



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
May 23, 2024 | 5:30 p.m.
Hybrid Meeting; Attendance welcome at The Homestead Community Center or via [Zoom](#)
(Council Board and Staff will be in person at The Homestead)

AGENDA

- | | | |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| I. | Call to Order | President Ethan Knowlden |
| II. | Establish Quorum | Ethan Knowlden |
| III. | Approval of Board Meeting Minutes
a. March 28, 2024 Regular Meeting
b. April 4, 2024 Special Meeting | Ethan Knowlden |
| IV. | Presentation on 2024 Tour de Scottsdale Event
McDowell Sonoran Conservancy | Vicki McWatters, MSC |
| V. | Consider Acceptance of 2023 Audit | Dee Nortman Paul Butler (BH) |
| VI. | President's Report
a. Governance Committee | Ethan Knowlden |
| VII. | Staff Reports
a. Staff Update
b. Financial Report | Jona Davis
Dee Nortman |
| VIII. | Old Business
a. Consider Funding Plan for Office Tenant Improvements | Dee Nortman |
| IX. | New Business
a. Desert Camp Site Improvement Project
i. Consider Alternate 2 – Basketball Court Lighting
ii. Consider Project Change Orders - Reserve Projects
iii. Consider Contingency Use Authorization
b. Consider Reappointments to the Finance Committee | Jenna Kohl

Dee Nortman |
| X. | Adjourn Meeting | Ethan Knowlden |

COMMUNITY VALUES

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



Staff Report

May 2024

Finance and Administration

- *Annual Audit for FY 2023.* Council engaged the firm of Butler Hansen for 2023 audit and tax services. The Council Finance Committee, including the Board Treasurer, met to review the report with the auditors. Butler Hansen will present the 2023 audited financials and related footnotes with an unqualified (“clean”) audit opinion at the May 23 Board meeting.
- *Personnel.* Welcome Taylor Kershner as the new Accounting Assistant, Jackie Flores as the new Community Center and Amenities Director and Victor Diaz as the new Community Center Manager.
- *Anniversaries.* Congratulations to team members that celebrated anniversaries in:
 - March: Melissa Fuentes – 2 years, Jules Everson – 5 years, and Chris Irish – 11 years.
 - April: Garret Breen – 3 years, and Lynette Whitener – 14 years.

Events, Programs and Recreation

- *Eggstravaganza: Royal Celebration.* Residents celebrated spring with their families and neighbors at The Homestead Community Center with a festive royal bash. 567 residents enjoyed a buffet style brunch fit for a prince or princess while festivities like glow in the dark egg hunts, photo booths, bouncy castles, and craft making stations filled the center. Special character actors roamed the facility to take royal pictures. Successful easter egg hunters took home an EGGStraordinarily fun treat box for their hard work.
- *Social Hour.* Because Social Hour continues to be such a popular program, March and April were opened to those on the waitlist as well as new residents to DC Ranch. Social Hour in March hosted 59 residents and April hosted 33 residents on the veranda underneath the newly installed Portofino lights.
- *DC Ranch Women’s Club.* In March 15 women celebrated spring with a social on the veranda at The Homestead. In April, four women met at Arizona Heritage Center to discover a deeper understanding of the unique history that defines State 48.
- *Neighborhood Park Parties.* Spring kicked off park party season with parties throughout March and April in each of the four Villages. The Desert Parks and Desert Camp parties were family-focused and 135 residents of all ages enjoyed a food truck, park games, and refreshments. Country Club and Silverleaf park parties drew an average of 50 residents for each adult-focused social hour. Neighbors enjoyed live acoustic music, light bites, and refreshments.
- *Starlight Concert Series.* Market Street Park hosts complimentary concerts featuring local and national bands three times a year in the spring, welcoming both residents and patrons of Market Street. Unfortunately, the March concert was canceled due to spring showers, however, the April concert boasted a crowd of over 300. This year, the third annual Sunlight

Concert took place at The Homestead in April, offering an afternoon of rock n' roll for 55 residents of all ages.

- *Lifelong Learning.* In March, a sold-out tour of 24 residents headed to the Scottsdale Water Campus and the Advanced Water Treatment Facility. This guided tour provided a behind the-scenes look into water treatment in Scottsdale.
- *Card and Game Clubs.* In March and April, the Hand and Foot Canasta Club continued to meet weekly while Mah Jongg Club met monthly with 68 total residents participating.
- *Fitness Classes.* All Levels Yoga, Strength & Balance, Yoga Basics, and Zumba had 166 registrants for March and April with a total of 130 drop-ins throughout both months.
- *Grapenuts Wine Club.* In March, a representative from Atlas Wine took 20 residents on a guided tasting through the vineyards of Austria. In April, a certified sommelier led 24 residents through a lively discussion about the nuances of wine appreciation and the dedication needed to become certified.
- *Food Truck Nights.* A great mix of different cuisines and treats were served at The Homestead throughout March and April, garnering a crowd of over 100 residents.
- *Health & Wellness.* Twenty-two residents explored the benefits of Yin Yoga during a deep stretching class in March.
- *Mountain Biking Club.* The inception of the DC Ranch Mountain Biking Club began as a resident-led initiative aiming to unite cyclists within the DC Ranch community for seasonal monthly rides. These rides typically cover scenic trails spanning an average of 15 miles, catering to intermediate to advanced riders. Seven residents tackled the Pima-Dynamite Trailhead in March for this exhilarating scenic ride.
- *Path and Trail.* Ranch Walks were introduced as a means for residents to step outside and explore the natural beauty of DC Ranch with neighbors along the Path & Trail system. Fourteen residents participated in the beautiful Silverleaf Village Loop Walk in April. At the end of each program, residents receive a RanchCache packet to continue to explore the paths & trails. Thirty-four residents joined DC Ranch Landscape Manager Jeff Rons on a beautiful 1-mile stroll along the path and trail system where they learned about local wildflowers and different landscape features.
- *Youth and Teen.* Eighteen youth aged 7 to 12 geared up on a Friday night for the Nerf Blaster Bash. They dodged, ducked and dove while navigating obstacle courses avoiding being hit by foam darts. Youth fueled up on pizza, soft drinks and water.
- *Pickleball Club.* Residents continue to participate in the weekly Pickleball Club hours on the courts at Desert Camp. The Club meets on Sunday mornings from 7 to 10 a.m. and averages 15 players per week in the spring.
- *Off the Ranch Club.* Thirty residents enjoyed connecting with neighbors and hitting the lanes for a bowling night at Bowlero. Tickets included two hours of bowling, shoe rental, two drinks, and appetizers. One resident stated, "The event was SO MUCH FUN!!! A great time was had by all."
- *Performing Arts.* Nineteen residents boarded a bus to Phoenix Symphony Hall to enjoy a performance of Arizona Opera's Romeo & Juliette which residents thoroughly enjoyed.
- *Spotlight Speaker Series: Walt Disney.* Over 70 Residents joined historian Ken Sorensen as he provided a fascinating look at Disney's "fairytale" life and hardships along the way while enjoying light bites and beverages.

Community Engagement

- *DC Ranch Gives.* In April, DC Ranch Gives partnered with the Matheson Real Estate Team to host the fourth annual Shred Day. 124 cars drove in The Homestead parking lot to shred unwanted documents and recycle electronics. Arizona Cancer Foundation for Children was

onsite to accept donations from participants and collected over \$2,200. House Coffee truck was also onsite to provide drinks. The Gives Newsletter was emailed in April to 184 residents. This newsletter highlighted resident Edie Smith as the volunteer spotlight and provided upcoming opportunities to give back in the spring months.

- *Volunteer Appreciation Celebration.* The Volunteer Appreciation Celebration honored volunteers with refreshments and remarks from guest speaker Neil Wilson from Neighbors Helping Neighbors, a local organization passionate about Scottsdale's welfare. Attendees departed with a thank you gift- a homemade mason jar cherry pie from The Joy Bus Diner. The giving back activity was executed later in the week; 6 bicycles were assembled by a small group and donated to Arizona Cancer Foundation for Children.
- *Volunteer of the Year.* Selected by staff and previous Volunteer of the Year recipients, 2024 Volunteer of the Year recipients are Natalie Ingram – Leadership, George Sevilis – Good Neighbor, Edie Smith – Philanthropy, Aniston Rusch and Cooper Ingram – Youth, and Lynda Boepple, Copper Ridge – Community Partner. The recipients will be featured in the June/July issue of Ranch News.
- *New Resident Welcome.* Neighborhood Voting Members and community volunteers continue to welcome new residents each month with welcome bags. The reusable grocery totes include new resident welcome information, City of Scottsdale collateral, new resident free fitness pass, two coffee mugs, and a pound of DCR Blend ground coffee. March's 'Round the Ranch Sunset Tour began at The Spot Neighborhood Grill before taking a full bus to explore the community, highlighting all four Villages to new residents. The tour concluded in Upper Canyon with a sunset toast and totes filled with goodies from the local merchants. Key team members met in early March for the bi-yearly check-in on New Resident Program processes and procedures, identifying areas for improvement and successes.
- *Resident Leadership Academy.* The final class was held in late April, participants explored the community and its operations throughout the program since the first class in January. Graduates of the program will enjoy a graduation celebration in early May at Vito's Italian Ristorante.
- *DC Ranch Ambassadors.* Ambassadors are utilized a few times each month to help promote activities and happenings within DC Ranch. Ambassadors have recently encouraged residents to invite neighbors to volunteer at Foothills Animal Rescue with DC Ranch Gives, teens to volunteer at Eggstravaganza, and to the Starlight Concerts.

Communications

- *Summer Program Guide.* The [Summer Program Guide](#) was sent to print on April 19 with the expectation of arriving in mailboxes beginning May 6. The publication outlines events and programs in June, July and August.
- *Annual Report.* The 2023 Annual Report was presented in March at the Community Council Board of Directors meeting and in April at the Ranch Association Board of Directors meeting. It was emailed to all residents on April 3.
- *Beauty and the Beast JR. Playbill and Banner.* The Communications Team produced and printed a 12-page playbill for The Homestead Playhouse performances of Beauty and the Beast JR. The playbill featured crew and cast bios, musical numbers and a production note from director Lindsay Vanegas. A vinyl banner was also designed and displayed outside of the community center to greet attendees and promote the performances.
- *DCSIP Communication.* The Communications Team continues to send email updates regarding the project and keep DCRanch.com/DCSIP and other resources up to date. Since construction began, the team has shared a new update each week in the This Week on the

Ranch email sent to residents each Monday. Project photos, a second “behind the screens” drone footage video, and two “meet the project team” videos have been featured.

- *Historic Committee:* The committee completed the first round of original resident recorded interviews for the oral history project. Edited videos and final transcripts are saved on the server for the DC Ranch archive.

Facilities

- *Community Center.* The Homestead Community Center continues to serve as the hub for residents during the Desert Camp Site Improvement Project (DCSIP). The lobby, veranda and Frontier Room 3 were busy with 386 resident check-ins. Club and drop-in use continued to climb with 272 participants in March and April. Residents enjoyed the use of the Desert Camp outdoor amenities with 155 tennis court (one court) and 344 pickleball court (two courts) reservations during March and April.
- *Facility Rentals.* The Homestead Community Center calendar is open for rentals with limited availability. Four facility rentals took place in March and April. Requests for facility rentals are still in strong demand for the second quarter of 2024 and, when available, staff will continue to collaborate with residents to provide rental space.
- *Facility Maintenance and Custodial.* The Maintenance and Custodial team have been using the new work order system and continue to complete work orders submitted. The team continues to work on reserve projects to be completed concurrently with DCSIP including:
 - Overseeing the pool plumbing and tile repairs while the pool deck and resurfacing projects are on pause (waiting on concrete footers and stem wall to be completed).
 - Prepping and painting pool furniture and working with the vendor to replace the chaise slings.
 - Made final selections for exterior furniture including pickleball courts.
 - Reviewed several proposals for the tennis court reserve projects and selected two vendors to complete the comprehensive renovations including replacing chain link fencing, wind screens, light fixtures, court resurfacing and additional painting.
 - Selected a vendor to replace the damaged exterior doors at The Homestead.
- *DCSIP.* Haydon Contractors and Architekton are moving forward with interior remodeling and new construction of the pickleball courts, fitness room and studio. The pickleball post-tension slabs have been poured and will be curing through the month of May. The lobby, fitness studio and gym are going “vertical” with stem wall and back fill to be completed in May. Staff and vendors are finalizing access, security, fire protection and A/V hardware and equipment. Staff have identified the need for similar access and security equipment to be installed at The Homestead and have been working with the vendor to identify the necessary hardware and software changes. Equipment will be installed prior to the completion of DCSIP so staff and residents familiarize themselves with the new access procedures to provide a seamless transition to the new system.

Public Affairs

- *City Elections.* DC Ranch, in conjunction with the Scottsdale Progress and Chamber will host a Mayoral Candidate Forum at The Homestead on June 19. There is also a possibility for a City Council Candidate Forum to be held at The Homestead after the primary election on July 30.
- *Dog Park.* The city has fenced the land to start tree salvage. Construction is slated to begin this summer and be completed by the end of 2025. This was a 2019 Bond project at Thompson Peak Park.

- *State Land:* The 110 acres of state land the former Coyotes' owner hopes to buy will go to auction on June 27. Located at the NW corner of Scottsdale Road and the 101, minimum bid is \$68.5M. Directly cross the 101, at the SW corner of Scottsdale Road, another state land parcel will go to auction on June 4. It is 75 acres with a minimum bid of \$28M. In addition, 54 acres at the NW corner of the 101 Freeway and 56th Street is slated for auction on June 26.
- *Mack Industrial project.* Chris Irish spoke with city staff to request construction traffic be directed in and out from Bell Road. While they were receptive, much will depend on the freeway expansion project.
- *94th and Bell Residential.* Tree salvage should start this summer, with grading to follow.
- *Construction in DC Ranch.* Camelot Homes is projecting that the first resident will move into The Legacy at DC Ranch in Dec. Covenant Commission, Ranch Association and Community Council staff all met with the developer in mid-May to discuss items needed for turnover.



JUNE 2024

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1 Gives: Stock the Shelves Drive begins Summer Saturday
2 Pickleball Club	3 All Levels Yoga Strength & Balance	4 Yoga Basics	5 All Levels Yoga Strength & Balance	6 Yoga Basics	7	8
9 Pickleball Club	10 All Levels Yoga Strength & Balance	11 Yoga Basics Tropical Tuesday	12 All Levels Yoga Strength & Balance	13 Yoga Basics Women's Club: Happy Hour	14 Comedy Night: Mind Games	15
16 Pickleball Club	17 All Levels Yoga Strength & Balance	18 Yoga Basics	19 All Levels Yoga Strength & Balance	20 Yoga Basics	21 Family Float Night	22
23 Pickleball Club	24 All Levels Yoga Strength & Balance	25 Yoga Basics Tropical Tuesday	26 All Levels Yoga Strength & Balance	27 Yoga Basics	28 Social Hour	29
30 Pickleball Club						

EVENTS AND PROGRAMS



Gives: Stock the Shelves Drive

June 1 through July 31

Drop off donations at The Homestead

DC Ranch Gives is collecting toiletries, hygiene products, and cleaning supplies to stock the shelves for Homeward Bound. The goal is to collect 1,000 items for families in need.

Most needed items are: shampoo and conditioner, body wash and soap, deodorant, sunscreen, toothpaste and toothbrushes, diapers of all sizes, baby wipes and cleaning supplies including all purpose cleaners, paper towels, toilet paper, dish soap and trash bags.



Summer Saturday

Saturday, June 1 | 10 to 11 a.m.

The Homestead Veranda

All ages | Free

Celebrate summer with fun free activities on the veranda! This event includes all things bubbles. Create bubble art, play with big and small bubbles and enjoy a variety of "bubble" snacks. The splash pad will be on to cool off. No RSVP required. Children must be accompanied by a parent or guardian.



Tropical Tuesday

Tuesday, June 11 and 25; July 9 | 2 to 3 p.m.

The Homestead

All ages | Free

Put on a Hawaiian shirt and join neighbors for a tropical escape indoors! Families are invited to drop-in for an hour filled with games, tasty tropical treats and tropical-themed crafts. No RSVP required. Children must be accompanied by a parent or guardian.

Women's Club: Happy Hour at Isabella's Kitchen

Thursday, June 13 | 5 to 7 p.m.

Meet at Isabella's Kitchen

Ages 21+ | [RSVP](#)

Mingle with other DC Ranch women and enjoy the beautiful view from the outdoor patio at Isabella's Kitchen. Appetizers provided, drinks are the responsibility of each resident.



Comedy Night: Mind Games

Friday, June 14 | 6:30 to 8 p.m.

The Homestead Community Center

Ages 21+ | [\\$23](#)

Experience a night of comedy like no other. An expert mentalist will lead volunteers through a series of hilarious scenarios, all drawn from their subconscious minds. Light bites and beverages included. Doors open at 6:15 p.m. to mingle with the performer.



Family Float Night

Friday, June 21 | 6 to 8 p.m.

McDowell Mountain Ranch Aquatic Center

All ages | [\\$7](#)

Enjoy an exclusive DC Ranch family night at the nearby McDowell Mountain Ranch Aquatic Center. Play games, jump off the high dive, ride the water slide or float on the lazy river. No outside floaties permitted. Pizza, soda and water provided. Children must be accompanied by a parent or guardian.

Social Hour

Friday, June 28 | 5:30 to 6:30 p.m.

The Homestead

Ages 21+ | [RSVP](#)

Mix and mingle during a relaxing happy hour indoors. These casual gatherings provide a nice way to end the week and chat with friends or get to know new neighbors. Light bites, beer and wine provided.

FITNESS & WELLNESS

All Levels Yoga

Monday and Wednesday | 9 to 10 a.m.

The Homestead

Strength and Balance

Monday and Wednesday | 10:30 to 11:30 a.m.

The Homestead

Yoga Basics

Tuesday and Thursday | 9 to 10 a.m.

The Homestead

Pickleball Club

Sunday | 7 to 10 a.m.

Desert Camp Courts



**DC Ranch Community Council
Financial Highlights – Director Analysis
for period ending April 30, 2024**

Summary by Fund - YTD

	<u>Operating</u>	<u>Reserve</u>	<u>Capital</u>	<u>Total CC</u>
Revenue	\$ 2,227,338	\$ 43,991	\$ 120,898	\$ 2,392,226
Expenses	1,435,908	176,991	1,647,646	3,260,545
Operating Income/(Loss)	\$ 791,430	\$ (133,000)	\$ (1,526,748)	\$ (868,318)
Depreciation	-	-	12,654	12,654
Total Income/(Loss)	\$ 791,430	\$ (133,000)	\$ (1,539,402)	\$ (880,972)
Transfers In/(Out)	(235,008)	235,008	-	-
Total Surplus/(Deficit)	\$ 556,422	\$ 102,008	\$ (1,539,402)	\$ (880,972)

Revenue

Operating revenue for April totaled \$655k, higher than budget by \$196k (43%). Year-to-date revenue is favorable to budget by \$447k (25%). Significant variances to budget include:

- Community Benefit Fees came in \$202k (133%) higher than forecast for April. Benefit Fees YTD reflect a revenue surplus of \$461k (84%).
- Assessments are slightly higher than budget due to the commercial lots that were estimated to be subtracted for the new Ranch Association maintenance facility, which has not been finalized.
- The management fee has not been recorded through April. Due to the governance restructure, cost sharing amounts will be revised and recorded in a future month.
- Interest has a \$17k positive variance to budget due to a higher rate on the ICS account (high-yield savings account that is fully FDIC insured).

Expense

Operating expenses for April came in \$7k (2%) unfavorable to budget, with year-to-date expense \$40k (2%) lower than budget. Notable expense variances include:

Administration

- Personnel costs are \$15k higher than estimated in the budget YTD due to a mix between the changes in governance structure and open positions so far this year. Cost sharing amounts will be revised to offset any variance.
- Other administrative expenses are higher YTD than budget, mainly due to additional legal and professional fees.

Programs

- Program expenses are favorable to budget by \$31k YTD due to cost savings for spring events and the timing of expenses for community engagement and communications.

Facilities

- Facilities expense overall are \$30k below budget mainly due to the savings in utilities and contract services at Desert Camp. These savings are expected to continue until DCSIP is complete and Desert Camp Community Center reopens.

Reserve

- Reserve expenditures total \$177k so far for the year.
- Interest income totals \$44k YTD.

Capital

- The Desert Camp Site Improvement Project is on track with expenditures totaling \$1 mil in April and \$1.6 mil YTD.
- Depreciation expense (non-cash) totals \$13k for the year.
- Interest income totals \$121k YTD.

Balance Sheet/Cash Flow

- Operating cash on hand is equal to 5.09 months as of 4/30/2024.
- There is \$6.2 mil in the capital fund and \$2.8 mil in the reserve fund. Reserves are currently 100.62% funded. This will change significantly with the addition of new DCSIP assets, as well as possible adjustments from the reserve study.

Looking Forward

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

<u>Month</u>	<u>Currently in escrow</u>	<u>Budgeted Benefit Fees</u>
May 2024	\$460,888	\$116,686
June 2024	\$192,735	\$208,735

The Community Council remains in a strong position, reporting over \$556,000 in operating net income year-to-date. Community Benefit Fees are performing moderately above budget, currently at 67% of the annual operating budget. A transfer to the capital fund will be considered once benefit fee revenue reaches the budgeted amount of \$1.5 million.

DC RANCH COMMUNITY COUNCIL

STATEMENT OF REVENUE AND EXPENSE

For the Month and YTD Ending April 30, 2024

	April 2024			Year-to-Date			Annual
	Current Month	Budget	Budget Variance	Year to Date	Budget	Budget Variance	2024 Budget
INCOME							
Residential Assessments	\$ 212,862	\$ 212,862	\$ -	\$ 851,448	\$ 851,448	\$ -	\$ 2,554,344
Commercial Assessments	75,660	73,554	2,106	302,640	294,216	8,424	882,648
Community Council Benefit Fees	354,636	152,412	202,224	1,012,192	551,146	461,046	1,500,000
Total Assessment Revenue	643,158	438,828	204,330	2,166,280	1,696,810	469,470	4,936,992
Community Celebrations & Events	-	-	-	9,312	9,350	(38)	24,500
Community Programming	4,491	4,970	(479)	20,348	18,044	2,304	83,940
Total Program Revenue	4,491	4,970	(479)	29,660	27,394	2,266	108,440
Community Center Rentals	-	-	-	4,370	-	4,370	-
Resident Access	20	-	20	180	-	180	1,000
Total Facilities Revenue	20	-	20	4,550	-	4,550	1,000
Management Fee	-	11,525	(11,525)	-	46,100	(46,100)	138,300
Advertising	-	-	-	360	-	360	8,280
Interest	7,614	2,385	5,229	26,488	9,540	16,948	28,613
Other Income	-	-	-	-	-	-	9,100
Total Other Income	7,614	13,910	(6,296)	26,848	55,640	(28,792)	184,293
Total Operating Income	655,283	457,708	197,575	2,227,338	1,779,844	447,494	5,230,725
EXPENSES							
Reserve Contributions	58,752	58,752	-	235,008	235,008	-	705,024
Capital Contributions	-	-	-	-	-	-	-
Total Reserve Expense	58,752	58,752	-	235,008	235,008	-	705,024
Personnel Expenses	242,600	228,699	13,901	929,592	914,796	14,796	2,827,270
Administration	27,693	18,245	9,448	97,146	82,217	14,929	270,645
Travel/Mtgs/ERR	2,382	6,940	(4,558)	14,841	24,296	(9,455)	69,620
Total Administrative Expense	272,676	253,884	18,792	1,041,579	1,021,309	20,270	3,167,535
Community Celebrations & Events	12,656	15,329	(2,673)	141,766	147,561	(5,795)	309,707
Community Programming	5,438	6,675	(1,237)	25,024	26,915	(1,891)	149,200
Community Engagement & Public Affairs	6,173	10,050	(3,877)	15,970	33,850	(17,880)	69,245
Communications	4,063	3,170	893	18,695	24,008	(5,313)	74,720
Total Program Expense	28,330	35,224	(6,894)	201,456	232,334	(30,878)	602,872
Ranch Offices	27,007	25,747	1,260	79,941	78,988	953	220,964
Desert Camp Community Center	7,672	15,501	(7,829)	43,217	67,080	(23,863)	227,711
The Homestead Community Center	5,376	5,036	340	19,311	23,382	(4,071)	81,962
MS Park/P&T/Seasonal Décor	10,778	11,430	(652)	12,913	16,216	(3,303)	110,310
Total Facilities Expense	50,833	57,714	(6,881)	155,381	185,666	(30,285)	640,947
Insurance (non-EE) & Taxes	6,287	7,575	(1,288)	25,252	30,450	(5,198)	90,900
Other Expenses	4,520	1,483	3,037	12,239	6,384	5,855	23,447
Total General Expense	10,807	9,058	1,749	37,492	36,834	658	114,347
Total Operating Expense	421,397	414,632	6,765	1,670,916	1,711,151	(40,235)	5,230,725
Operating Income/(Loss)	233,886	43,076	190,810	556,422	68,693	487,729	-
Reserve Net Income/(Loss)	7,931	-	7,931	102,008	-	102,008	-
Capital Net Income/(Loss)	(1,048,439)	-	(1,048,439)	(1,539,402)	-	(1,539,402)	-
Reserve & Capital Net Income/(Loss)	(1,040,508)	-	(1,040,508)	(1,437,394)	-	(1,437,394)	-
Total Net Income/(Loss)	\$ (806,622)	\$ 43,076	\$ (849,698)	\$ (880,972)	\$ 68,693	\$ (949,665)	\$ -

DC RANCH COMMUNITY COUNCIL

BALANCE SHEET

At April 30, 2024

	4/30/2024	12/31/2023	Y/Y Change
ASSETS			
OPERATING FUND			
Cash	\$ 2,216,291	\$ 1,824,454	\$ 391,837
Petty Cash	500	500	-
TOTAL OPERATING CASH	2,216,791	1,824,954	391,837
RESERVE FUND			
Cash	880,623	1,015,626	(135,004)
Investments (Net)	1,885,177	1,559,821	325,357
TOTAL RESERVE FUND	2,765,800	2,575,447	190,353
CAPITAL FUND			
Cash	2,227,128	3,000,016	(772,888)
Investments (Net)	3,962,208	4,977,784	(1,015,575)
TOTAL CAPITAL FUND	6,189,337	7,977,800	(1,788,463)
Accounts Receivable (Net)	83,885	10,872	73,013
Intercompany Receivable	225,529	254,131	(28,602)
Prepaid Expenses	144,318	95,333	48,985
Interfund Transfers	-	134,273	(134,273)
Operating Lease Right-to-Use Asset	88,105	88,105	-
OTHER CURRENT ASSETS	541,837	582,713	(40,877)
PROPERTY, PLANT & EQUIPMENT			
Furniture & Fixtures	28,459	28,459	-
Vehicles & Equipment	184,143	184,143	-
Desert Camp Renovation(s)	161,479	161,479	-
Homestead Renovation(s)	110,112	110,112	-
TOTAL PROPERTY, PLANT & EQUIPMENT	484,192	484,192	-
<i>Less Accumulated Depreciation</i>	(374,066)	(361,412)	(12,654)
PROPERTY, PLANT AND EQUIPMENT, NET	110,126	122,780	(12,654)
TOTAL ASSETS	\$ 11,823,890	\$ 13,083,695	\$ (1,259,805)
LIABILITIES			
Accounts Payable	\$ 81,127	\$ 96,328	\$ (15,201)
Intercompany Payable	-	224	(224)
Accrued Liabilities	158,765	355,066	(196,301)
Deferred Revenue	16,784	10,173	6,611
Prepaid Assessments	63,147	102,593	(39,446)
Interfund Transfers	-	134,273	(134,273)
Operating Lease Right-to-Use Liability	88,105	88,105	-
Other Current Liabilities	-	-	-
TOTAL CURRENT LIABILITIES	407,929	786,761	(378,832)
TOTAL LIABILITIES	\$ 407,929	\$ 786,761	\$ (378,832)
NET ASSETS			
Reserve Equity	2,663,792	2,523,021	140,771
Capital Equity	7,820,014	8,051,193	(231,178)
Operating Equity	1,813,127	1,722,720	90,407
Current Year Profit/Loss	(880,972)	-	(880,972)
TOTAL NET ASSETS	\$ 11,415,961	\$ 12,296,933	\$ (880,972)
TOTAL LIABILITIES & NET ASSETS	\$ 11,823,890	\$ 13,083,695	\$ (1,259,805)

DC RANCH COMMUNITY COUNCIL

STATEMENT OF CASH FLOW

Year-To-Date April 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (deficit) for period	\$	(880,972)
Adjustments to reconcile Net Income (deficit)		
Depreciation		12,654
<i>(Increase)/Decrease in:</i>		
Accounts Receivable		(73,013)
Intercompany Receivable		28,602
Prepaid Expense		(27,826)
Prepaid Insurance		(21,159)
<i>Increase/(Decrease) in:</i>		
Accounts Payable		(15,201)
Intercompany Payable		(224)
Accrued Payroll Expenses		(23,663)
Accrued Expenses		(172,637)
Deferred Revenue		6,611
Prepaid Assessments		(39,446)
Other Liabilities		-

NET CASH FROM OPERATING ACTIVITIES **\$ (1,206,274)**

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property, Plant & Equipment -

NET INCREASE (DECREASE) IN CASH **\$ (1,206,274)**

CASH, BEGINNING OF PERIOD \$ 12,378,201

CASH, END OF PERIOD **\$ 11,171,927**

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: **5.09**

Operating Cash at 4/30/2024 \$ 2,216,791

Total 2024 operating budget expenses \$ 5,230,725

MINIMUM - Average of three months \$ 1,307,681

Amount over
minimum

\$ 909,110

Amount under
minimum

N/A

MAXIMUM - Average of six months \$ 2,615,363

Amount over
maximum

N/A

Amount under
maximum

\$ 398,572



DC Ranch Community Council

To: DC Ranch Community Council Board of Directors
From: Jenna Kohl, Executive Director
Date: 5/16/2024
Subject: *May 23 Board Meeting Agenda Item Summary*

Here is a synopsis of the discussion items for the Board's May 23 Meeting.

Consider Acceptance of the 2023 Audit

Paul Butler of Butler Hansen will attend the meeting to present a summary of the 2023 Audit report.

Recommendation: That the Board accept the 2023 Audit as presented.

Office Tenant Improvement Funding

The Community Council and Ranch Association boards approved the terms for a new office space lease at Canyon Village. Staff and legal counsel are in the final stages of lease negotiations with the landlord and anticipate having an executed lease soon.

Initial quotes for tenant improvements have been received, and staff is collecting quotes for technology and furniture. We estimate the total cost to be approximately \$400,000. Dee Nortman has prepared a concept for payment of the tenant improvements for board discussion at the May 23 meeting. Ranch Association voted in support of the plan at their May Board meeting.

Recommendation: That the Board support the funding plan as presented.

DCSIP: Consider Add Alternate for Basketball Court Lighting

As part of the original bid/GMP package, there were several alternates presented. One, Acoustifence, has already been added to the GMP to meet City of Scottsdale requirements. The Board also wants to consider Alternate Alt 2 - Provide Two new light fixtures at the existing basketball courts at a cost of \$ 12,109.

Factors to consider: adding lights will extend available use/play time for residents year 'round; concurrently it would also be an attraction for organized sports (which is an enforcement issue for the on-site team) and there are not lights on the adjacent playground (it will remain dark).

See note below for owner's contingency amount.

Recommendation: Consider adding alternate #2, two basketball court lights, to the project at a cost not to exceed \$12,109. The Board may also want to consider requesting a quote for lighting for the playground.

DCSIP: Consider Project Change Orders – Reserve Projects

There are 32 reserve projects that we are targeting to complete concurrently with DCSIP. For example, while the facility is closed, we are resurfacing the pool and making improvements to the tennis courts.

There are four projects that staff recommends adding to Haydon’s scope of work that were not in the original scope. These changes would result in change orders to the GMP and would be funded through the Reserve.

The following projects directly impact the safety and functionality of Desert Camp post-renovation:

1. Parking Lot Asphalt remove and replace
2. Toddler patio concrete remove and replace
3. HVAC replace
4. Drinking Fountain replace

While we have a valid interest in minimizing project cost increases, change orders allow us to respond quickly and to maximize the value of the project by capitalizing on opportunities that have developed after construction has started.

Some of the key “whys” include:

- Safety: avoids conflict with Haydon components
- Aesthetics/Brand: matches DC Ranch standards with a consistent appearance/quality
- Warrantees: warranties are consistent with the same timeframes
- Project/construction timeline: minimizes disruption to residents
- Indirect costs: saves staff time, uses experts on site, maximizes coordination and communication

Staff recommends the board approve the following change orders:

Change Orders	Description	Budget	Proposal	Variance
Drinking Fountains	Replace old to match new sustainability model	\$ 6,210	\$ 12,000	\$ (5,790)
Concrete	Toddler Patio	\$ 15,000	\$ 80,000 **	\$ (53,000)
Asphalt	Parking lot*	\$ 263,100	\$ 138,000	\$ 125,100
HVAC	3 Old Units	\$ 31,050	\$ 52,000	\$ (20,950)
	TOTALS:	\$ 315,360	\$ 282,000	\$ 45,360

*Note that full parking lot replacement is budgeted in the Reserve in 2032 in the amount of \$350,000 (present day amount is \$263,100). If approved, the Reserve fund would be adjusted for these items. **This amount is a placeholder pending a final proposal from the parking lot vendor and is subject to change.

Recommendation: That the Board authorize the additional expenditures for drinking fountains, concrete, parking lot replacement, and HVAC replacement to be funded from the Reserve.

DCSIP: Consider Contingency Use Authorization

The budget for audiovisual needs for the building was originally estimated by the vendor (separately contracted with DC Ranch, outside of the GMP scope) at \$113,000 (plus \$12,000 for design). This amount was authorized previously by the board.

The AV contract covers large multipurpose/board room (\$127,670); small multipurpose (\$27,000); fitness center and studio (\$23,455)

The team met with Ford AV to reduce the scope of work. After their design work, and after initial scope reductions to reduce the number of TVs in the fitness room from 3 to 1 (savings of \$6,000) and downgrading the quality of the TV in the large multipurpose/board room (savings of \$1,000), the revised estimate was \$222,129, necessitating a further reevaluation of the project scope.

Areas of potential savings include removing the audiovisual setup in the small multi-purpose room (savings of \$27,000; this system can be added in the future if needed) and minimizing the building audio system which covers music, paging/safety alert capabilities (approx. \$25,000).

Options moving forward:

- A. *Modified Full Design*. Funding needed: \$109,129.
- B. *Alt Design #1 - No Small Multi-Purpose Room AV, and only required Audio system (Core system and Audio for Fitness Studio/Large Multi-Purpose Room)*. The Small Multi-Purpose would include only room signage and mounting an existing TV already owned by DC Ranch. Savings of \$52,000. Funding needed: \$57,129.
- C. *Alt Design #2- No Small Multi-Purpose Room (signage and existing TV only) and full Audio System*. Savings of \$27,000. Funding needed: \$82,129.

The team will pursue further savings, including on labor costs, during implementation.

For reference, the project budget includes \$403,940 for owner’s contingency. Any savings remaining in this contingency line item results in overall project savings, so these funds should only be utilized if necessary.

Contingency	\$403,940
Acoustifence	(\$76,864)
Art, furniture, signage adds	(\$63,530)
Remaining:	\$263,546

Recommendation: That the board consider option C, authorizing \$82,129 for audiovisual cost of work.

Consider Appointment to the Finance Committee

Two Council Finance Committee members, Troy Anderson and Elaine Cottey, have terms expiring as of June 30, 2024. Elizabeth Kepuraitis, previously on the committee as Treasurer, wishes to continue serving as well.

Recommendation: That the board re-appoint Troy Anderson, Elaine Cottey and Elizabeth Kepuraitis to the Council Finance Committee for a two-year term (7/01/2024-6/30/2026).