



*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.*

BOARD MEETING –Budget Workshop  
The Homestead Community Center  
October 24, 2019  
5:00 p.m.

---

AGENDA

---

- I. Welcome
- II. Presentation of Proposed 2020 Community Council Operating Fund Budget
- III. Board of Directors Discussion
- IV. Resident Questions/Comments
- V. Adjournment

**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  
Dee Nortman, Director of Financial Operations  
**Date:** 10/17/2019  
**Subject:** *2020 Operating Budget Proposal*

---

## **Overview**

Attached is the proposed 2020 Operating Fund Budget for the DC Ranch Community Council, for your consideration. The budget, as proposed, is balanced. Our goal is to maintain a high quality of services and programs that reflect Board direction and resident requests while continuing to pursue cost savings. We carefully considered ways to operate efficiently, given that revenues remain flat and costs increase, necessitating a modest increase in assessments to balance.

The budget is crafted around several factors, including but not limited to Board input, core services, historical data, strategic plans, resident input (i.e., resident survey, program open house), DCR2020, and Reserve fund requirements. Highlights of the current 2020 Operating Budget Proposal:

## **Budget Highlights**

Overall, the budget is projected to increase 4% (2019 budget to 2020 budget), with revenues and expenses projected at \$4,226,164 each.

- *Revenue - Benefit Fees.* The Board directed staff to keep the benefit fee budget flat so we do not become overly reliant on a variable income source for operating expenses. Therefore, the benefit fee projection is consistent with 2018 and 2019 budgets at \$1.5 million. The average benefit fee revenue over the past nine years is \$1.5 million (including fiscal year 2018). Any excess benefit fees will be used to strengthen the Council's Reserve Fund, which is used for repair and replacement of existing assets, and the Capital Fund.
- *Revenue -Assessments* are proposed to increase from \$49 to \$52 per month, a 6.1% increase. The monthly assessment is essential for continued investment in the community, preservation of home values, and meeting community needs for programs, activities, amenities, and services.
- *Revenue - Other Sources.* *Advertising* reflects revenue from business listings on the web site. This has increased (from \$4,680 budgeted in 2019 to \$7,080 in 2020) to reflect increased participation. *Community Garden* revenue (\$10,560) is from the lease with the Country Club. Due to more favorable interest rates, *interest income* is projected at \$24,696. Overall, *other*

*revenue* remains consistent year over year and is relatively conservative in nature; for example, we do not budget for 100% participation in events/programs but rather base the projections on actual, historical figures.

- *Expense – Community Centers.* The center budgets increased to reflect the move of the maintenance and custodial staff from the management fee to the community centers. When factoring out that expense, overall the cost of running the community centers increased by approximately 10%, largely due to increase in contract costs and minimum wage impacts.
- *Expense – Contributions.* The transfer into the Reserve Fund increased by 5% to \$248,400. The transfer to Capital is budgeted at \$42,000 (the need is \$55,000 for priority 1 projects).
- *Expense – Management Fee.* The management fee covers shared costs between Ranch Association, Covenant Commission, and Community Council such as office space, security, and personnel. It changed significantly with the movement of the community center janitorial and custodial staff from Ranch Association employees to Council employees, reducing Council's payment to Ranch and increasing personnel and related costs in the Community Center cost centers. The figures in the management fee line are placeholders, as the Covenant Commission contribution is still under evaluation. We anticipate that this line will change.
- *Expense – Contracts.* Last year, we reported that many contracts remained level. However, with the minimum wage increasing, our contractors are no longer able to hold their pricing flat, so we are seeing increases across the board. We are now using State contract purchasing, which in addition to bidding out projects, may lead to some cost savings or stabilization.
- *Expense - Personnel.* Council is a service-oriented organization and therefore personnel is our largest budget category. Personnel headcount remains the same, with exception of moving maintenance and custodial staff from Ranch Association to Council.
- *Expense - Ranch Office Space.* The per square foot amount decreased, but square footage increased. In addition, we modified the allocations between Ranch, Council, and Covenant. Overall, costs increased.
- *Expense - Technology.* Funds are included to increase quality of tech support and to upgrade hardware in order to increase productivity by reducing downtime, as well as improve the Wi-Fi experience for visitors to the Community Centers.
- *Revenue and Expense - Programs & Events.* Expanded programs include a movie series, an additional sunset tour, expansion of the program guides from 2 to 4, and two more lifelong learning programs. Arts & Education, including Playhouse, is funded at the same level as 2019.
  - *Charity Event - Dinner on the Bridge.* This event replaces the Habitat for Humanity event. An exclusive dinner on the bridge at Market Street will create a unique dining experience with funds raised and donated to a to-be-determined charity. This is intended to be a full cost recovery program.
  - *Signature Event Approach.* Our goal is to provide three levels for each signature event that appeal to various demographics. For example, in December, there will be PJs and Pancakes for families/all ages; Holiday Cocktails for adults; and Cookies with Mrs. Claus for the younger crowd. In October, we will host Spooky Carnival for families/all ages; Adult Spooky; and Prickly Pumpkin Patch for children. The cost to produce Eggstravaganza (17% increase), Spooky Carnival (11% increase) and DC Ranch Day (13.6%) reflect increasing costs for food, décor, lighting and shade. PJs and Pancakes remains the same. We will evaluate food options at events throughout 2020.
- *Expense – Reductions.* Public relations, brand management funding, and event and program mailings have been eliminated in 2020. Comedy nights are reduced to two, and game nights are

reduced to two. The rotating specialty events and the Back to School Bash were eliminated. The intern program stipend was also cut.

### **Next Steps**

At the October 24 Budget Meeting, staff will give an overview of the proposed 2020 Operating Fund budget for Council, followed by Board discussion and budget direction. Staff will make final revisions per that direction and will present the final budget at the Board's November 7 meeting for adoption.

### **Attachments**

- 2020 Proposed Operating Budget Spreadsheet



**DC RANCH COMMUNITY COUNCIL  
PROPOSED 2020 OPERATING BUDGET**

*Presented 10/24/19*

<b>COMMUNITY COUNCIL OPERATING FUND</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>20 Budget</b>
<b>DESCRIPTION</b>	<b>BUDGET</b>	<b>Projected</b>	<b>BUDGET</b>	<b>v 19 Projected</b>
<b>Revenue</b>				
Community Council Assessments	1,645,307	1,550,273	1,550,654	95,034
Commercial Assessments	605,280	570,360	570,360	34,920
Builder & Developer Assessments	31,824	15,631	16,856	16,193
Community Council Benefit Fee	1,500,000	1,570,492	1,500,000	(70,492)
Events & Programming	284,949	235,980	260,774	48,969
Management Fee Income	63,168	96,600	96,600	(33,432)
Facility Rental	43,200	41,940	44,000	1,260
Community Garden Revenue	10,560	9,930	150	630
Interest	24,696	10,398	5,640	14,298
Advertising	7,080	7,080	4,680	0
Other Revenue	10,100	11,949	12,020	(1,849)
<b>Total Revenue</b>	<b>4,226,164</b>	<b>4,120,633</b>	<b>4,061,734</b>	<b>105,531</b>
<b>Expense</b>				
Administrative (personnel, office supplies, lease)	857,150	813,141	813,885	44,009
Legal/Audit/Professional Fees	40,450	40,896	48,250	(446)
Public Affairs	7,800	7,412	15,750	388
Special Projects	56,609	17,480	32,730	39,129
Operational Expenses (Office Equip, Supplies, IT, Telephone)	374,228	292,085	290,818	82,143
Permits/License/Taxes	112	100	120	12
Bank Charges/Service Fees	14,400	14,039	14,100	361
<b>Total Administrative Expense</b>	<b>1,350,749</b>	<b>1,185,153</b>	<b>1,215,653</b>	<b>165,596</b>
New Residents and Community Building	40,500	27,577	32,230	12,923
Communications (personnel, PR, brand, Ranch News)	475,190	468,527	477,240	6,663
Community Event & Programs (personnel, food, supplies etc.)	583,840	545,367	563,366	38,473
Recreation Programming	82,175	63,034	77,350	19,141
Charitable Events	189,100	139,350	168,450	49,750
Arts and Education	64,725	61,264	63,275	3,461
<b>Total Communications, Engagement, Events, Programs</b>	<b>1,435,530</b>	<b>1,305,119</b>	<b>1,381,911</b>	<b>130,411</b>
Desert Camp Cost Center	861,337	571,604	589,246	289,733
The Homestead Cost Center	146,475	134,803	145,088	11,672
<b>Total Community Center Expenses</b>	<b>1,007,812</b>	<b>706,407</b>	<b>734,334</b>	<b>301,405</b>
Market Street Park / Paths and Trails	28,155	22,752	36,924	5,403
Seasonal Decorations	64,500	62,859	67,300	1,641
General Reserve Contribution	248,400	236,184	236,184	12,216
Capital Fund Contribution	42,000	24,000	24,000	18,000
Management Fee	25,284	291,890	343,200	(266,606)
Taxes, Interest & Insurance	23,734	21,426	22,228	2,308
<b>Total Other Expenses</b>	<b>432,073</b>	<b>659,111</b>	<b>729,836</b>	<b>(227,038)</b>
<b>TOTAL EXPENSES</b>	<b>4,226,164</b>	<b>3,855,790</b>	<b>4,061,734</b>	<b>370,374</b>
<b>TOTAL REVENUE</b>	<b>4,226,164</b>	<b>4,120,633</b>	<b>4,061,734</b>	<b>105,531</b>
<b>NET SURPLUS/DEFICIT</b>	<b>-</b>	<b>264,843</b>	<b>-</b>	<b>(264,843)</b>