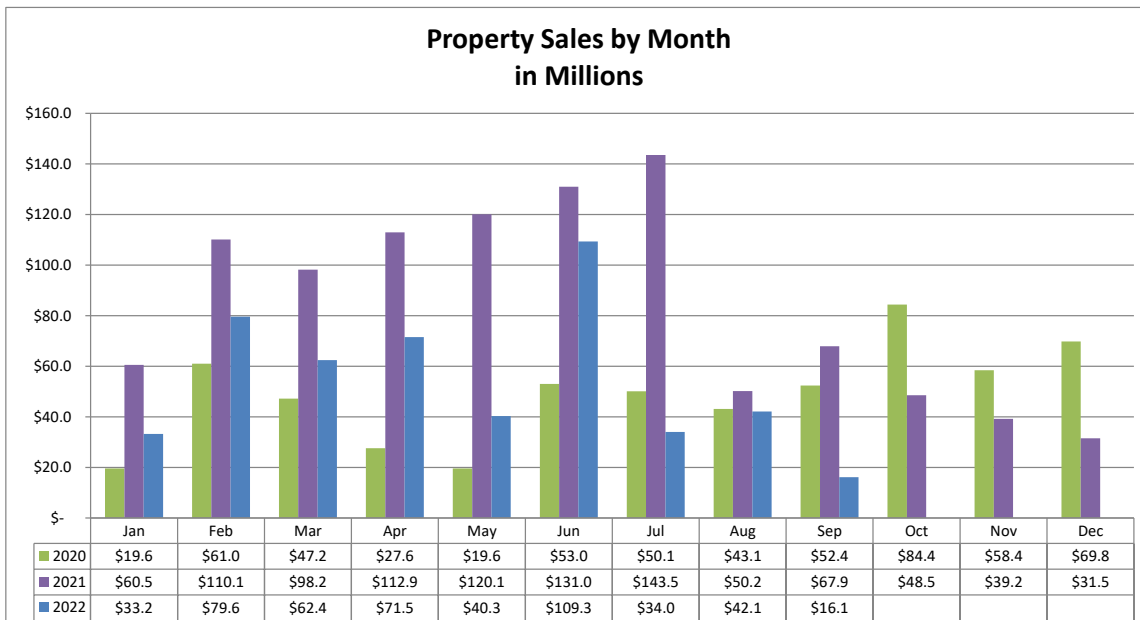
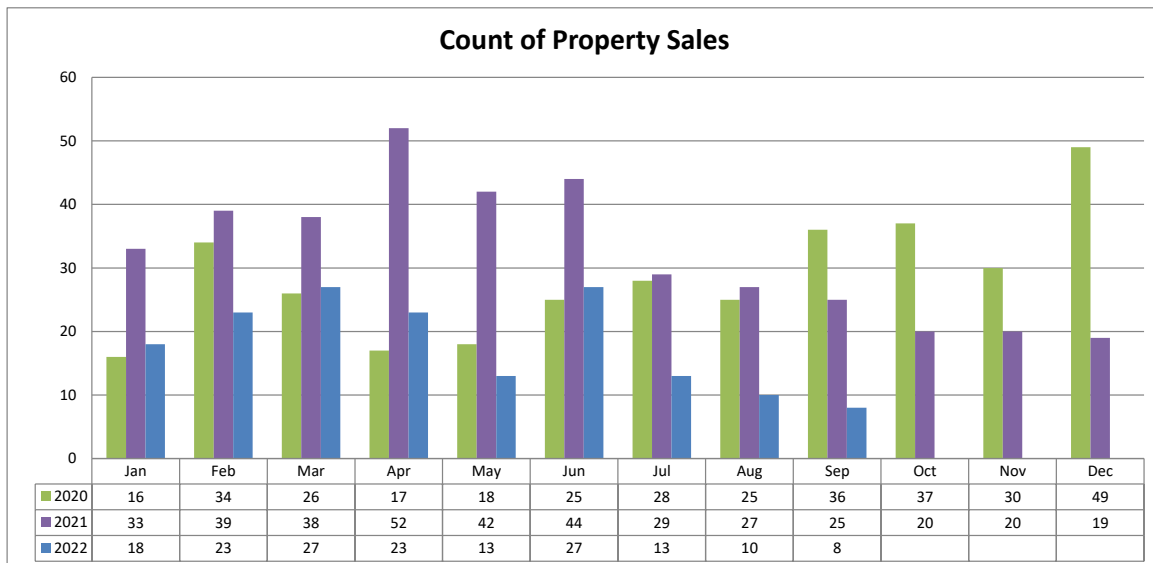
MAXIMUM - Average of six months	\$	<u>2,253,450</u>
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Amount over maximum		Amount under maximum
N/A	\$	<u>736,976</u>

**DC Ranch Community Council
Resale Benefit Fee Trend - September 2022**

Resale Benefit Fee							
Month	2020 Actual	2021 Actual	In Process	2022 Actual	2022 Budget	Budget Variance	Change from Prior Year
Jan	\$ 93,563	\$ 283,272	\$ -	\$ 165,815	\$ 61,657	\$ 104,158	\$ (117,457)
Feb	284,943	530,781	-	397,845	171,248	226,597	(132,936)
Mar	215,236	491,131	-	311,878	182,870	129,008	(179,253)
Apr	138,243	564,467	-	357,798	111,562	246,236	(206,670)
May	83,883	526,293	-	201,745	125,854	75,891	(324,548)
Jun	251,064	654,990	-	546,370	165,712	380,658	(108,620)
Jul	185,835	717,439	-	170,030	91,159	78,871	(547,409)
Aug	207,587	251,248	-	197,500	111,024	86,476	(53,748)
Sep	232,947	301,195	-	80,700	100,647	(19,947)	(220,495)
Oct	390,122	242,518	83,219	-	161,327	-	-
Nov	271,763	196,165	61,138	-	194,309	-	-
Dec	342,891	157,487	28,000	-	172,631	-	-
Annual Total	\$ 2,698,074	\$ 4,916,984	\$ 172,357	\$ 2,429,681	\$ 1,650,000	\$ 1,307,948	\$ (1,891,134)

Property Sale Breakdown				
Location	September	YTD	Average Price	YTD Average
PU 1 - House	2	34	\$ 1,110,000	\$ 1,191,676
PU 2 - House	1	41	\$ 1,050,000	\$ 1,186,502
PU 4 - House	1	25	\$ 2,500,000	\$ 2,679,780
Silverleaf - House	1	44	\$ 2,435,000	\$ 5,835,523
PU 4 - Land	1	3	\$ 1,240,000	\$ 4,246,667
Silverleaf - Land	2	9	\$ 3,347,500	\$ 3,211,111
Commercial	-	6	\$ -	\$ 5,666,667
Total/Average	8	162	\$ 2,017,500	\$ 3,015,809





DC Ranch Community Council

To: DC Ranch Community Council Board of Directors
From: Jenna Kohl, Executive Director
Date: 10/27/2022
Subject: *2023 Operating Budget Proposal*

Recommendation

It is recommended that the Community Council Board approve the 2023 DC Ranch Community Council Operating Fund budget as presented.

Summary

The proposed 2023 Operating Fund budget is presented to the Board for consideration and vote at the Nov. 3, 2022 Board meeting. This conservative and mission-oriented budget focuses on services and programs that bring value to the community. The budget as proposed is balanced at \$5,089,800, including an assessment increase.

The 2023 budget is projected to increase 13% over 2022 budget. This includes an assessment increase from \$52 to \$69. As with each annual budget, we pursued savings and budget cuts across all departments. Even with those reductions, escalating costs due to inflation, increases in vendor fees and supply costs, and higher costs associated with our most significant asset, personnel, necessitated an increase.

The budget reflects feedback and direction from the Board and Finance Committee. It is driven by governing documents, core services, prior years' experience, strategic plans, resident input, and Reserve Fund requirements. It reflects Community Council's commitment to strong financial stewardship through thoughtful and transparent budget development and implementation.

Consistent with the Finance Committee's recommendation, the assessment increase provides for reduced reliance on the benefit fees for operating expenses. Benefit fees allocated to operating would reduce from \$1.65m (in 2022) to \$1.5m (in 2023). Benefit fees received in 2023 beyond the \$1.5m would be transferred to the capital fund; however, with the decline in benefit fees due to the slowdown of the housing market, excess benefit fees are not anticipated.

A narrative of the budget impacts is attached. Following Board approval of a budget on Nov. 3, staff will prepare and distribute the budget to residents (jointly with the Ranch Association) in late November.

Please reference the Oct. 20 [Budget Workshop Packet](#) and [Presentation](#) for more details.

Attachments

- 2023 Proposed Operating Budget
- Planning for the Future Budget Narrative

DC RANCH COMMUNITY COUNCIL

2023 Operating Budget

Proposed 11/03/2022

	2023 Budget	2022 Projected	2022 Budget	2023 Budget v. 2022 Budget
INCOME				
Residential Assessments	\$ 2,259,612	\$ 1,699,854	\$ 1,702,896	\$ 556,716
Commercial Assessments	780,804	605,280	589,680	191,124
Community Benefit Fees	1,500,000	2,977,895	1,650,000	(150,000)
Total Assessment Revenue	4,540,416	5,283,029	3,942,576	597,840
Community Events Registration	70,595	21,152	152,780	(82,185)
Club/Class Registration	48,033	39,063	25,780	22,253
Arts & Education	20,275	20,782	23,741	(3,466)
Total Program Revenue	138,903	80,997	202,301	(63,398)
Community Center Rentals	13,100	19,400	20,200	(7,100)
Community Garden	-	5,280	5,280	(5,280)
Total Facilities Revenue	13,100	24,680	25,480	(12,380)
Management Fee	377,040	314,460	314,460	62,580
Advertising	7,200	7,560	7,200	-
Interest	665	4,756	433	232
Other Income (CFD, key fobs, misc)	12,476	20,569	14,450	(1,974)
Total Other Income	397,381	347,346	336,543	60,838
Total Operating Income	5,089,800	5,736,051	4,506,900	582,900
EXPENSES				
Personnel Expenses	2,821,802	2,453,656	2,493,974	327,828
Administration	442,657	411,531	419,624	23,033
Employee Relations & Training	66,529	49,360	63,419	3,110
Total Administrative Expense	3,330,988	2,914,546	2,977,017	353,971
Events/Clubs/Classes	381,467	293,704	343,954	37,513
Charitable Events	50,000	-	117,500	(67,500)
Communications/Community Engagement	109,560	113,257	129,913	(20,353)
Arts & Education Programs	59,375	43,721	61,225	(1,850)
Total Program Expense	600,402	450,683	652,592	(52,190)
Desert Camp Community Center	329,271	296,088	301,080	28,191
The Homestead Community Center	119,483	109,041	124,188	(4,705)
Seasonal Decorations	78,500	66,775	66,775	11,725
Market St Park/Paths & Trails	36,560	26,564	39,394	(2,834)
Total Facilities Expense	563,814	498,467	531,437	32,377
Insurance (non-EE) & Taxes	45,960	40,125	37,752	8,208
Other Expenses	920	648	830	90
Total General Expense	46,880	40,773	38,582	8,298
Total Operating Expense	4,542,084	3,904,469	4,199,628	342,456
Net Operating Income/(Loss)	547,716	1,831,582	307,272	240,444
Reserve & Capital Contributions	(547,716)	(2,007,272)	(307,272)	(240,444)
Transfers In/(Out)	(547,716)	(2,007,272)	(307,272)	(240,444)
Net Operating Surplus/(Deficit)	\$ -	\$ (175,690)	\$ -	\$ -

DC Ranch Community Council Budget 2023: Planning for the Future

The leadership of DC Ranch is committed to maintaining DC Ranch as a highly desirable community. The Council Board and staff undertook the 2023 budget process with rigor, evaluating each revenue and expense line individually. To sufficiently fund reserves, accommodate rising expenses, and ensure that DC Ranch remains a financially sound, quality community, now and into the future, the Council budget reflects an increase in assessments to \$69/month (from \$52), the first increase in three years. Factors influencing the increase are described below.

The Council generates revenue from several sources, including benefit fees, residential and commercial assessments, and rentals. Benefit fees are generated from ½% of the resale value of every property in DC Ranch. The strong housing market over the past two years led to increased benefit fee revenue for the Community Council, which supported operations and reserves. This also enabled the Council to build the community's capital fund, the sole source for the planned renovations at Desert Camp Community Center. However, the housing market has slowed considerably resulting in significantly reduced benefit fee revenue. The Council budget reflects this reduction of revenue.

A significant driver of the Council budget is long-term funding of the reserve, which is dedicated to repair and replacement of existing assets. Strong benefit fees in recent years enabled the Council Board to defer an assessment increase for reserves. The Council Board is committed to ensuring a well-funded reserve, a critical benchmark for financial health of a community and for funding to maintain assets that are in many cases over twenty years old. \$12.43 of the assessment (18%) will be dedicated to the reserve. A second reserve-related increase is expected in 2024. Together, these increases will ensure that the reserve is funded at the Council's required funding level of 80% level well into the future.

Council is no different than other industries also experiencing rising costs across the board. Key drivers of increases in this year's assessments are funding the reserve (described above), higher personnel costs (13% increase), and increase in contracted services and supply costs. Examples of the latter include pool chemicals (up 400%), food for events (up 20%), plastics/disposable supplies (up 25%), gas and diesel fuel (up 56%), utilities (up 4%), and vendor costs (up 15%+).

While many costs are increasing 15% and higher, the Council budget overall represents a 13% increase, commensurate with current inflation rates. This reflects efficiencies integrated into the budget, including cost sharing with the Ranch Association and utilization of state contract purchase pricing. Reductions in expenses were made across all departments.

The Council gathered assessment data from similar communities and found that DC Ranch remains on the low end of assessments for the community amenities and services offered. Council Board and staff will continue to be prudent in their use of resident funding.

The Council Board has approved the Desert Camp enhancement project and believes it is necessary to situate DC Ranch as a relevant, vibrant community with excellent amenities, essential to protecting property values and remaining a quality place to call home for current and future homebuyers. While this expansion project will likely result in a modest assessment increase in the future, it will not impact assessments in 2023. Both rental revenues and operating expenses are anticipated to be reduced in 2023 while the facility is under construction.

The 2023 Council budget, while lean, offers the continuation of high-quality programs, facilities and services that residents have come to expect and enjoy.



BOARD OF DIRECTORS 2023 MEETING SCHEDULE

All Board Meetings begin with a closed Executive Session at 4:00 p.m., if designated, with the meeting following at 5:30 p.m. Dates and locations are as follows:

- January 26, 2023: 4:00 p.m. at The Homestead Community Center
- March 23, 2023: 4:00 p.m. at The Homestead Community Center
- May 25, 2023: 4:00 p.m. at The Homestead Community Center
- July 27, 2023: 4:00 p.m. at The Homestead Community Center
- September 28, 2023: 4:00 p.m. at The Homestead Community Center*
- November 2, 2023: 4:00 p.m. at The Homestead Community Center – early due to holiday