

DC Ranch Association Board of Directors Meeting

February 5, 2024



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Mission Statements

- **Ranch Association:** Emphasizing customer care and sustained property values. Protects fiscal and environmental assets. Provides professional financial, landscape, and maintenance staff. Manages community patrol and gate access 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.



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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.



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Meeting Agenda

- Call to Order
- Roll Call / Establish Quorum
- Adopt Agenda
- President's Comments
- Consent Agenda
- Staff Reports including Financials
- Old Business
- New Business: Acoustic Improvements
- New Business: Ad Hoc Committee
- Committee Reports
 - Firewise Committee Update
 - Budget and Finance
 - Modification Committee Update
 - Policy Committee Update
 - Sustainability Committee
 - Community Patrol and Gate Access Committee
- Member Open Forum
- Announcements
- Adjournment



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Roll Call

- Phil Geiger- President
- Greg Kiraly- Vice President
- Marla Walberg- Secretary
- John Shaw- Treasurer
- Elaine Cottey- Director
- Don Matheson - Director
- Iryna Sukhovolets- Director



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President's Comments

- Executive Session Report
- Call For Applicants
 - Finance Committee
 - Board of Directors
- Modifications Reminder



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Consent Agenda

- Jan. 8, 2024 Board Meeting Minutes
- Jan. 17, 2024 Ratification of Action Taken Without a Meeting re: Governance Agreement



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Executive Director's Report

- *Elections.* Two director seats open.
 - Feb. 1: Applications opened
 - Mar. 1: Applications due
 - Mar. 11: Meet the Candidates Night
 - Mar. 13: Ballots mailed to NVMs
 - April 1: Ballots due; election results announced at Annual Meeting
- *Transition.* The Executive Director is grateful for the cooperation and support of the Ranch Association team during the transition to shared leadership.
- *Recruitment.* The team is recruiting for several open positions in the landscape and maintenance and administrative departments.



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Executive Director's Report

- *Bylaws Amendment in Process.* Votes are due Feb. 9 on the bylaws amendment related to Good Standing.
- *Office Lease.* The lease for the shared office space expires in Sept. 2024; we are exploring various options in DC Ranch to determine the best solution from cost, efficiency, and resident service perspectives.
- *Safety Matters.* The team continues to work with law enforcement regarding the recent crimes in DC Ranch.
 - Secured Anderson to provide additional patrols throughout the community.
 - Community-wide communications provide updates to residents.
 - Modification process adjusted (currently temporarily) for security cameras and lighting to allow at a staff level to expedite review.
 - Modification fees waived through Mar. 31 for standards-compliant modification requests for security cameras and lighting.
 - No related crimes in DC Ranch in past two weeks, and team remains in contact with Scottsdale PD.



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Executive Director's Report

- *Landscape:*
 - Firewise work was completed in Montelena and has moved on to Pioneer.
 - Plant Installs for the Hotspot Locations continue in Sterling, Park & Manor, The Estates, and Market Street Villas. Plant supply is limited in some cases.
 - Completed installation of fertilizer on all turf throughout community.
 - Landscape Team will assist the City of Scottsdale Adopt-A-Road clean-up on February 23.



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Executive Director's Report

- *Maintenance:*
 - Paint project continues for exterior common walls. Arcadia exterior walls and Sterling walls are complete. Up next is Rosewood, then Desert Haciendas, Montelena, and Pioneer.
 - Phase 2 Sidewalk Project in Windgate is complete. The Windgate Phase 3 sidewalk project begins in February.
 - Repaired and painted damaged drywall and Pergola at The Homestead Community Center.
 - Painted stucco at Ramada in the park area at The Estates.
 - Replaced wooden post for a low voltage panel at Terrace Homes East.
 - Repaired fallen street sign at Terrace Homes West.
 - Repaired and repainted the wooden fence in Upper Canyon.
 - Completed the following in Country Club: continuing the repair and repaint of the wooden fences throughout the neighborhood, light check of the north/south areas of neighborhood and cleaned the oil spills at the guest lane of Eastgate.



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Executive Director's Report

- *Holiday Décor.* The community-wide Holiday Decoration program was completed.
- *Safety Meetings.* The landscape and maintenance monthly safety meeting focused on Ladder & Back Safety.
- *Modifications and Standards.* The report is included in the board packet.
- *Values Awards.* The team will be announcing and celebrating values award winners at the Annual Values Award ceremony on Feb. 9; the Ranch Offices will close early so all staff can attend the ceremony.
- *Transponder and Vehicle Registration Project.* The testing portion of this project is set to launch; see the project outline in the packet memo.
- *Community Facilities District.* The team contributed to extensive work to prepare a budget for renewal of the CFD, including researching, reading the Bonds/Feasibility Studies, tallying all assets, and compiling information onto a large spreadsheet. This report will be used to request an update to the CFD allocation with the City of Scottsdale. Council Treasurer Elizabeth Kepuraitis has been spearheading this project and will provide a report.



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Community Facilities District

- \$20 million General Obligation Bonds issued in 1998 (\$4,750,000); 1999 (\$3,085,000); and 2002 (\$12,165,000). Bonds re-issued in 2012 at reduced interest rate. Bonds expire July 2027.
- Bond proceeds financed the acquisition and construction of public amenities of regional benefit to DC Ranch residents as well as City residents. Public infrastructure dedicated to the City.
- DC Ranch performs the infrastructure maintenance (maintain, repair, replace). Costs are invoiced to the City. Maricopa County levies DC Ranch property owners. DC Ranch reimbursed.
- Tax levy capped at \$3.0 per \$100 assessed valuation, \$2.70 for bond repayment and \$0.30 for infrastructure maintenance costs. 2023 tax levy is \$0.328; \$0.311 for bond repayment and \$0.017 for maintenance.
- There has never been a funding deficit.
- DC Ranch has invoiced \$60,326 per year for over 15 years, while fully maintaining the infrastructure.
- DC Ranch has reviewed the CFD Maintenance Guidelines Exhibit B of Dedication, Easement and Maintenance Agreement. Invoice for budgeted FY25 infrastructure costs is being prepared.



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2023 Year-End Financial Report



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Statement of Revenue and Expense for the period ending December 31, 2023


	December 2023			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue						
Assessment	\$ 805,989	\$ 805,980	\$ 9	\$ 9,671,870	\$ 9,671,760	\$ 110
Non-Assessment	78,405	71,998	6,407	661,524	614,046	47,478
Total Revenue	884,394	877,978	6,416	10,333,394	10,285,806	47,588
Expenses						
Operating Expenses	831,898	783,585	48,313	7,966,447	8,226,700	(260,253)
Reserve Funding	168,104	168,104	-	2,017,248	2,017,248	-
Total Expense	1,000,002	951,689	48,313	9,983,695	10,243,948	(260,253)
Operating Income/(Loss)	\$ (115,608)	\$ (73,711)	\$ (41,897)	\$ 349,699	\$ 41,858	\$ 307,841
Reserve Income/(Loss)	(29,878)	138,787	(168,665)	1,195,044	(91,885)	1,286,929
Capital Income/(Loss)	(291)	-	(291)	(57,775)	-	(57,775)
Total Net Income/(Loss)	\$ (145,777)	\$ 65,077	\$ (210,853)	\$ 1,486,968	\$ (50,027)	\$ 1,536,995



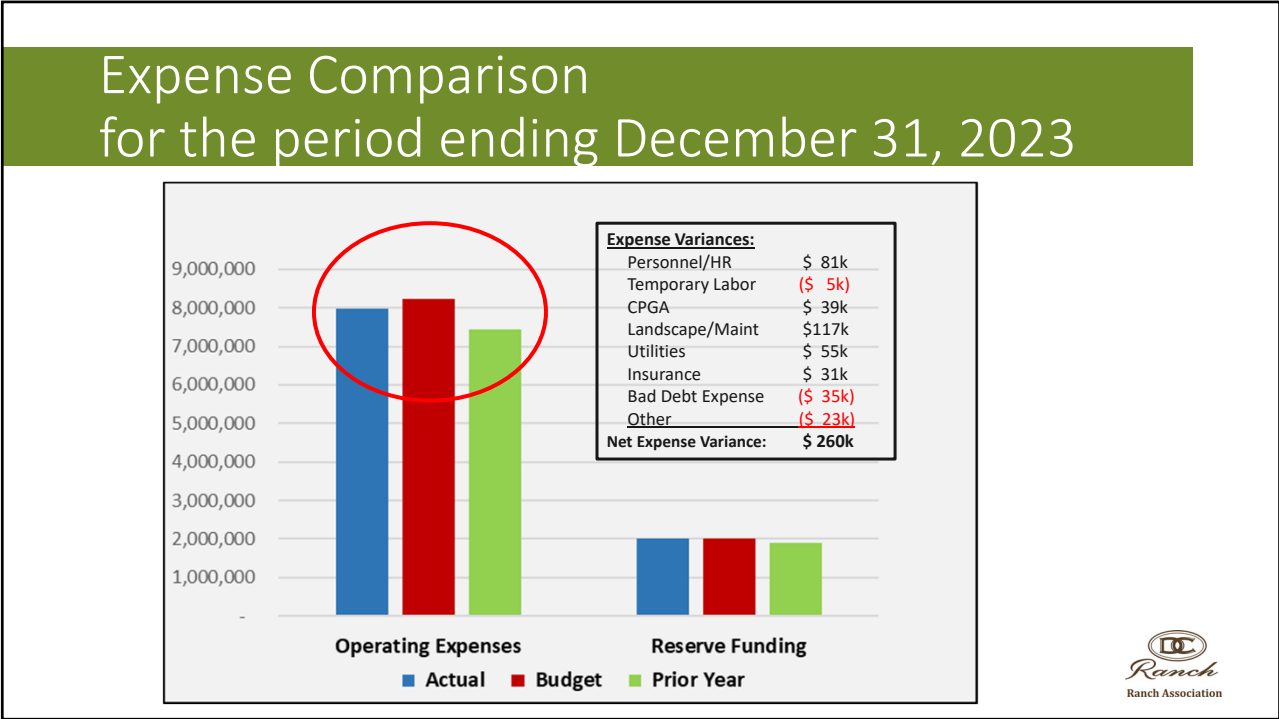
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Balance Sheet at December 31, 2023


Assets				Liabilities/Equity			
	12/31/2023	12/31/2022	Y/Y Change		12/31/2023	12/31/2022	Y/Y Change
Operating Cash	\$ 1,602,148	\$ 1,056,966	\$ 545,183	Current Liabilities			
Reserve Funds	11,711,519	10,112,659	1,598,859	Accounts Payable	\$ 437,543	\$ 384,101	\$ 53,441
Capital Funds	65,668	69,168	(3,500)	Intercompany Payable	205,436	147,688	57,748
Accounts Receivable, Net	89,553	318,660	(229,107)	Accrued Expenses	152,836	119,459	33,377
Intercompany Receivables	-	9,713	(9,713)	Prepaid Assessments	274,964	291,988	(17,024)
Prepaid Expenses	100,511	261,358	(160,847)	Deferred Revenue	-	-	-
Interfund Transfers	111,860	0	111,860	Interfund Transfers	111,860	-	111,860
Operating Lease RTU Asset	148,167	148,167	0	Operating Lease RTU Asset	148,167	148,167	0
Other	2,377	36,528	(34,150)	Other Current Liabilities	41,147	3,207	37,940
Total Current Assets	452,468	774,426	(321,958)		<u>1,371,952</u>	<u>1,094,611</u>	<u>277,342</u>
Fixed Assets				Long-Term Liabilities			
Property & Equipment	360,678	356,062	4,616	Note Payable - Equipment	-	-	-
Depreciation	(318,245)	(259,354)	(58,891)	Other	-	-	-
	42,433	96,708	(54,275)		-	-	-
Total Assets	\$ 13,874,236	\$ 12,109,926	\$ 1,764,310	Equity			
				Operating Equity	418,352	418,352	(0)
				Reserve Equity	10,431,088	10,431,088	-
				Capital Equity	165,876	165,876	-
				CY Net Income/(Loss)	1,486,968	0	1,486,968
					<u>12,502,284</u>	<u>11,015,316</u>	<u>1,486,968</u>
				Total Liabilities/Equity	\$ 13,874,236	\$ 12,109,927	\$ 1,764,310

Ranch Association

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Statement of Cash Flows for the period ending December 31, 2023

	Current Month Month Ended December 2023	Year-to-Date Year Ended December 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (deficit) for period	\$ (145,777)	\$ 1,486,968
Adjustments to reconcile net income (deficit)		
Depreciation	4,908	58,891
<u>(Increase)/Decrease in:</u>		
Accounts receivable	107,665	229,107
Intercompany receivables	-	9,713
Prepaid expenses	12,665	160,847
<u>Increase/(Decrease) in:</u>		
Accounts payable	42,933	53,441
Accrued expenses	-	(2,488)
Accrued payroll expenses	(739)	35,866
Prepaid assessments	(27,200)	(17,024)
Intercompany payables	88,298	57,748
Other liabilities	29,956	72,090
NET CASH FROM OPERATING ACTIVITIES	112,708	2,145,158
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant & Equipment	-	(4,616)
NET CASH FROM INVESTING ACTIVITIES	-	(4,616)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments of long-term debt	-	-
NET CASH FROM FINANCING ACTIVITIES	-	-
NET INCREASE (DECREASE) IN CASH	112,708	2,140,542
CASH, BEGINNING OF PERIOD	13,266,627	11,238,793
CASH, END OF PERIOD	\$ 13,379,335	\$ 13,379,335



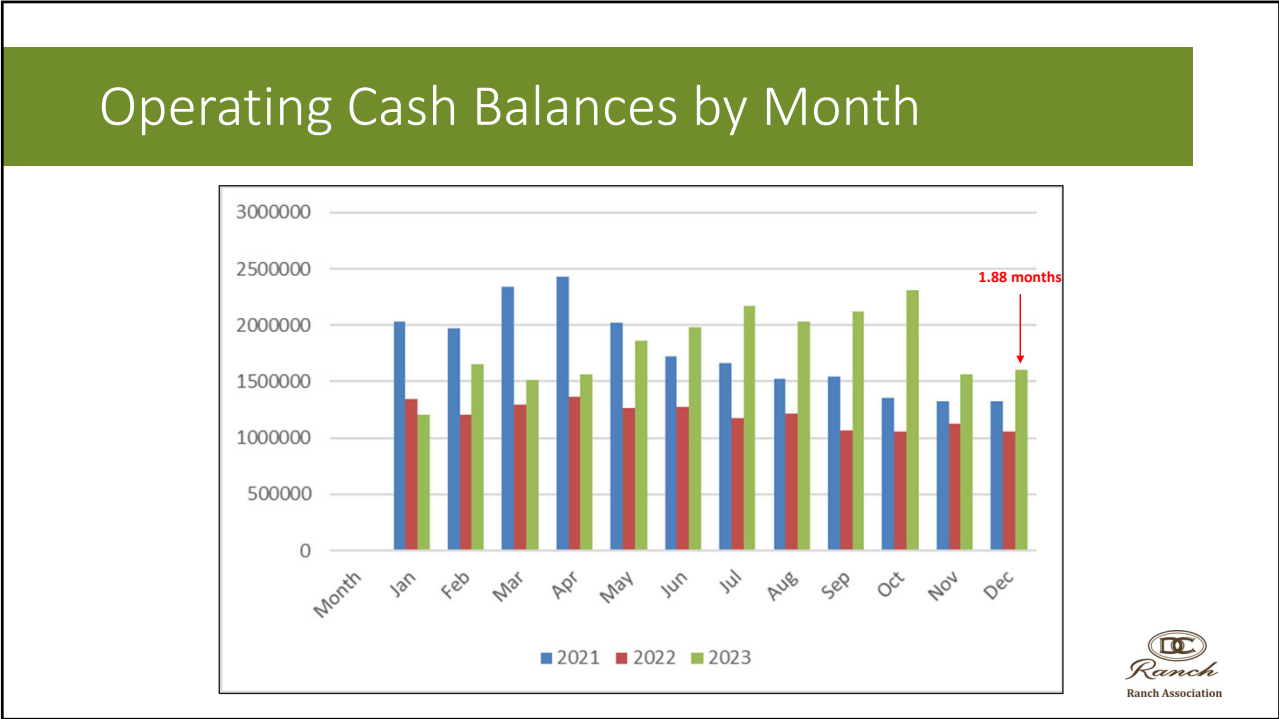
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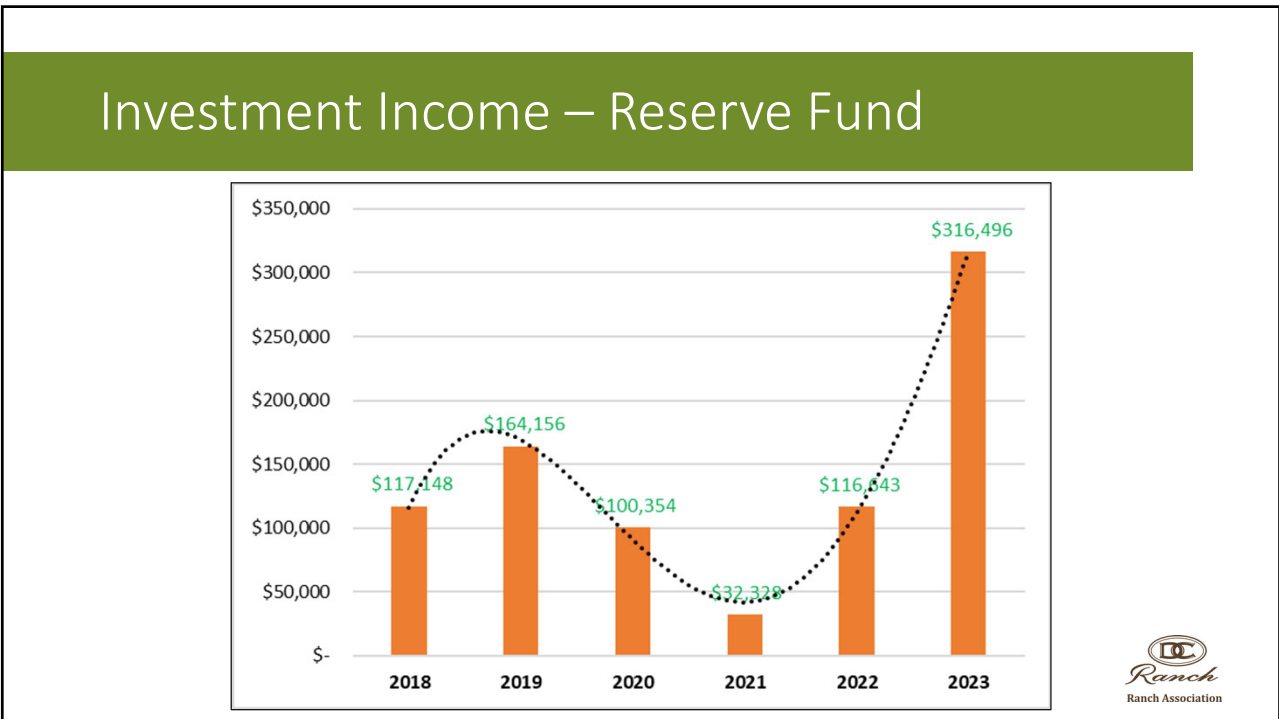
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2023 Year-End Financial Report

Questions?



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Old Business

- *None*



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New Business

- Consider Expenditure for Acoustic Improvements at The Homestead for Hybrid Meetings.
 - *Recommendation: That the Board authorize the Executive Director to spend up to \$12,000 for improvements to the sound system at The Homestead for the purpose of enhancing sound quality for hybrid board meetings.*
- Consider Community Patrol and Gate Access Contract RFP – Formation of Ad Hoc Committee
 - *Recommendation: That the Board authorize formation of an ad hoc committee to facilitate the request for proposal initiative for the community patrol and gate access contract.*

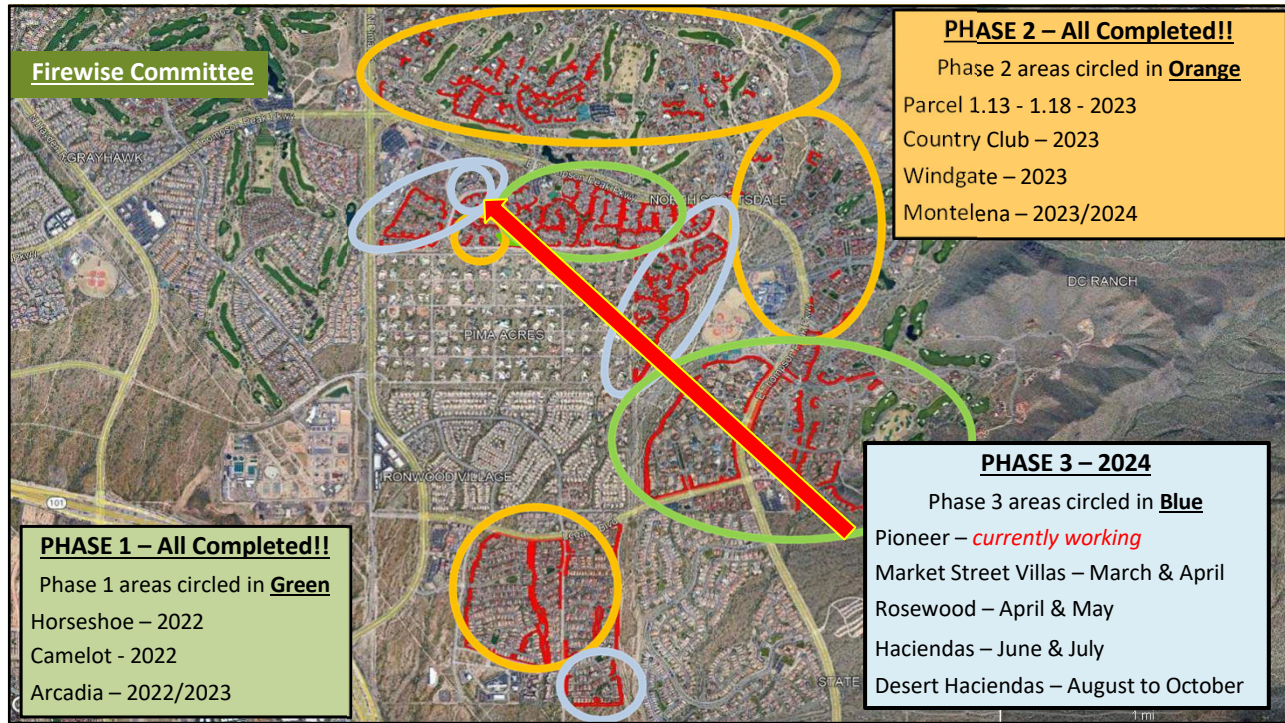


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COMMITTEE REPORTS



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Committee Reports

- Budget and Finance Committee, John Shaw
- Modification Committee, Don Matheson
- Policy Committee, Marla Walberg
- Sustainability Committee, Phil Geiger, Iryna Sukhovolets
- Community Patrol and Gate Access Committee, Greg Kiraly



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Member Open Forum



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

Please raise your hand to be called
upon to speak.



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Announcements

- Asphalt Road Condition presentation, Feb. 7 at 6 p.m. at The Homestead Community Center
- Next Board Meeting, March 4 at 6 p.m.
- Meet the Candidates Night, March 11 at 6 p.m.



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Adjournment

