

DC Ranch Association Board of Directors Meeting

February 6, 2023



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
 - Public Comment
 - Board Goals update
- Consent Agenda
- Director of Financial Operations-2022 YE Financial Report
- Executive Director's Report
- Unfinished Business
 - Park and Manor pedestrian gate update
 - Community Standards update
 - Bylaw Amendment
- New Business
 - Sustainability Committee status
- Committee Reports
 - Firewise Committee
 - Budget and Finance
 - Modification Committee
 - Policy Committee
 - Community Patrol and Access Committee
- 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
- Board Goals update

Consent Agenda

- a. January 9, 2023-Board Meeting
- b. January 9, 2023-Executive Session

2022 Year End Financial Report

Director of Financial Operations

Dee Nortman

A collage of financial documents. On the left is a calculator. In the center is a magnifying glass over a 'Cost of Sales' table. On the right is a 'Name: EXPENSES' table with a pie chart and a monthly expense table.

Cost of Sales

	Current Month	Year to Date
Beginning inventory	540,000	45,000
Plus goods purchased/manufactured	123,000	250,000
Total goods available	200,000	295,000
Less ending inventory	38,000	200,000
Total cost of goods sold	20,000	95,000
Gross profit (loss)	1,050,000	1,825,000

Operating Expenses

	Current Month	Year to Date
Selling		
Salaries and wages	122,000	32,000
Commissions	112,000	0
Advertising	335,000	22,000
Depreciation	10,000	0
Total selling expenses	680,000	37,000
General/Administrative		
Salaries and wages	0,000	0
Employee benefits	83,000	
Payroll taxes	70,000	
Insurance		
Rent		
Utilities		
Depreciation		
Office		

Name: EXPENSES

Actual \$300,00

Actual Cost Breakdown

- Decorative
- Miscellaneous
- Programs

Actual \$500,00

Month	Actual	Budget
January	85,000	78,000
February	80,000	70,000
March	85,000	88,000
April	75,000	80,000
May	85,000	88,000
June	90,000	88,000
July	245,000	245,000
August	85,000	100,000
September	100,000	100,000
October	130,000	130,000
November	145,000	145,000
December	395,000	395,000
Actual	1,185,000	1,181,000

Statement of Revenue and Expense (Operating) For the Period Ending December 31, 2022



	Month Ending December 2022			Year to Date through December 2022		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue						
Assessment	\$ 707,476	\$ 706,486	\$ 990	\$ 8,483,373	\$ 8,477,832	\$ 5,541
Non-Assessment	62,715	76,778	(14,063)	602,961	665,124	(62,163)
Total Revenue	770,191	783,264	(13,073)	9,086,335	9,142,956	(56,621)
Expenses						
Operating Expenses	730,148	696,186	33,962	7,480,973	7,256,594	224,379
Reserve Funding	155,750	155,750	-	1,894,000	1,894,000	-
Non-Operating Costs	(135)	-	(135)	(135)	-	(135)
Total Expense	\$ 885,763	\$ 851,936	\$ 33,827	\$ 9,374,837	\$ 9,150,594	\$ 224,243
Net Income/(Loss)	\$ (115,572)	\$ (68,672)	\$ (46,900)	\$ (288,502)	\$ (7,638)	\$ (280,864)

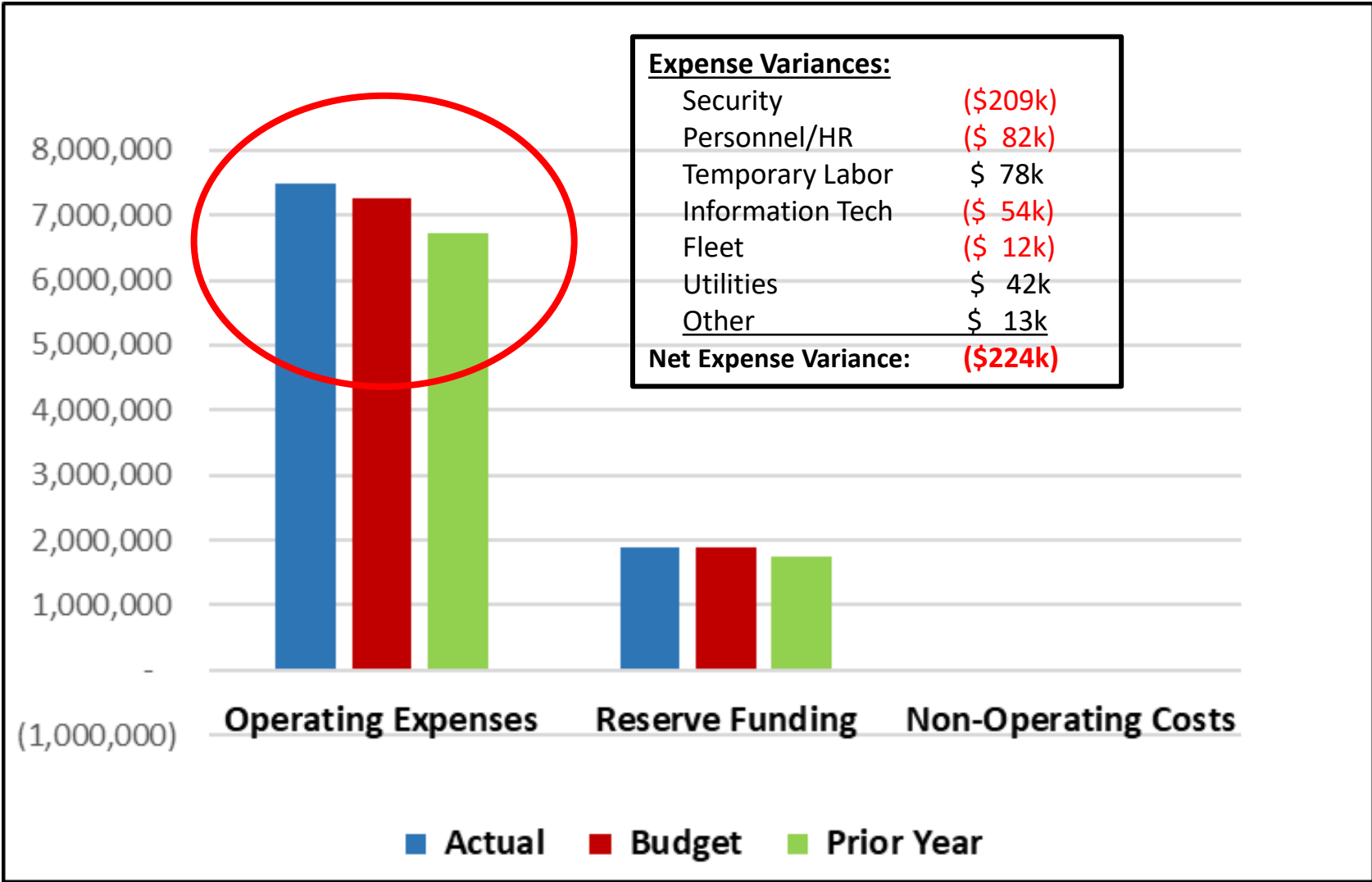
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Expense Comparison

For the Period Ending December 31, 2022



Balance Sheet at 12/31/2022



Assets			
	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>Y/Y Change</u>
Operating Cash	\$ 1,056,966	\$ 1,321,423	\$ (264,458)
Reserve Funds	10,112,659	9,685,520	427,139
Capital Funds	69,168	50,000	19,168
Accounts Receivable, Net	317,350	18,357	298,993
Intercompany Receivables	-	18,420	(18,420)
Prepaid Expenses	261,358	129,149	132,209
Other	2,285	-	2,285
Total Current Assets	<u>580,992</u>	<u>165,926</u>	<u>415,066</u>
Fixed Assets			
Property & Equipment	356,062	356,062	-
Depreciation	(259,354)	(195,058)	(64,296)
	<u>96,708</u>	<u>161,004</u>	<u>(64,296)</u>
Total Assets	<u>\$ 11,916,493</u>	<u>\$ 11,383,873</u>	<u>\$ 532,620</u>

Liabilities/Equity			
	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>Y/Y Change</u>
Liabilities			
Current Liabilities			
Accounts Payable	\$ 384,101	\$ 335,732	\$ 48,369
Intercompany Payable	147,688	222,040	(74,352)
Accrued Expenses	117,815	106,125	11,690
Prepaid Assessments	291,477	274,737	16,740
Deferred Revenue	-	-	-
Other Current Liabilities	3,207	-	3,207
	<u>944,288</u>	<u>938,635</u>	<u>5,654</u>
Long-Term Liabilities			
Note Payable - Equipment	-	27,695	(27,695)
Other	-	-	-
	<u>-</u>	<u>27,695</u>	<u>(27,695)</u>
Equity			
Operating Equity	824,737	824,737	-
Reserve Equity	9,542,807	9,542,807	-
Capital Equity	50,000	50,000	-
CY Net Income/(Loss)	554,661	-	554,661
	<u>10,972,205</u>	<u>10,417,544</u>	<u>554,661</u>
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Statement of Cash Flows

for period ending December 31, 2022



	<u>Current Month</u> Month Ended December 2022	<u>Year-to-Date</u> Year Ended December 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ 137,961	\$ 554,661
Adjustments to reconcile net income (deficit)		
Depreciation	5,358	64,296
<i><u>(Increase)/Decrease in:</u></i>		
Accounts receivable	(268,136)	(302,861)
Intercompany receivables	-	18,420
Prepaid expenses	(193,597)	(132,209)
<i><u>Increase/(Decrease) in:</u></i>		
Accounts payable	109,209	57,678
Accrued payroll expenses	1,697	10,846
Deferred revenue	-	-
Prepaid assessments	81,266	16,740
Prepaid Council assessments	(52,553)	-
Intercompany payables	(25,879)	(74,352)
Other liabilities	2,959	(4,518)
NET CASH FROM OPERATING ACTIVITIES	<u>(200,870)</u>	<u>209,545</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant & Equipment	-	-
NET CASH FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments of long-term debt	-	(27,695)
NET CASH FROM FINANCING ACTIVITIES	-	(27,695)
NET INCREASE (DECREASE) IN CASH	(200,870)	181,850
CASH, BEGINNING OF PERIOD	<u>11,439,663</u>	<u>11,056,943</u>
CASH, END OF PERIOD	\$ 11,238,793	\$ 11,238,793

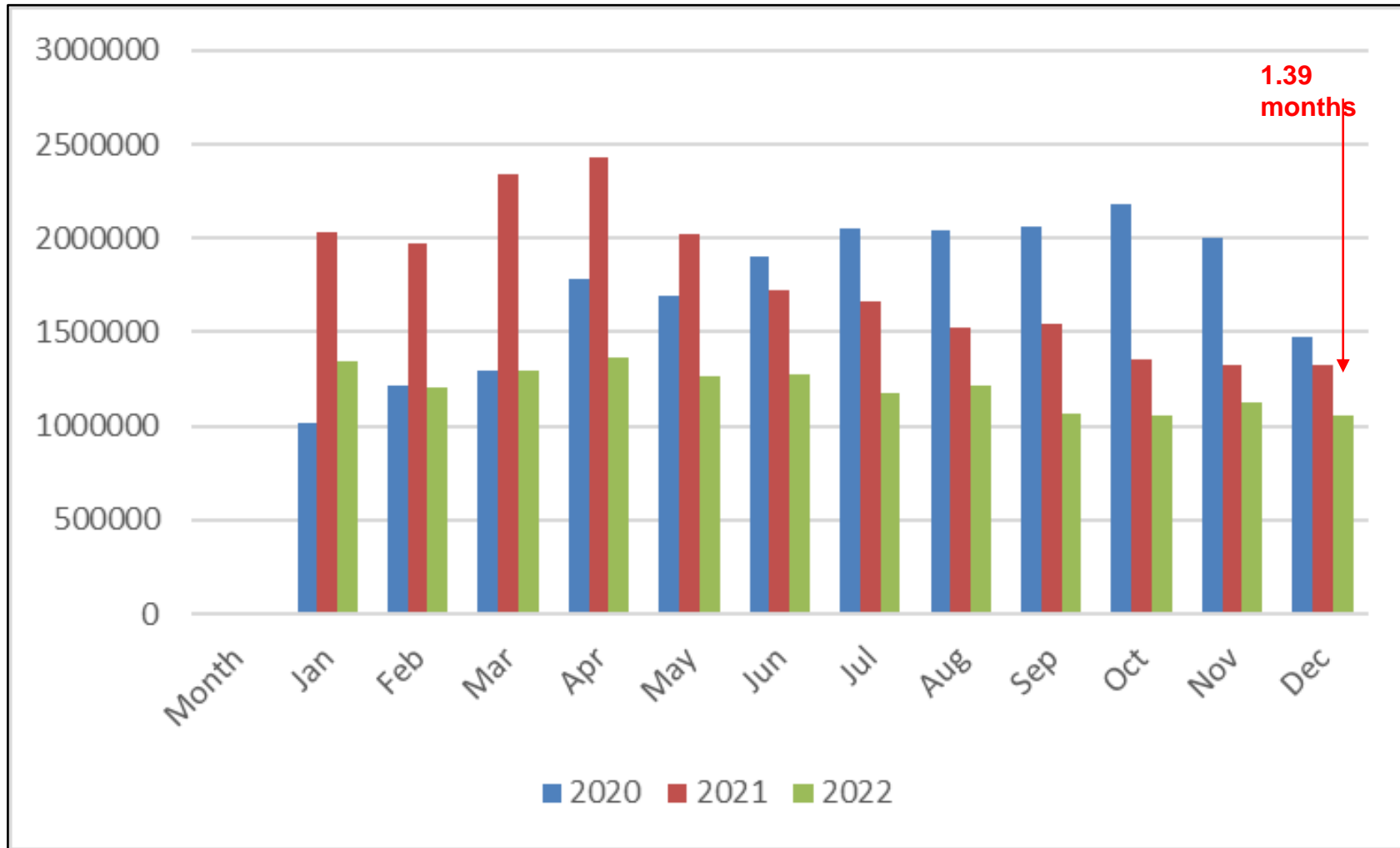
Statement of Cash Flows

for period ending December 31, 2022

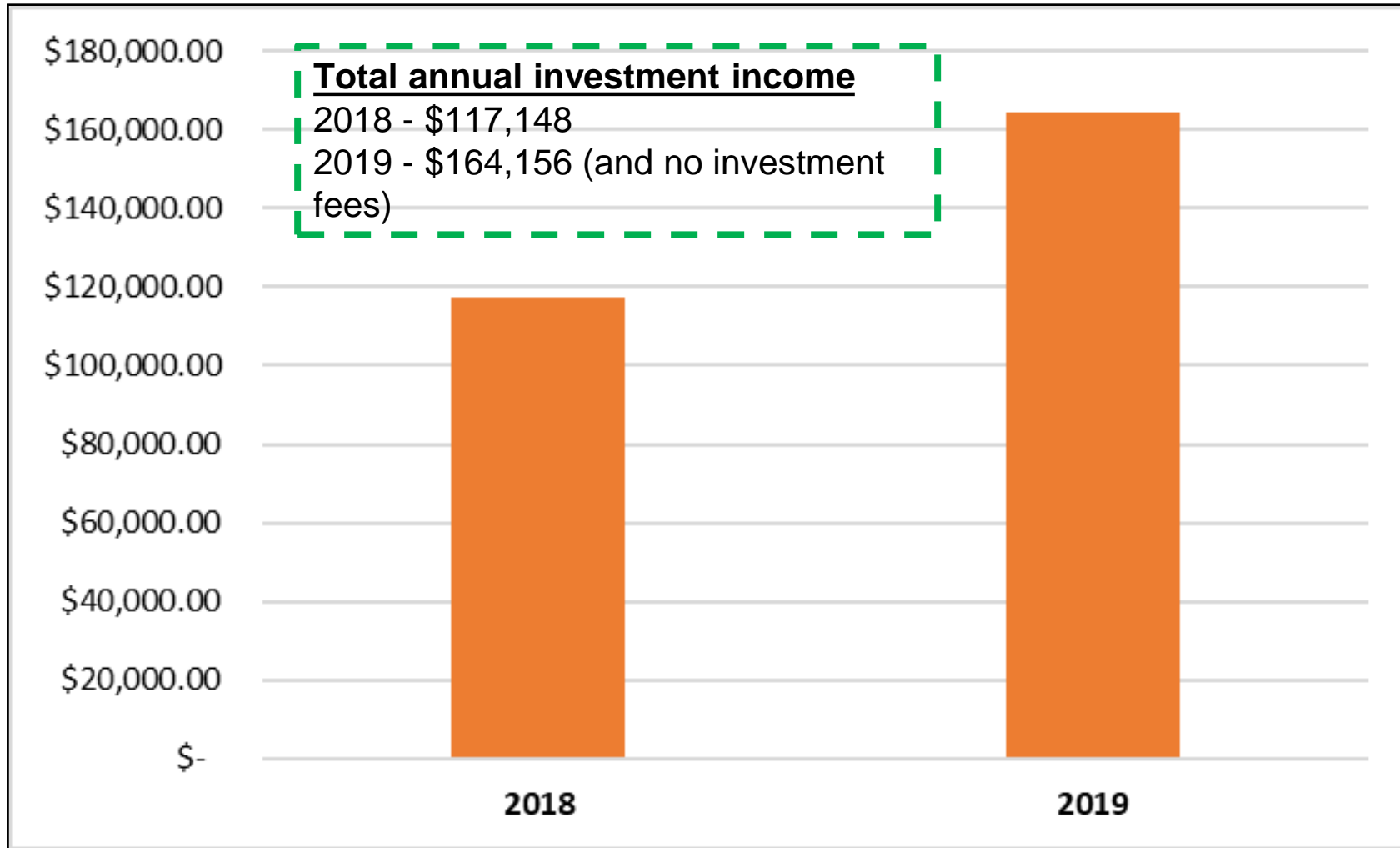


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NET CASH FROM OPERATING ACTIVITIES	<u>(200,870)</u>	<u>209,545</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant & Equipment	-	-
NET CASH FROM INVESTING ACTIVITIES	-	-
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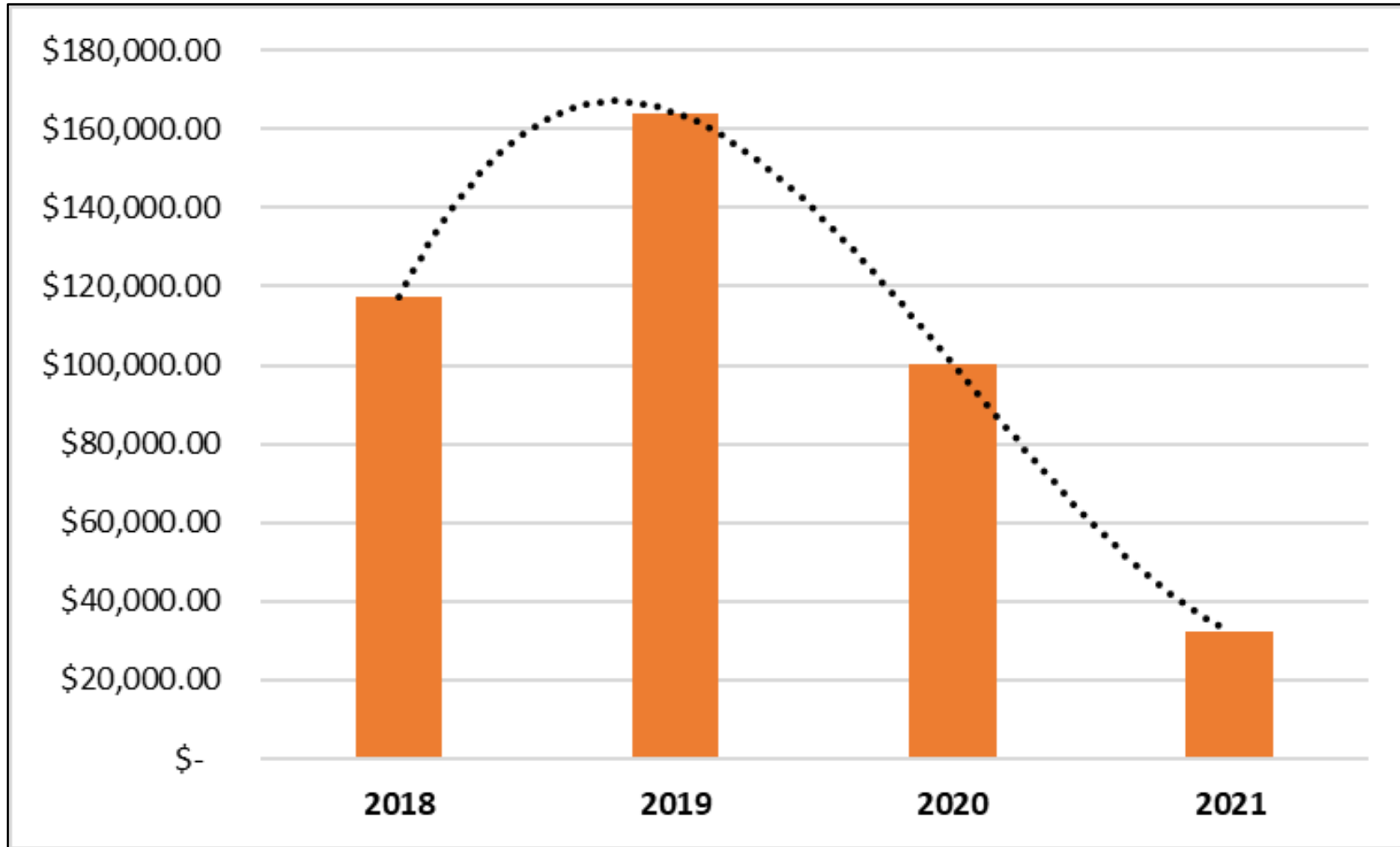
Operating Cash Balances by Month



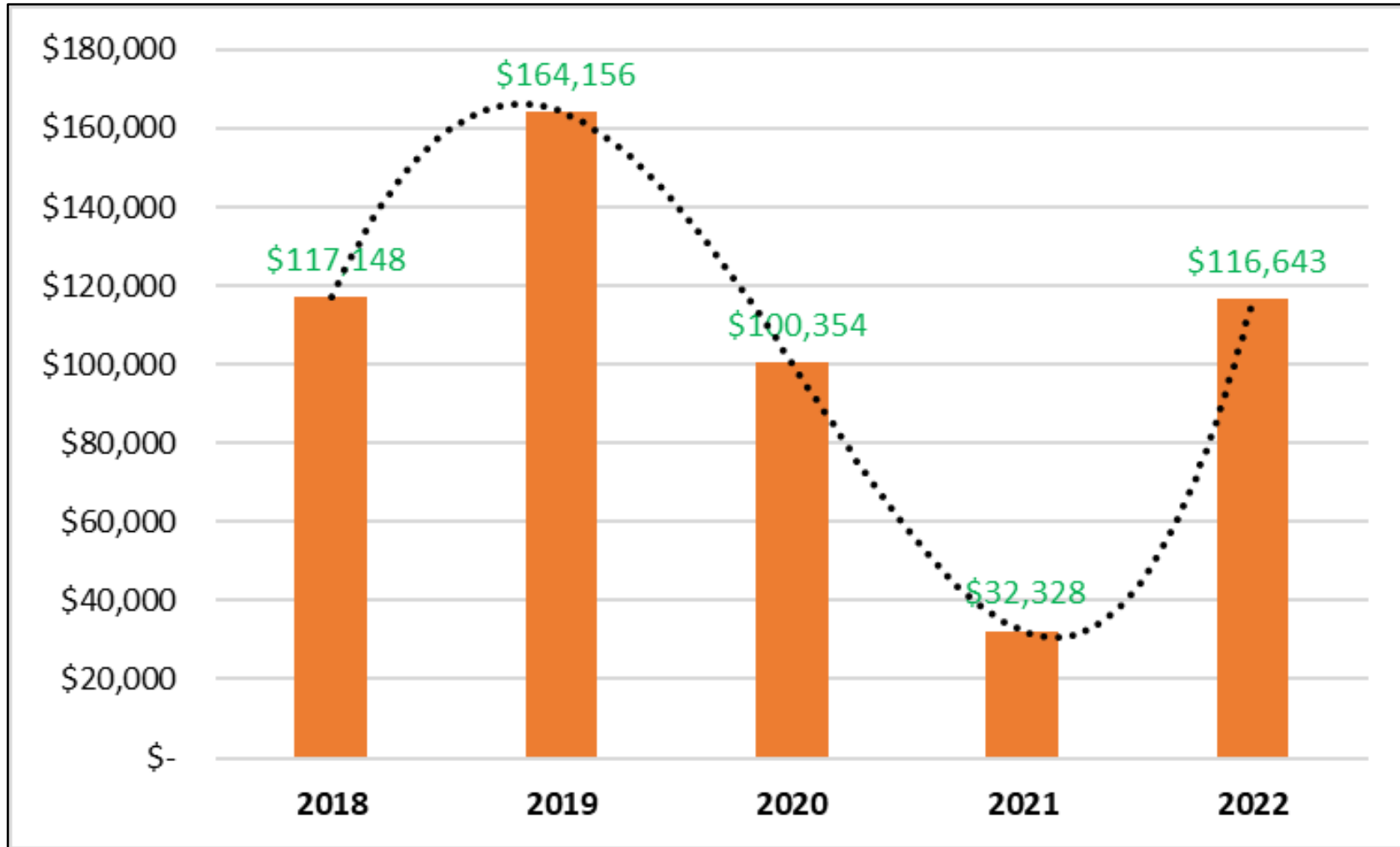
Investment Income



Investment Income



Investment Income



Questions?



Executive Director's Report

- ❖ Introduce Jeffery Shaw, the new IT Manager for Ranch Association and Community Council.
- Association offices will be closed for the President's Day on Monday, February 20 and will reopen on Tuesday, February 21 at 8:30 am.
- Applications for the Sustainability Committee are currently available on the website and currently we have five applications. Both Executive Directors will be reviewing the applications and anticipate extending the deadline to increase the number of applicants.
- All Team value awards to be awarded at the end February based on five team values (fun, professionalism, innovation, passion and teamwork).
- Board of Director applications are now available. We have two seats open for three-year terms. Applications are due by March 3.
- DC Ranch Day was held Saturday, January 21. Those that attended had a great time celebrating the 25th Anniversary. Those that couldn't attend missed the Ranch staff dancing!

Executive Director's Report

- Nominations for Volunteer of the Year awards are due by March 3, and recipients will be honored at the annual Volunteer Appreciation Celebration. Categories for nominations include; Leadership, Good neighbor, Philanthropy, Youth and Community Partner.
- DCR2025 Strategic planning has kicked off, we are looking for residents to register to provide feedback that will be used to develop the next strategic plan. Board member and staff sessions have also been scheduled.
- Staff is currently working on the Annual Report, which is a joint effort between Community Council, Ranch Association and the Covenant Commission. It will be a digital report and will be completed in March, and presented in April at our annual meeting.
- Mack Development meeting is Tuesday, February 7 at 6 pm at Windgate Ranch Community Clubhouse, 10095 E. Windgate Ranch Road, check in at the gatehouse and take the first left. Discussion will be on a more compatible use on the north parcel of land they own near DC Ranch. Residents are encouraged to attend and provide the developer feedback on their project.
- We hosted the NVM training on January 18. It was well attended, and all of the new NVM's are getting acclimated to their role.

Executive Director's Report

- We hosted the Sub-association meeting on January 11. It was suggested that the Sub-association board members have another meeting to collaborate, share ideas, and vendors. Two dates have been scheduled, March 8, 2-4 pm, and March 27, 3-5 pm.
- Realtor training was held on January 31. Topics included the new development around DC Ranch, community governance, the Community Standard updates, Transfer and Disclosures, online training. It was well-received and have received positive comments on the meeting.
- Home and Landscape Expo is scheduled for 4-7 pm at The Homestead on March 22. Educational seminars will be offered on Firewise, Artificial Turf installation, Paint modifications, Community Standard updates as well as several vendors representing landscaping, lighting, interior design, paint, artificial turf, and mosquito control.
- The Anderson Security annual evaluation is scheduled for February 9th. The recent survey results are in and will be reviewed by the Board and the Community Patrol and Gate Access committee and then presented at the March board meeting.

Executive Director's Report

- The granite refresh at Sterling Village has been completed at the park as well as the streetscape area in front of the homes.
- Painting project to be complete by the end of the month, total cost \$176,827.
- Reserve study update is still in process and due to be completed by the end of March.
- Working with asphalt vendor for better pricing, costs are still very high. Will consider doing a neighborhood survey to see if they are willing to absorb the extra costs to do the project or continue to delay with asphalt filler or postpone other projects to financially be able to pay for the expenses.
- Rebid our waste services and pond/fountain services contracts and will realize a savings with new contracts with two new vendors, with an expected savings of \$30,000/year.
- Currently working on pre-emergent in the Association common area and areas of responsibility.
- Six of the eight fleet trucks will be delivered next week, the other two were cancelled by Enterprise. We are looking to share the vehicles we have.
- Community Patrol survey results are being compiled and will be reviewed by the Board and Community Patrol/Gate Access committee February 22.

Unfinished Business

- Park and Manor pedestrian gate
- Community Standards update
- Bylaw Amendment

Unfinished Business

- **Community Standards update**

This has been a six-month process with extensive review by Ranch Association team, Policy Committee team, Ranch Association legal, Community Council and Community Council Executive Director, and has been provided on the DC Ranch website for member input.

Highlights include:

- Language noting the applicability of the standards to the entire community
- Increase to and streamlining of fees and the enforcement process led by Ranch Association
- Expansion of Civil Behavior and Dialogue language
- Additional enforcement for aggressive pets; pets off leash, short term rentals

Unfinished Business

- Future language changes to follow from Community Council on organized sports, motorized vehicles and ebikes.
- Final recommendation of speeding standard to be considered at the February 22 Community Patrol and Gate Access committee meeting.
- Addition of gate access, security camera standards, exterior tv installations, use of dumpsters and portable moving container sections were added.
- Landscape: added language to remedy for irrigation runoff and water conservation; artificial turf and other modest changes to provide clarity.

Recommendation: Approve as presented and authorize Executive Director to work with Community Council Executive Director to finalize changes, including formatting and complete this update.

Unfinished Business-Bylaw Amendment

- **The written consent of Voting Members representing 51% of the total Votes in the Association is required for the proposed Bylaw amendment to pass.**

Article II

Association: Membership, Meetings, Quorum, Voting, Proxies

2.8. Voting. Members' voting rights shall be as set forth in the Declaration and in these Bylaws, and such voting rights provisions in the Declaration are incorporated herein by this reference. ***Votes may be cast electronically.***

Article III, Section 3.1 shall be restated as follows:

Board of Directors: Number, Powers, Meetings

A Composition and Selection.

3.1. Governing Body; Composition. The Association's affairs shall be governed by a Board of Directors, each of whom shall have one vote. The directors shall be Members ***and*** no Owner(s) representing the same Unit may serve on the Board at the same time. A "resident" shall be any natural person 18 years of age or older whose principal residence is a Unit within the Ranch. If a Member is not a natural person, any officer, director, partner or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided, no Member may have more than one such representative on the Board at a time.

Unfinished Business-Bylaw Amendment

- We received 69% affirmative Voting Members votes; the bylaw amendments have passed and will be recorded as such.

Committee Reports-Firewise

COMPLETED

Map of Areas for Phase 1c – 2.13/2.14 - Camelot

Currently working this section



Committee Reports

- Budget and Finance-Reviewed the YE financials on January 31 with the Committee, next meeting for Q1 Financial review is May 1.
- Modification Committee-February 14, 3 pm, Ranch Offices
- Policy Committee-February 7, 2 pm, Ranch Offices
- Community Patrol and Access Committee-next meeting February 22, 6 pm Homestead Community Center

Member Open Forum



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

Please raise your hand to be called
upon to speak.

Announcements

- February 7, 6 pm, Mack Development Meeting, Windgate Ranch
- February 22 January 10-Community Patrol and Access Meeting, 6 pm, The Homestead
- March 3-Board candidate applications due, as well as nominations for Volunteer of the Year
- March 6, 2023; Board hybrid meeting, Board in person, residents via zoom, 6 pm.
- March 13, 2023, Meet the Candidates, 6 pm, The Homestead or via zoom link
- April 3, 2023, Annual Meeting, 6 pm

Adjournment