



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 – Budget Work Session

October 17, 2024 | 5:30 p.m.

The Homestead Community Center | [Zoom](#)

AGENDA

- I. Welcome
- II. Presentation of Proposed 2025 Community Council Operating Fund Budget and Discussion
- III. Other Comment*
- IV. Adjourn Meeting

**Resident questions and comments from those in attendance at The Homestead are welcome. Please raise your hand to speak when invited to do so by the Board President. So those attending virtually can hear comments, please step to the microphone, state your name and address, and present your comment or question. If you are attending virtually and wish to submit comments or questions, please send those in advance of the meeting to jenna.kohl@dcranchinc.com with the subject "Budget Meeting – Inquiry" as comments made via Zoom during the meeting will not be monitored.*

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
Jona Davis, Deputy Executive Director
Dee Nortman, Director of Finance & Administration

Date: 10/11/2024

Subject: *2025 Operating Budget Proposal*

Overview

The 2025 Operating Fund budget is presented to the Board for consideration. The budget as proposed is balanced at \$6,271,463, including an assessment increase. This memo gives a high-level overview of the budget; more detail will be provided at the meeting.

Summary

The 2025 operating budget as proposed reflects an increase of 5% over 2024 budget figures. This includes an assessment increase of \$4/mo, which includes an additional \$1 allocated to the reserve.

2024 Budget Factors and Considerations

Key factors impacting the 2025 budget:

- *Desert Camp Community Center Operating Costs.* With the reopening of Desert Camp at the end of 2024, the expanded square footage will lead to increased costs for utilities, staffing, equipment maintenance, software subscriptions and other expenses. Council has consistently communicated that the expanded facility will likely result in a modest assessment increase. The anticipated costs for operating the improved and expanded community center are estimated in the budget.
- *Reserve Contribution.* The Board is committed to designating a portion of the monthly assessment to fund the reserves. The Board's proactive, long-term vision is to ensure that the reserve fund maintains a minimum 80% funding level. In 2024, \$16 of the \$78 monthly assessment is dedicated to reserves. The recommended increase to the reserves in 2025 equates to a \$1 increase in the assessment, which continues the commitment to fund the reserve, while awaiting the results of the third-party onsite reserve study.
- *Management Fee Agreement.* The Community Council and Ranch Association partner to share costs to operate efficiently, resulting in savings to the community. These synergies are outlined in an annually updated management agreement, with expenses reallocated through the management fee line item. Major categories include shared staffing (communications, finance, landscape, maintenance); office costs such as the office lease, equipment, printing, and technology; community patrol; community relations and board support; and service contracts such as mowing and waste hauling. The governance structure changes, implemented at the start of 2024 after the budget was approved,

included adjustments to shared staff allocations. This increased both the management fee reimbursement and personnel costs, effectively balancing each other. Thus, while the management fee allocation differs from prior years, the overall budget impact remains neutral compared to 2024.

Revenue

Significant changes include:

Item	Impact	Amount	% Change v. 2023 Budget	Notes
Assessments (commercial and residential)	Increase	\$202,824	6%	The budget reflects a \$4 or 5% per unit per month assessment increase.
Benefit Fees	Increase	\$150,000	10%	Increased allocation to operations, reflecting the growth in home sales the last several years.
Community Events & Programming	Increase	\$44,000	40%	Increase reflects additional program offerings at Desert Camp and resuming facility rentals.
Management Fee	Increase	\$602,000	435%	Due to changes in the governance structure; shared staff and common services and supplies.*
Other	Increase	\$42,000	92%	Increase in Community Facilities District allocation.
Total Change	Increase	<u>\$1,040,738</u>	20%	

**Subject to change based on final Council and Ranch Association budgets.*

Expenses

Significant changes include:

Item	Impact	Amount	% Change v. 2023 Budget	Notes
Administration/Other	Increase	\$474,582	37%	Includes increases in personnel costs (partially offset by mgmt. fees), professional fees etc.
Facilities and Occupancy	Increase	\$297,770	19%	Includes increases in personnel costs, utilities, services and supplies.
Community Events & Programming	Increase	\$209,538	13%	Includes addition of Spring Charitable Event and more program offerings at Desert Camp; increases in personnel costs and event expenses.
Reserve Fund Contribution	Increase	\$49,572	7%	Equates to \$1 in assessment increase.
Insurance/Other	Increase	\$9,276	11%	Estimated with a 15% increase over CY actuals.
Total Change	Increase	<u>\$1,040,738</u>	20%	

Next Steps

The Treasurer, Director of Finance & Administration, and Executive Director will present an overview of the budget at the Board’s Oct. 17 work session for resident comment and Board direction. The team will make any additional changes based on that Board direction and will present an updated budget to the Board at the Nov. 7 meeting for final adoption.

Attachments

2025 Proposed Operating Budget Summary

DC RANCH COMMUNITY COUNCIL

2025 Operating Budget

Proposed 10/17/2024

	2025 Budget	2024 Projected	2024 Budget	2025 Budget v. 2024 Budget
INCOME				
Residential Assessments	\$ 2,685,336	\$ 2,554,344	\$ 2,554,344	\$ 130,992
Commercial Assessments	954,480	907,920	882,648	71,832
Community Benefit Fees	1,650,000	2,348,293	1,500,000	150,000
Total Assessment Revenue	5,289,816	5,810,557	4,936,992	352,824
Community Events & Celebrations	19,600	24,508	24,500	(4,900)
Community Programming	113,268	88,622	83,940	29,328
Total Program Revenue	132,868	113,130	108,440	24,428
Community Center Rentals	20,535	11,035	-	20,535
Resident Access	-	1,240	1,000	(1,000)
Total Facilities Revenue	20,535	12,275	1,000	19,535
Management Fee	740,280	626,520	138,300	601,980
Advertising	8,280	8,280	8,280	-
Interest	23,760	73,580	28,613	(4,853)
Other Income	55,924	9,100	9,100	46,824
Total Other Income	828,244	717,480	184,293	643,951
Total Operating Income	6,271,463	6,653,442	5,230,725	1,040,738
EXPENSES				
Reserve Contributions	754,596	705,024	705,024	49,572
Capital Contributions	-	1,350,000	-	-
Total Reserve Expense	754,596	2,055,024	705,024	49,572
Administration	1,760,174	1,543,206	1,285,592	474,582
Total Administrative Expense	1,760,174	1,543,206	1,285,592	474,582
Community Celebrations & Events	575,703	526,892	528,376	47,327
Community Programming	369,810	262,911	293,523	76,287
Community Engagement	449,395	421,717	406,732	42,663
Communications	422,832	345,779	379,571	43,261
Total Program Expense	1,817,740	1,557,299	1,608,202	209,538
Ranch Offices	233,407	221,502	220,964	12,443
Desert Camp Community Center	1,370,909	943,242	1,101,491	269,418
The Homestead Community Center	133,160	101,809	111,607	21,553
MS Park/P&T/Seasonal Décor	104,666	98,260	110,310	(5,644)
Total Facilities Expense	1,842,142	1,364,813	1,544,372	297,770
Insurance (non-EE) & Taxes	82,116	76,625	71,400	10,716
Other Expenses	14,695	27,605	16,135	(1,440)
Total General Expense	96,811	104,230	87,535	9,276
Total Operating Expense	6,271,463	6,624,572	5,230,725	1,040,738
Net Operating Income/(Loss)	-	28,870	-	-