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
Via Zoom:
https://us02web.zoom.us/j/85695824179
November 5, 2020
5:30 p.m.

AGENDA

I.	Call to Order	Bud Kern
II.	Establish Quorum	Bud Kern
III.	Approval of September 17, 2020 Board Meeting Minutes	Bud Kern
IV.	President's Report a. Governance Committee Report b. Consider Appointment of Directors to the Council Nominating Committee	Bud Kern
V.	Staff Reports a. Executive Director Update i. Master Plan Project Update ii. Community Garden Update b. Financial Report – Monthly Financials & Benefit Fee Report c. Public Affairs Update, Including Bell Road Sports Complex	 Jenna Kohl Dee Nortman Chris Irish
VI.	Consider Approval of the 2020 Operating Fund Budget	Jenna Kohl
VII.	Overview of Community Center Resident Access Plan	Beth Overton
VIII.	New Business	Bud Kern
IX.	Adjourn Meeting	Bud Kern

COMMUNITY VALUES

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

Staff Report
November 2020

Finance and Administration

- *Audit Request for Proposals (RFP)*. Director of Financial Operations Dee Nortman is preparing to solicit proposals for audit services. We joint bid this with Ranch Association for efficiency. It is best practice to bid out audit services from time to time. Our current provider has been a strong partner and will be invited to bid.
- *Technology RFP*. Staff will prepare and release a RFP for technology support services in late 2020/early 2021.
- *Master Plan RFP*. The RFP is under review by staff and the Master Plan Committee and is scheduled for release in December. Attached are two posters that reflect the master plan process. Executive Director Jenna Kohl will provide an update at the meeting.
- *Insurance Renewal*. Staff has been working with our brokers/consultants on renewal for both liability/D&O insurance and employee benefit renewals.
- *Meetings*. ED Kohl and Public Affairs Director Chris Irish attended the city of Scottsdale mayoral and candidate forums. They, along with Community Engagement Director Jona Davis, met with the principal of Copper Ridge to discuss current issues. The Executive Director met with the CEO of the McDowell Sonoran Conservancy to talk about the future of the Tour de Scottsdale, and will meet again later in November. Council President Kern, PD Director Irish and ED Kohl joined RA representatives in mid-October for a neighborhood meeting with residents of Desert Parks.
- *Resident Group.* The Resident Group will have their final meeting of 2020 on Dec. 3. to focus on the DC Ranch brand and prepare for 2021.
- *Trail Walks.* ED Kohl, RA Maintenance Services Director Brad Bishop, and Facilities and Recreation Director Beth Overton are conducting path and trail inspection and planning walks in October and November.
- *Board Meetings.* The next regularly scheduled Community Council Board meeting is Jan. 28, 2022.

Events and Programs

- *Virtual Tour de Scottsdale.* The 17th annual Tour de Scottsdale was held virtually from Oct. 12-18. 139 participants registered to ride a 5, 15, 30 or 70-mile ride. The virtual event attracted riders from Arizona, Arkansas, California, Colorado, Nebraska, New Mexico, New Jersey, Pennsylvania, and Washington.
- *Creative Arts Workshop.* 14 socially distanced residents joined Carrie Curran outdoors on the North Patio to paint at sunset on Oct. 20. They enjoyed painting and individually packaged food and beverages while participating in this hands-on Creative Arts Class.
- *Spooky Maze: Wizard of Oz.* The Homestead was converted into a 17-room adventure through the land of Oz. Residents enjoyed an immersive Wizard of Oz experience, as they

wandered down the yellow brick road through each iconic scene movie scene with a few tricks and treats along the way. In an effort to maintain social distancing, residents signed up for time slots on either Oct. 31 or Nov. 1 from 4 to 9 p.m. Most time slots "sold out" and 190 residents attended the experience.

- *DC Ranch Women's Club:* Women continue to meet virtually to connect with each other. In October, the executive chef from Jalapeno Inferno led a virtual guacamole demonstration while half of the women mixed theirs alongside her. After, Jalapeno Inferno owner, Terry Craig, led a virtual discussion about guacamole, business during the pandemic and answered questions. The 3rd Annual Scavenger Hunt is back on Saturday, Nov. 14 for a fun, socially distanced hunt around the community. RSVP is almost full.
- *Spotlight Speakers Series:* The Speakers Series event featuring Sarah Porter was postponed to October. Sarah Porter presented her topic of water challenges in Arizona via Zoom to about 60 attendees. Save the date for the next Speakers Series event: Kevin Cherilla and Kristin Sandquist of K2 Adventures will be discussing "Reaching the Summit" on Wednesday, Dec. 2 at 6 p.m.

Community Engagement

- *Resident Leadership Development Program.* The remaining four sessions were conducted via Zoom Sept. 15 through Oct. 27. In lieu of a ceremony, graduates will pick up their "diplomas" and gift basket on Nov. 17.
- *Living Connected Campaign:* This campaign involves collecting and sharing stories of residents helping neighbors or the greater community during the outbreak. The website is updated with volunteer opportunities to donate and give back to the greater community each week.
- *Anniversaries:* In October, Devin Haggerty marked her five-year anniversary with the Community Council.
- *DC Ranch Gives:* On World Kindness Day, Nov. 13, Harvest Compassion Center will be outside The Homestead between 9 a.m. to noon to collect non-perishable food, hygiene items and gently used clothing for local Phoenicians in need at the drive-thru Donation Drive. Residents will safely and easily drop off donations without leaving their car.
- *New Resident Welcome*: Neighborhood Voting Members and community volunteers continue to welcome new residents virtually each month. Plans to begin welcome basket deliveries are in discussion to resume late this year or early next year. New residents that moved to DC Ranch in 2020 will receive an email in November with an update on Sunset Tours for 2021 to be accommodated since most 2020 tours were cancelled.

Communications

- *Website Redesign Project*: Fervor Creative was selected as the agency to refresh the DC Ranch website. We had a kick-off meeting on Mon., Oct. 26 where we answered several questions for the Fervor team and discussed ideas and strategies for how the website can best serve residents and other users. We expect to see the first sitemap and design presentation in November. Completion and launch are scheduled for March 2021.
- *Podcast*: Shoop Media has selected DC Ranch resident Ben Cruz to host the new podcast. The launch is expected to happen in November with an episode that will outline the goal of the podcast and give an overview of upcoming topics that guests will discuss.

- *Digital Signage*: The new video displays have been installed at Desert Camp and The Homestead. We will soon begin creating and publishing "digital billboards" on those monitors to promote upcoming events and DC Ranch initiatives.
- *Live Streaming*: In Sept. the Board authorized spending for equipment to enable live streaming from The Homestead. CCS Presentation Systems (the vendor who supplied the current audio/visual system at The Homestead) met with DC Ranch staff at The Homestead to discuss adding a camera and microphones to the current configuration so that we will be able to provide high-quality live video streaming of fitness classes, events and board meetings. However, the company delivered a bid that put the cost higher than anticipated. We are reevaluating the program and plan to update the Board in Q1 2021.
- *Text Messaging*: The vendor for this project is Engage by Cell. This will be a joint project between the Community Council and Ranch Association. Text messaging will give us another platform to get important information to residents who we are not reached by email, newsletters and other publications.
- *Bell Road Sports Complex*: Now that The City of Scottsdale has updated design plans and information for this project, we have begun a new effort to let residents know via email that they still have time to provide feedback on the project.
- *Adobe MAX — The Creativity Conference:* Due to COVID-19, this conference was virtual this year and available at no cost. Staff members Elizabeth Dankert and Jules Everson attended sessions during the week of Oct. 19. They said it was very informative and they obtained valuable ideas to improve workflow.
- *Volunteer Appreciation Video:* Staff member Jules Everson is using his video editing skills to work with Devin Haggerty and Mike Gertzman to produce a video that will honor those who were recognized as a Volunteer of the Year.

Facilities

- *Community Center Reopening:* Staff continues to modify the facilities reopening plan per federal and state benchmarks, criteria and guidelines. Facilities remain in the "moderate" phase of reopening with limited access, mandatory masks and gym reservations. Desert Camp is open with modified capacity and limited hours per the state's requirements for Indoor gyms and Fitness Clubs/Centers. Except for fitness classes, The Homestead remains closed. In person and virtual fitness classes began in October and run Monday through Thursday mornings. Staff assists with registration, drop-in, setup, cleanup, etc. The Homestead splash pad, basketball court, restrooms (exterior key fob access only) and covered playground are open.
- *Community Center Access:* Seasonal residents are returning. Staff are seeing an increase in visits to Desert Camp, averaging 70+ residents per day. Demand for the fitness room is up with 601 reservations in September and 593 through Oct. 25. Three residents per hour are allowed due to the size of the area. Peak usage times are full with an average of 3 on the wait list. Staff completed 111 COVID waivers in September and 158 through Oct. 25 bringing the total to 1,306. Staff have completed an additional 151 facility waivers for new and first-time residents in September and October bringing the total to 552. Work from home and virtual school visits continue to fill the multiuse space. Main and toddler pool activity continue at an all-time high with temperatures remaining over 100 degrees. Staff

continue to provide a service-focused atmosphere to residents by welcoming, assisting with court reservations, program registration, and the implementation of programs and events at both community centers.

- *Community Center Updates:* The tennis court resurface and basketball repaint projects are complete. Staff is finalizing plans for the remaining reserve and capital projects that include pickleball court fencing and shading at Desert Camp and concrete pad replacement and playground surface maintenance at The Homestead in December.
- *Path and Trail:* Seven route maps highlighting Desert Camp, Country Club, Silverleaf and the Desert Park Villages are complete. Residents will have access to these on our website and by stopping by Desert Camp community center for a copy (see attached sample). Four high traffic crosswalks have been painted along the path and trail system (see attached photos).
- *Maintenance and Custodial:* Staff selected SwimRight Pool Service and Repair to take over the pool vendor and splash pad maintenance contract resulting in a 13% monthly savings. aintenance and custodial staff remain on site and continue to detail and clean both community centers and gate houses.

Recreation

- *Fitness Classes:* In October, in-person fitness classes at The Homestead resumed under new guidelines to ensure health and safety. Yoga Basics on Tues./Thurs. had 12 registrants for the month and 5 drop-in users. Strength & Balance on Mon./Wed. had 10 registrants for the month. In addition, 14 residents registered for our virtual fitness playlists featuring classes recorded from the summer Zoom classes.
- *New Outdoor Health and Wellness:* This month 3 new outdoor classes were rolled out for those hesitant to resume indoor fitness. Total Body Aqua Fit at the Desert Camp pool filled quickly with a max of 12 residents. Saturday Bootcamp has 14 registrants that meet each weekend on the Desert Camp basketball courts. Finally, Sunset Meditation, also full at 15 residents, started last week on The Homestead lawn. Feedback has been positive, and we will seek to bring back popular outdoor classes seasonally.
- *Food Truck Night:* October's food truck event featured Aioli Gourmet Burgers. Over 120 people came out to order food to go or enjoyed their meals on the lovely north patio at Desert Camp.
- *TGIF Tweens:* On Friday Oct. 16, 20 tweens attended the outdoor (sold out) Laser Tag event at The Homestead. Youth had a blast playing in the laser tag arena created by our vendor on the basketball court and playing on the playground. Every participant received a prize, prepackaged meal, and dessert.
- *Grapenuts:* 22 residents joined us on the North Patio for an evening of wine under the stars. Resident speaker Peter Antoniou donated wine from his Wine Ambassador club and talked in depth about the wines tasted. In addition, they played wine trivia and 4 residents got to take home a bottle as a prize.

Public Affairs

- *FAA/Sky Harbor NextGen:* The FAA requested another extension, moving the City's opening brief due date to January 2021.
- *Bond Project 53, Bell Road Sports Complex:* The project is moving through the city planning process, with final City Council approval expected in early December. Residents continue to

be informed of opportunities to provide input to the City. The Community Council has and will submit comments as appropriate.

- *Census:* The Census completed in October.
- *State Land:* Two parcels of State Land near WestWorld are slated for auction on Dec. 28. The City plans to bid on both parcels. One is the land that would be used for the city to build five additional sports fields funded in the 2019 Bond (private land would need to be added for three more fields) and the other land would be used for WestWorld parking. Also, a State Land parcel in the Crossroads East area will also go to auction in Dec. (north of 101 and east of Scottsdale Road).
- *SUSD land:* Chris and Jenna will meet with the new SUSD Superintendent in November. The MOU, for possible use of their land, is good through 9/2021. We will mention the possibility that an extension may be needed.
- *Construction within DC Ranch:*
    - *ICON* – In September, a Trustee Sale was held and ownership of the vacant land was returned to Sterling Collection, LLC which is led by Larry and Nathan Day. This father-son team have completed many successful projects in DC Ranch to include Sterling Villas and custom homes in Arcadia at Silverleaf. Sterling Collection, LLC is currently assessing all options to successfully complete the project.
    - *DC Ranch Crossings* - This popular DC Ranch commercial center at Pima Road and Legacy Boulevard is set to expand in 2021. The area slated for new buildings is a triangular-shaped piece of land on the north side of Legacy Boulevard. Up to three buildings are planned. Entrance into the stores/businesses will be at the traffic light on Legacy and 91st Street with an extension into the to-be-developed area.
    - *DC Ranch Corporate Center* – This area, in the southern portion of DC Ranch, consists of 18 lots that are zoned I-1, which is industrial/office use and includes warehousing. Eight of the lots are already built on and four are currently under construction. One lot is in the design review stage and will be used as office and warehouse space for Fetzer Surgical, who is moving their operations from Illinois to Scottsdale.
    - *New Residential Lots* – A new five-lot subdivision is planned on the north side of Legacy Blvd. adjacent to The Villas at Desert Park Village. Access into the property will be from Union Hills. The smallest of the five lots is more than double the size required under its R1–7 zoning. The developer, Insight Land & Investments plans to announce a partnership with a homebuilder before the end of the year.

DC RANCH
MASTER PLAN

THE PROCESS

The DC Ranch Community Council Master Plan Committee, which includes residents, staff and a board member, is developing a plan for proposed enhancements to DC Ranch amenities. This plan is based on a significant body of input provided by DC Ranch residents over several years. Residents will continue to have community engagement opportunities throughout the phases.

Phase I

- DCR2020 Strategic Plan
- Master Plan Initiative
- Master Plan Committee formed
- Review resident data
- Establish priorities

Phase II

- Select an architecture firm — **WE ARE HERE**
- Create conceptual plans
- Develop costing models
- Community engagement
- Plan refinement
- Board approval

Phase III

- Implementation (3-5+ years out)

Follow the progress at DCRanch.com/MasterPlan

DC Ranch®

DC RANCH
MASTER PLAN

A VISION FOR PROGRESS

Addressing capital needs in a sustainable, financially responsible and thoughtful fashion is essential to remaining a vibrant and relevant community that is prepared to serve current and future generations of residents.

The Master Plan Committee has identified four immediate priorities and eight amenities for future consideration.

Priorities

Future consideration

Follow the progress at DCRanch.com/MasterPlan

DC Ranch®

DC Ranch Path and Trail Challenge

Week 3: Nov. 2-8

**Along the path, keep an eye out for the photo opportunities listed on the map.
Each photo opportunity you complete is worth 1 entry into the raffle.**

At the end of the hike, email your photos, your name, and the names of any other resident you were hiking with to recreation@dcranchinc.com to be entered into the raffle.

Tips to stay safe

Watch the weather
Check the weather before you head out. There is a heat warning in effect April to October. Hike in the early morning or evening when it's cooler.

Dress appropriately
Wear hiking or athletic shoes, a hat and sunscreen. Loose fitting clothing may get stuck or caught on desert vegetation.

Bring water
Hydrate before you leave. Bring plenty of water with you. Turn around and head back before your water is halfway gone.

Keep in contact
Carry a cell phone and tell someone where you are going and when you expect to return.

Be a courteous and cautious pet owner
Dogs must be kept on a leash. Please clean up after them. Be mindful of the heat.

Don't trailblaze
Stay on the designated paths and trails. Respect the desert plant life. Do not pick wildflowers.

Respect the wildlife
Never approach or feed wildlife. Observe quietly from a distance.

The Path and Trail System is shared use

All of the routes are shared use for hiking and biking. Be considerate of other path and trail users. If you are biking, control your speed at all times.

Route Surfaces and Ratings

Paths: Paved, wide and flat neighborhood sidewalks and pathways that connect parks and community landmarks. These are bicycle- and stroller-friendly. Use these paths to comfortably explore the neighborhoods and community.

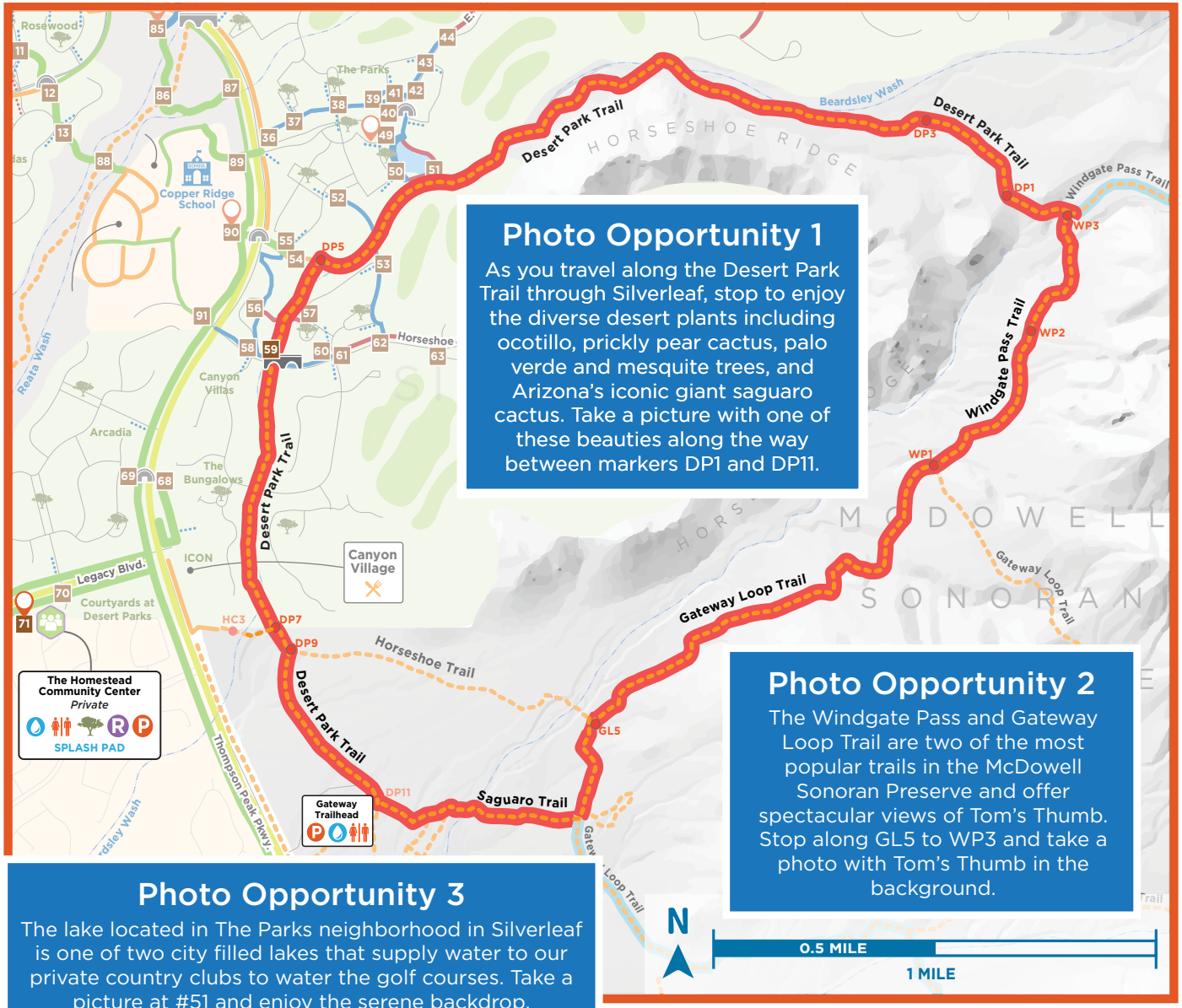
Trails: Unpaved, sometimes narrow and uneven, natural trails and wash corridors. These are all-terrain bicycle- and walker-friendly.

Rating	Surface	Obstacles/Steps
Easy	Paved	None
Moderate	Paved/Natural	Rocks < 1/2" diameter / Steps <7"
Moderately Difficult	Paved/Natural	Rocks 1/2-2" diameter / Steps 7-12"
Difficult	Paved/Natural	Rocks 2"+ diameter / Steps 12"+

The trail ratings take into account distance, surface and elevation. Ratings will vary based on the user's hiking experience and fitness level. During the hotter months when the temperature and or humidity is high, trails will be rated at least one level higher.

This map is intended for use by DC Ranch residents and their guests. Unauthorized reproduction or distribution is prohibited. Residents and their guests utilizing the path and trail system do so at their own risk. For your safety and the safety of other path and trail users, please follow posted regulatory and directional signage.

DC Ranch®
Path and Trail System



5.5 mi. DC Ranch/McDowell Sonoran Preserve Route

Legend

- DC Ranch Property
- Neighboring Communities
- Selected Route
- Path *(Public)*
- Path *(DC Ranch residents & guests only)*
- Trail (Public)
- Trail *(DC Ranch residents & guests only)*
- City of Scottsdale Trail
- Maricopa Trail
- Neighborhood Path *(Public)*
- Neighborhood Path *(DC Ranch residents & guests only)*
- Neighborhood Trail *(DC Ranch residents & guests only)*
- Wash
- Street w/Bikelanes
- Street
- Kiosk and Pedestal Maps
- Path Underpass
- Bridge
- Fire Station
- Police Station
- Drinking Fountain
- Restrooms
- Parking
- Stores
- Restaurants
- 26 DC Ranch Emergency Marker
- DP1 City of Scottsdale Trail Emergency Marker
- Community Center
- Recreation Facility
- Park
- Golf Course

ROUTE RATING: Difficult
SURFACE: Trail (natural surface) and Path (paved)
ROUTE DESCRIPTION: This route provides a great hiking experience and features the unique setting of the McDowell Sonoran Preserve. The route follows Preserve trails located within DC Ranch and the City of Scottsdale Preserve properties. It is fairly challenging due to distance, elevation change and uneven rocky terrain. It also provides access to Gateway Trailhead which is a convenient connector to the 225 miles of trails within the Preserve and the 315-mile Maricopa Trail, linking major regional and municipal parks in and around the Phoenix Metro Area.

DC Ranch®
Path and Trail System

STOP

DC Ranch Community Council

To: DC Ranch Community Council Board of Directors

From: Beth Overton, Facilities and Recreation Director

Date: 11/5/2020

Copy: Jenna Kohl, Executive Director

Subject: *DC Ranch Community Garden Update*

Update

Per the Board's direction to pursue an alternative to retiring the DC Ranch Community Garden (Garden) from service at the completion of the term lease June 30, 2021, Facilities and Recreation Director Beth Overton and Food and Beverage Director and Executive Chef Rene Lenger of The Silverleaf Club (Silverleaf) have been discussing a Participation Agreement where Silverleaf will use the Garden to grow vegetables for a farm to table dining experience at Silverleaf.

Chef Lenger has agreed to pay a monthly plot fee of $880. Annual fees will total $10,560. Additionally, Silverleaf staff will provide maintenance and landscape including parts and labor to maintain the garden plots and surrounding paths and area.

Director Overton has contacted SUSD legal counsel to begin process of extending the term of the lease one year to June 30, 2022. DCRCC will continue to pay the annual lease fee with SUSD; maintain the shed, furniture and shades per our reserve maintenance schedule and cover incidental costs. Estimated costs are nominal (see attachment A).

Director Overton will move forward with Chef Lenger and Silverleaf and complete a Participation Agreement based on SUSD's current lease term and anticipated extension.

Director Overton will work with the Communications Team to provide an update in the Ranch News regarding the partnership with Silverleaf highlighting the farm to table and positive impacts on the community.

Staff will be prepared to answer any questions at the Board meeting.

Attachment A

Expenses (Dec 1, 2021 to June 30, 2022)

- SUSD lease fee = $665 ($35 month)
- Contingency (misc. maintenance not covered by CCDCR) = $950 ($50 month)
- Anticipated Reserve 2021/22 = $0 (Assets are in good standing and deferred to future years)

Total Expense = $1,615

Revenue (Dec 1, 2021 to June 30, 2022)

- Silverleaf Annual Lease Fees = $16,720 ($880 month)

Net Profit = $15,105 ($795 month)

DC Ranch Community Council
Financial Highlights – Director Analysis
for period ending September 30, 2020

Summary by Fund - YTD

	Operating	Reserve	Capital	Total CC
Revenue	$ 3,565,283	$ 6,452	$ 6,058	$ 3,577,793
Expenses	2,427,671	100,591	55,616	2,583,878
Operating Income/(Loss)	**$ 1,137,612**	**$ (94,139)**	**$ (49,558)**	**$ 993,915**
Depreciation	-	-	26,592	26,592
Total Income/(Loss)	**$ 1,137,612**	**$ (94,139)**	**$ (76,150)**	**$ 967,323**
Transfers In/(Out)	(763,400)	386,300	377,100	-
Total Surplus/(Deficit)	**$ 374,212**	**$ 292,161**	**$ 300,950**	**$ 967,323**

Revenue

Operating revenue for September totaled $439k, higher than budget by $174k (66%). Year-to-date revenue is favorable to budget by $570k (19%). Significant variances to budget include:

- Community Benefit Fees came in $173k (287%) higher than forecast for September, resulting in a $591k revenue surplus YTD.
- Covenant Commission Reimbursement for shared expenses (management fee) is $95k higher than budget YTD. This will cumulatively be the case for the remainder of the fiscal year. When the budget was approved, the partnership between Covenant Commission and Community Council had not yet been finalized. As such, the budget does not reflect the shared expenses between organizations.
- Programming and facility rentals have been lower than budget by approximately $44k due to the cancellation of programs and the temporary closure of the community centers and suspension of the rental program, in response to the COVID-19 pandemic. Conversely, the reduction in expenses normally incurred to run these programs have resulted in a corresponding cost savings.
- The new charitable event scheduled for this year (Desert Affair) was also cancelled resulting in a revenue loss of $50k, but is offset by expense savings of $49k.

Expense

Operating expenses for September came in $537k more than budget, with year-to-date expense $205k higher than budget. Notable variances include:

- The most significant reason for the higher expense in September is the Board approved transfer of operating funds to the reserve and capital accounts, for which $200k was moved to reserve and $346k was moved to capital.
- Personnel costs are a net $9k lower than estimated in the budget YTD. Included in this amount are the additional expenses for the Covenant Commission staff, which are part of the management fee. There is a savings in personnel costs of $45k in other departments YTD.

- Management Fee expenses are over budget YTD by $9k and will cumulatively be the case for the remainder of the year – see explanation above in the Revenue section.
- There is a cumulative net savings of $343k YTD across all departments. Due to the unique circumstances with the pandemic this year, it remains to be determined what part of the savings is due to timing (will be spent before year end) and what amount will result in a surplus for the year due to the impact of Coronavirus. Material savings amounts by department are as follows:
    - Administration - $43k savings in Legal/Professional Fees, Public Affairs and Special Projects and Employee Relations (ex. meetings, seminars etc.).
    - Communications/Community Engagement - $34k savings in Collateral Printing/Postage and Community Relations.
    - Community Center Operations - $62k savings in various supplies and services related to facility maintenance.
    - Programming – $143k in savings due to the cancellation of events, clubs and classes.
    - Charitable Events - $49k savings due to the cancellation of Desert Affair (new event in 2020).
    - Paths & Trails - $6k savings in supplies and projects.
- Interest expense of $1,528 was paid during the process of returning the Payroll Protection Program (PPP) loan funds.

Balance Sheet/Cash Flow

- Operating cash on hand is equal to 5.92 months as of 9/30/20. Operating cash decreased by approximately $736k in September, primarily due to $545,600 in transfers to the reserve and capital funds, as well as the return of the PPP loan funds in the amount of $340k.
- The Note Payable was removed, due to the return of the PPP funds, since the terms of the loan was satisfied.
- There are $1.65 mil in capital funds and $1.76 mil in reserve funds. Reserves are currently 91.83% funded.
- The amount in Capital Fund–Current Projects represents the amount of funds remaining to complete Board approved projects.

Looking Forward

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

Month	Currently in escrow	Budgeted Benefit Fees
October 2020	$425,047	$131,642
November 2020	$162,071	$177,164

Community Council continues a positive financial position through September with a $374k favorable variance to the operating budget, even with the additional transfers to the reserve and operating funds. Community Benefit Fees and expense timing/savings are the main drivers for this number so far this year.

DC Ranch Community Council
Statement of Revenue and Expense
For the month and YTD ended
September 30, 2020

	SEPTEMBER ACTUAL	SEPTEMBER BUDGET	BUDGET VARIANCE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	2020 BUDGET
REVENUE							
Community Benefit - Transfer Fee	$ 232,947	$ 60,171	$ 172,776	$ 1,693,298	$ 1,102,311	$ 590,987	$ 1,500,000
Residential Assessments (2,688 units)	141,388	139,776	$ 1,612	1,261,624	1,257,802	3,822	1,677,131
Commercial/Apartment Assessments (970 Commercial units)	50,440	50,440	-	453,960	453,960	-	605,280
Charitable Events (Dinner in the Desert / Tour de Scottsdale)	(350)	-	(350)	(1,595)	50,000	(51,595)	192,000
Event/Club/Class Registrations	1,275	5,854	(4,579)	16,333	34,939	(18,606)	54,379
Community Center Rentals	-	3,000	(3,000)	10,438	26,200	(15,763)	43,200
Other (Interest, CFD from city, processing fees, misc.)	544	3,258	(2,714)	16,618	33,172	(16,554)	46,796
Arts/Education Program Registrations/Ticket Sales	150	1,025	(875)	5,167	22,980	(17,813)	26,570
Covenant Commission Expense Reimbursement	10,600	-	10,600	95,400	-	95,400	-
Advertising (website)	720	-	720	6,120	5,640	480	7,080
Community Garden Leases	880	880	-	7,920	7,920	-	10,560
TOTAL REVENUE	**$ 438,594**	**$ 264,404**	**$ 174,190**	**$ 3,565,283**	**$ 2,994,924**	**$ 570,359**	**$ 4,162,996**
EXPENSE							
Administrative (office rent, phones, IT, admin staff)	$ 99,261	$ 99,886	$ (625)	$ 943,803	$ 938,489	$ 5,314	$ 1,250,429
Community Center Operations (utilities, upkeep, center staff)	77,897	84,875	(6,978)	649,652	750,952	(101,300)	1,006,257
Events/Clubs/Classes (instructors, supplies, rentals, catering, planning staff)	33,954	36,730	(2,776)	350,230	456,340	(106,110)	665,860
Communication/New Residents (website, newspaper, merchants, tours, staff)	38,762	41,385	(2,623)	357,287	392,235	(34,948)	514,900
Management Fees (reimbursement to Ranch Association)	1,275	298	977	11,475	2,682	8,793	3,576
Charitable Events (Dinner in the Desert / Tour de Scottsdale)	535	-	535	1,887	50,000	(48,113)	189,100
Seasonal Decorations (supplies, storage, labor)	7,254	-	7,254	38,301	39,000	(699)	64,500
Arts and Education Programs (instructors, supplies, rentals)	559	3,020	(2,461)	13,384	53,880	(40,496)	64,725
Employee Relations and Training (mileage, conferences, dues, uniforms)	937	4,625	(3,688)	27,986	46,860	(18,874)	61,360
Market Street Park / Paths and Trails (utilities, upkeep)	4,629	3,950	679	13,500	19,845	(6,345)	28,155
Insurance & Taxes (Interest)	3,342	1,932	1,410	20,165	17,888	2,277	23,734
TOTAL EXPENSE	**$ 268,405**	**$ 276,701**	**$ (8,296)**	**$ 2,427,671**	**$ 2,768,171**	**$ (340,500)**	**$ 3,872,596**
NET OPERATING INCOME/(LOSS)	**$ 170,189**	**$ (12,297)**	**$ 182,486**	**$ 1,137,612**	**$ 226,753**	**$ 910,859**	**$ 290,400**
TRANSFERS IN/OUT							
Reserve & Capital Fund Contributions (Transfer Out)	569,800	24,200	545,600	763,400	217,800	545,600	290,400
NET SURPLUS (DEFICIT)	**$ (399,611)**	**$ (36,497)**	**$ (363,114)**	**$ 374,212**	**$ 8,953**	**$ 365,259**	**$ -**

DC Ranch Community Council, Inc.
Balance Sheet Comparison Report
As Of 9/30/2020

	Balance 9/30/2020	Balance 12/31/2019	Change
Assets			
Cash			
111025 - BOK Operating Cash - Council	$2,052,461.68	$1,338,659.93	$713,801.75
119000 - Petty Cash	$710.30	$700.00	$10.30
Cash Total	$2,053,171.98	$1,339,359.93	$713,812.05
Capital Fund			
112100 - BOK Capital Fund - Council - Current Projects	$130,013.20	$68,826.52	$61,186.68
112150 - BOK Capital Fund - Council - Savings	$1,524,790.84	$1,258,435.29	$266,355.55
Capital Fund Total	$1,654,804.04	$1,327,261.81	$327,542.23
Reserve Fund			
129420 - BOK Reserve Fund - Council	$1,761,740.11	$1,469,579.37	$292,160.74
Reserve Fund Total	$1,761,740.11	$1,469,579.37	$292,160.74
Accounts Receivable			
141200 - Accounts Receivable - Residential Assessments	$10,678.00	$4,942.75	$5,735.25
141300 - Accounts Receivable - Benefit Fees	$37,687.00	$15,800.00	$21,887.00
141400 - Accounts Receivable - Event Brite	$0.00	$874.98	($874.98)
142000 - Accounts Receivable - Other	$0.00	$6,592.92	($6,592.92)
144500 - Commercial Assessments Receivable	$13,260.00	$1,127.00	$12,133.00
144900 - Allowance for Bad Debt	($1,354.29)	($1,354.29)	$0.00
159000 - Accounts Receivable Clearing Account	$0.00	$0.00	$0.00
Accounts Receivable Total	$60,270.71	$27,983.36	$32,287.35
Prepaid Expenses			
135000 - Due From Check Front	$0.00	$0.00	$0.00
151000 - Prepaid Insurance	$9,354.63	$8,859.38	$495.25
151500 - Prepaid Expense - Programs & Events	$34,812.63	$6,028.02	$28,784.61
151700 - Prepaid Expense - Charitable Events	$4,901.89	$0.00	$4,901.89
151800 - Prepaid Expense - Arts & Education	$96.00	$1,740.00	($1,644.00)
152000 - Prepaid Utilities	$0.00	$0.00	$0.00
153000 - Prepaid Expense - Postage	$565.35	$732.11	($166.76)
154000 - Prepaid Expenses	$12,251.60	$240.00	$12,011.60
Prepaid Expenses Total	$61,982.10	$17,599.51	$44,382.59
Intercompany Receivable			
131000 - Due From Covenant Commission	$0.00	$0.00	$0.00
133000 - Due From DC Ranch Association	$600.00	$57,454.30	($56,854.30)
Intercompany Receivable Total	$600.00	$57,454.30	($56,854.30)
Property and Equipment			
171000 - Furniture & Fixtures	$165,918.57	$165,918.57	$0.00
172000 - Property & Equipment	$191,471.23	$191,471.23	$0.00
172500 - Leasehold Improvement - Community Garden	$137,041.53	$137,041.53	$0.00

DC Ranch Community Council, Inc.
Balance Sheet Comparison Report
As Of 9/30/2020

	Balance 9/30/2020	Balance 12/31/2019	Change
Assets			
174000 - Homestead Remodel & Capital Improvement	$121,771.49	$121,771.49	$0.00
175000 - Desert Camp Remodel Capital Improvement	$98,372.58	$98,372.58	$0.00
179000 - Accumulated Depreciation	($534,894.09)	($508,302.17)	($26,591.92)
Property and Equipment Total	$179,681.31	$206,273.23	($26,591.92)
Other			
162000 - Interfund Transfer - From Operating Fund	$0.00	$0.00	$0.00
162050 - Interfund Transfer - To Capital Fund	$0.00	$0.00	$0.00
Other Total	$0.00	$0.00	$0.00
Assets Total	$5,772,250.25	$4,445,511.51	$1,326,738.74
Liabilities and Equity			
Current Liabilities			
210000 - Accounts Payable	$35,880.77	$80,060.99	($44,180.22)
211000 - Insurance Payable	$0.00	$0.00	$0.00
212000 - Payroll / Month End Accrual	$139,517.65	$90,937.79	$48,579.86
213000 - Accrued Expenses	$0.00	$0.00	$0.00
216000 - Insurance Claim Payable	$0.00	$0.00	$0.00
220000 - Prepaid Assessments	$21,164.00	$68,676.00	($47,512.00)
220500 - Deferred Revenue - Prepaid Event Registration	$1,870.00	$0.00	$1,870.00
221500 - Deferred Revenue - Prepaid Facility Rental	$0.00	$7,620.00	($7,620.00)
221600 - Deferred Revenue - Deposit Facility Rental	$0.00	$3,805.00	($3,805.00)
222000 - Section 125 Liability	$1.83	$426.64	($424.81)
Current Liabilities Total	$198,434.25	$251,526.42	($53,092.17)
Intercompany Payable			
231000 - Due to Covenant Commission	$0.00	$9,752.68	($9,752.68)
233000 - Due to DC Ranch Association	$0.00	$0.00	$0.00
Intercompany Payable Total	$0.00	$9,752.68	($9,752.68)
Capital and Reserve Equity			
311000 - Capital Equity	$1,513,697.21	$1,413,286.40	$100,410.81
320100 - Reserve Equity	$1,489,417.20	$1,380,175.85	$109,241.35
Capital and Reserve Equity Total	$3,003,114.41	$2,793,462.25	$209,652.16
Long-Term Liabilities			
251000 - Note Payable - PPP Funds	$0.00	$0.00	$0.00
Long-Term Liabilities Total	$0.00	$0.00	$0.00
Retained Earnings	$1,603,378.57	$1,272,971.41	$330,407.16
Net Income	$967,323.02	$540,059.32	$427,263.70
Liabilities & Equity Total	$5,772,250.25	$4,867,772.08	$904,478.17

DC RANCH COMMUNITY COUNCIL
STATEMENT OF CASH FLOWS
MONTH OF SEPTEMBER 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (deficit) for period	$ 145,989
Adjustments to reconcile net income (deficit)	
Accounts receivable	(19,271)
Prepaid insurance	863
Prepaid programs and expense	(659)
Prepaid expenses	348
Intercompany Receivable	(600)
Accounts payable	3,679
Accrued payroll expenses	14,900
Deferred revenue - facility rentals	-
Prepaid assessments	2,808
Prepaid event registration	705
Note payable	(339,600)
Transfer of funds from Cash to Reserve/Capital Accounts	(545,600)
Other liabilities	224
NET CASH FROM OPERATING ACTIVITIES	(736,214)
CASH, BEGINNING OF PERIOD	2,789,386
CASH, END OF PERIOD	$ 2,053,172

ADDITIONAL INFORMATION - OPERATING FUNDS REQUIREMENTS:

Per Board policy, operating funds should be between three months and six months of average budgeted annual operating expenses.

Number of months budgeted expenses in cash, end of period: ***5.92***

Total 2020 operating budget expenses	$ 4,162,996		
MINIMUM - Average of three months	$ 1,040,749		
		Amount over minimum	Amount under minimum
		$ 1,012,423	N/A
MAXIMUM - Average of six months	$ 2,081,498		
		Amount over maximum	Amount under maximum
		N/A	$ 28,326

DC Ranch Community Council

Resale Benefit Fee Trend - September 2020

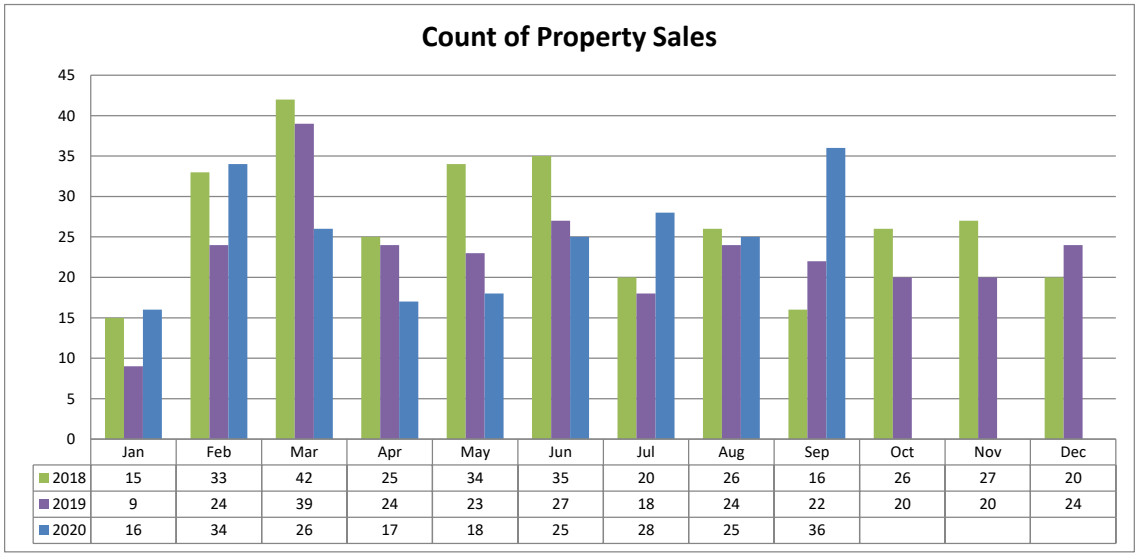
Resale Benefit Fee								
Month		2018 Actual	2019 Actual	In Process	2020 Actual	2020 Budget	Budget Variance	Change from Prior Year
Jan		$ 95,098	$ 77,187		$ 93,563	$ 97,919	$ (4,357)	$ 16,376
Feb		256,655	201,978		284,943	104,046	180,897	82,965
Mar		325,277	240,099		215,236	165,081	50,155	(24,863)
Apr		174,139	160,733		138,243	135,512	2,731	(22,491)
May		321,167	134,839		83,883	165,619	(81,737)	(50,957)
Jun	***	243,270	217,543		251,064	139,094	111,970	33,521
Jul		91,893	118,113		185,835	130,433	55,402	67,722
Aug		141,858	133,747		207,587	104,436	103,151	73,840
Sep		115,775	98,697		232,947	60,171	172,776	134,250
Oct		195,948	137,713	425,047		131,642	(131,642)	(137,713)
Nov	*	424,955	160,508	162,071		177,164	(177,164)	(160,508)
Dec	**	95,424	292,800	52,380		88,883	(88,883)	(292,800)
Annual Total		**$ 2,481,459**	**$ 1,973,957**	**$ 639,498**	**$ 1,693,298**	**$ 1,500,000**	**$ 193,298**	**$ (280,659)**

** The November 2018 benefit fee amount includes a fee of $260,000 from the sale of Desert Parks Vista Apartments.*

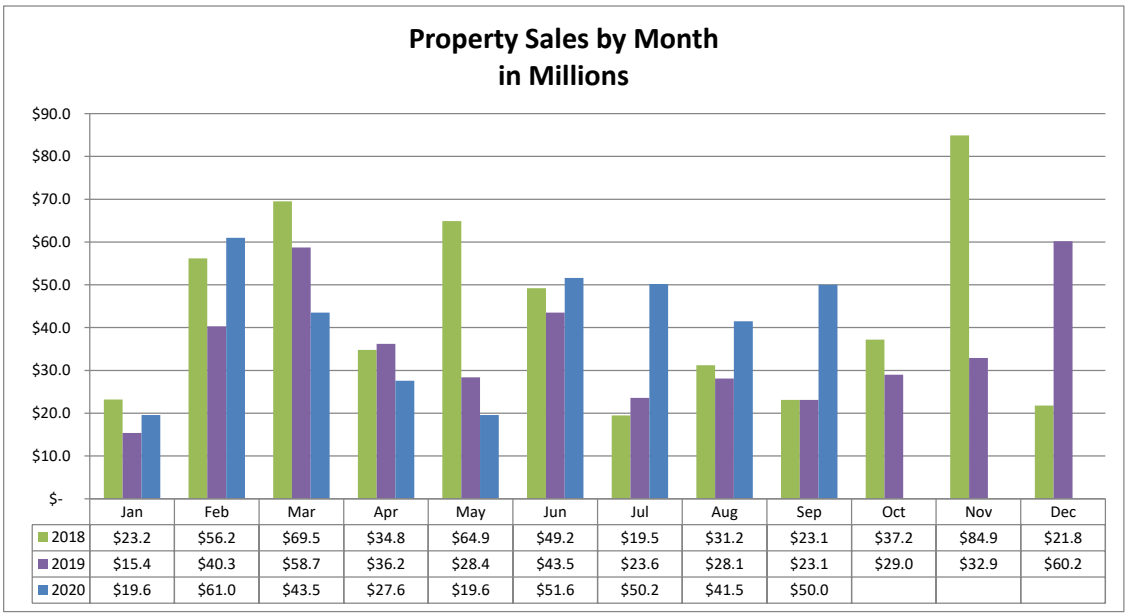
*** The December 2019 benefit fee amount includes a fee of $102,500 from the sale of corporate center property.*

**** The June 2020 benefit fee amount includes a fee of $110,000 from the sale of commercial property.*

Property Sale Breakdown				
Location	September	YTD	Average Price	YTD Average
Desert Parks Village - House	8	50	791,238	807,289
Desert Camp Village - House	16	65	1,021,213	894,813
Country Club - House	1	30	1,700,000	1,715,550
Silverleaf - House	6	56	2,724,550	2,768,226
Silverleaf - Land	5	18	1,860,815	1,490,238
Commercial	-	5	-	6,035,000
Total/Average	36	225	1,389,464	1,620,728



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	15	33	42	25	34	35	20	26	16	26	27	20
2019	9	24	39	24	23	27	18	24	22	20	20	24
2020	16	34	26	17	18	25	28	25	36			



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	$23.2	$56.2	$69.5	$34.8	$64.9	$49.2	$19.5	$31.2	$23.1	$37.2	$84.9	$21.8
2019	$15.4	$40.3	$58.7	$36.2	$28.4	$43.5	$23.6	$28.1	$23.1	$29.0	$32.9	$60.2
2020	$19.6	$61.0	$43.5	$27.6	$19.6	$51.6	$50.2	$41.5	$50.0			

DC Ranch Community Council

To: DC Ranch Community Council Board of Directors

From: Jenna Kohl, Executive Director
Dee Nortman, Director of Financial Operations

CC: Jona Davis, Beth Overton

Date: 10/30/2020

Subject: *2021 Operating Budget for Consideration and Approval*

Recommendation

Staff recommends that the Board approve the 2021 Operating Fund Budget as proposed.

Overview

The DC Ranch Community Council team presents for the Board's consideration a balanced budget with no increase in assessments that continues to fund quality programs and services for our community.

The budget, balanced at $4,412,661, is crafted around Board direction, core services, prior years' experience, strategic plans, resident input, DCR2020, staff initiatives, and Reserve requirements.

The focus for 2021 is innovation in times of change due to the pandemic and other factors; quality over quantity; and reevaluating and reinventing how we provide services and programs that consider our current environment as well as resident needs and interests. There are very few additional programs (funding and resources are just not available); rather, we are dedicating funds to reimagine and improve existing and popular programs. An overview is provided below and attached are slides from the Oct. 22 Budget Workshop with more detail.

Revenues. Overall, revenues are projected to increase 6% (2020 budget to 2021 budget).

- *Assessments* remain the same as 2020 at $52 per month per unit.
- *Benefit Fees* remain at $1.5 million, consistent with 2018, 2019 and 2020. This reflects the Board's directive to keep the benefit fee budget flat, so we do not become too reliant on a variable income source for operating expenses, and to build funds for large capital projects.

- *Management Fee* revenue is at $263,520, a net increase of $151,000 over 2020. This is due to changes in the management fee calculations and in anticipation of Covenant Commission's ability to pay their share of expenses.
- *Facility Rental*s are projected to decrease by 70%, from approx. $56,000 to $17,000, due to the uncertainty surrounding our ability to allow larger rentals; if public health guidelines relating to the pandemic allow us to open our rental program earlier in 2021, those rental revenues will likely increase over budget. Additionally, as our community garden lease expires in 2021, we are not budgeting any revenue for the garden. However, staff is currently pursuing a renewal of the lease with the school district and a participation agreement with Silverleaf Club that could result in revenue in this line item.
- *Interest* rates are low, so they are reflected at an 83% reduction over 2020.

Expenses. Administrative costs increased 12% over 2020, largely due to personnel costs, office lease, and telephones, increases that will be, in part, reimbursed through the management fee. The **community engagement** budget decreased slightly (1%), with no major changes anticipated in 2021. The **communications** budget increased 5% over 2020 budget, due to personnel costs and moving $4,000 for Adobe licensing into this category from administration. **Events, clubs and classes** increased slightly, by 2%. **Arts and education** costs remain the same. **Charitable event** expenses, which are designed to be fully offset by revenues, are increasing 16%. The **Path and Trail/Market Street Park/Community Garden** category is projected to increase 45%, from $28,155 to $40,819. Combined, the **community centers** are budgeted at a 2.8% increase: Desert Camp Community Center is at a 4.8% increase, and The Homestead at an 8.9% decrease.

- *Capital Fund Transfer* decreased from $42,000 in 2020 to $24,000 in 2021. No new capital projects are currently planned other than a pending request in 2020 that would carry over to 2021 for hardware and software to improve resident access at the community centers.
- *Reserve Fund Transfer* decreased by 1.7% compared to 2020. This transfer amount should increase 5% each year to maintain funding levels; however, we made a significant contribution in September 2020 which mitigated our need to increase 5% in 2021.

Summary and Next Steps

Staff will prepare the budget mailing for distribution to residents in late November, and budget implementation will kick off January 1, 2021.

Attachments

- 2021 Operating Budget Overview Spreadsheet
- Reserve Fund Projections
- Oct. 22 Budget Workshop Power Point Slides

DC RANCH COMMUNITY COUNCIL

PROPOSED 2021 OPERATING BUDGET

Presented 11/05/2020

COMMUNITY COUNCIL OPERATING FUND	2021	2020	2020	21 Budget
DESCRIPTION	**BUDGET**	**Projected**	**BUDGET**	**v 20 Budget**
Revenue				
Community Council Assessments	1,654,224	1,648,141	1,645,307	8,917
Commercial Assessments	605,280	605,280	605,280	0
Builder & Developer Assessments	43,056	31,200	31,824	11,232
Community Council Benefit Fee	1,500,000	2,371,399	1,500,000	0
Events & Programming	307,909	40,517	284,949	22,960
Management Fee Income	263,520	127,200	-	263,520
Facility Rental	15,000	10,438	43,200	(28,200)
Community Garden Revenue	0	10,560	10,560	(10,560)
Interest	4,192	8,164	24,696	(20,504)
Advertising	7,080	6,840	7,080	0
Other Revenue	12,400	14,337	10,100	2,300
Total Revenue	**4,412,661**	**4,874,076**	**4,162,996**	**249,665**
Expense				
Administrative (personnel and HR expenses)	1,017,929	877,388	861,605	156,324
Legal/Audit/Professional Fees	40,050	32,679	40,450	(400)
Special Projects	12,350	5,411	13,194	(844)
Operational Expenses (Office Equip, Supplies, IT, Telephone)	374,996	370,006	374,228	768
Permits/License/Taxes	0	0	112	(112)
Bank Charges	2,400	1,793	2,400	0
Total Administrative Expense	**1,447,725**	**1,287,277**	**1,291,989**	**155,736**
New Residents and Community Building	47,210	26,258	47,700	(490)
Communications (personnel, PR, brand, Ranch News)	499,332	461,490	475,000	24,332
Community Event & Programs (personnel, food, supplies etc.)	614,235	508,693	595,685	18,550
Recreation Programming	78,090	55,901	82,175	(4,085)
Charitable Events	219,600	12,617	189,100	30,500
Arts and Education	64,725	23,890	64,725	0
Total Communications, Engagement, Events, Programs	**1,523,192**	**1,088,849**	**1,454,385**	**68,807**
Desert Camp Cost Center	900,668	803,237	859,782	40,886
The Homestead Cost Center	133,397	119,911	146,475	(13,078)
Total Community Center Expenses	**1,034,065**	**923,148**	**1,006,257**	**27,808**
Market Street Park / Paths and Trails	40,819	23,826	28,155	12,664
Seasonal Decorations	66,775	66,547	64,500	2,275
General Reserve Contribution	244,236	248,400	248,400	(4,164)
Capital Fund Contribution	24,000	42,000	42,000	(18,000)
Management Fee	0	15,300	3,576	(3,576)
Taxes, Interest & Insurance	31,849	24,601	23,734	8,115
Total Other Expenses	**407,679**	**420,674**	**410,365**	**(2,686)**
TOTAL EXPENSES	**4,412,661**	**3,719,948**	**4,162,996**	**249,665**
TOTAL REVENUE	**4,412,661**	**4,874,076**	**4,162,996**	**249,665**
NET SURPLUS/DEFICIT*	**-**	**1,154,128**	**-**	**-**

**Note: Transfers were authorized by the Board of Directors in September from the Operating Fund to the Reserve Fund ($200,000) and Capital Fund ($345,600). Additional transfers will be considered, depending on the amount of estimated surplus at year-end.*

2021 Community Council
Percent Funded Projections
5 Years

$200,000 one time contribution in October 2020
-1.67% Decrease Annual Contribution 2021 from 2020
5% Increase 2022-2025

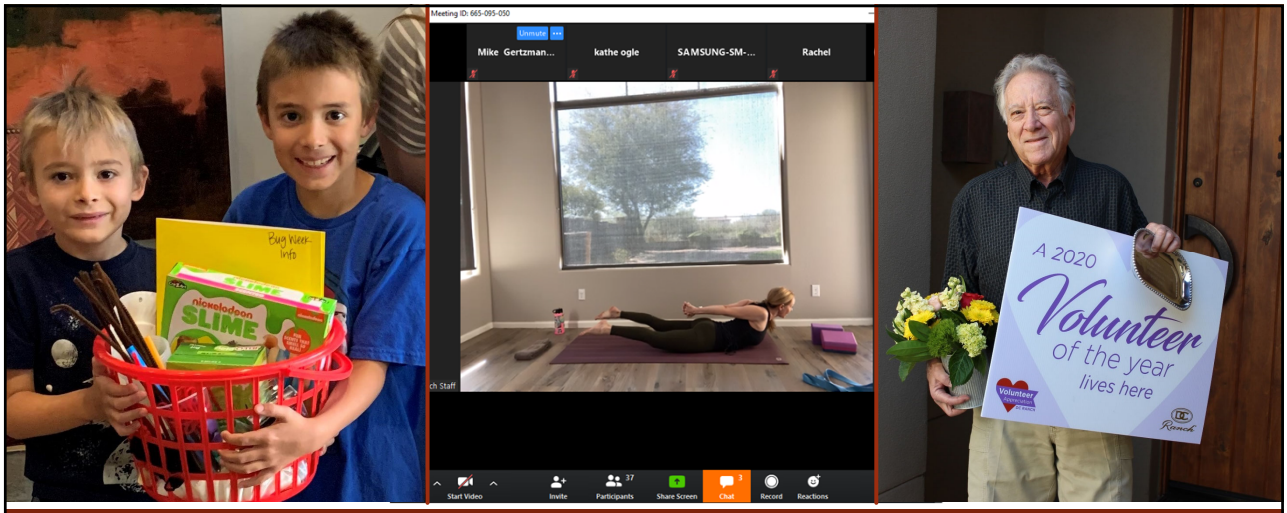
Balance Date	100% Funded	Begin Balance	Percent Funded	Contribution	Interest	Expenditure
01/01/2020	1,600,400.30	1,469,580.00	91.8300	437,526.68	19,359.76	362,893.00
01/01/2021	1,576,204.33	1,563,573.44	99.2000	233,559.96	19,488.05	410,610.85
01/01/2022	1,513,914.01	1,406,010.60	92.8700	245,238.00	18,945.57	285,942.86
01/01/2023	1,603,096.52	1,384,251.31	86.3500	257,499.96	18,248.96	317,757.49
01/01/2024	1,648,485.94	1,342,242.74	81.4200	270,375.00	15,841.04	450,024.68
01/01/2025	1,580,727.56	1,178,434.10	74.5500	283,893.72	14,663.37	374,137.49

$220,000 one time contribution in October 2021
5% Increase Annual Contribution 2022-2026

Balance Date	100% Funded	Begin Balance	Percent Funded	Contribution	Interest	Expenditure
01/01/2021	1,576,204.33	1,563,573.44	99.2000	453,559.96	20,176.25	410,610.85
01/01/2022	1,513,914.01	1,626,698.80	107.4500	245,238.00	22,278.77	285,942.86
01/01/2023	1,603,096.52	1,608,272.71	100.3200	257,499.96	21,632.48	317,757.49
01/01/2024	1,648,485.94	1,569,647.66	95.2200	270,375.00	19,275.67	450,024.68
01/01/2025	1,580,727.56	1,409,273.65	89.1500	283,893.72	18,149.86	374,137.49
01/01/2026	1,593,945.71	1,337,179.74	83.8900	298,088.40	17,828.62	318,804.41

$220,000 one time contribution in October 2021
3% Increase Annual Contribution 2022-2026

Balance Date	100% Funded	Begin Balance	Percent Funded	Contribution	Interest	Expenditure
01/01/2021	1,576,204.33	1,563,573.44	99.2000	453,559.96	20,176.25	410,610.85
01/01/2022	1,513,914.01	1,626,698.80	107.4500	240,566.76	22,243.57	285,942.86
01/01/2023	1,603,096.52	1,603,566.27	100.0300	247,783.80	21,488.19	317,757.49
01/01/2024	1,648,485.94	1,555,080.77	94.3300	255,217.32	18,941.48	450,024.68
01/01/2025	1,580,727.56	1,379,214.89	87.2500	262,873.80	17,537.53	374,137.49
01/01/2026	1,593,945.71	1,285,488.73	80.6500	270,759.96	16,842.04	318,804.41



2021 Operating Fund Budget Proposal

DC RANCH COMMUNITY COUNCIL | PRESENTED OCTOBER 22, 2020

1

Presentation overview

- DC Ranch Community Council Mission, Vision, Values
- Description of Funds
- Budget Process and Summary
- Department Overview
- Revenues & Expenses: Budget Highlights
- Overview of Reserve and Capital Funds
- Conclusion
- Q&A

The Community Council is responsible for visioning and facilitating initiatives that enhance residents' quality of life, serve collective interests and promote the DC Ranch brand.

The Council provides recreational, educational, cultural, and volunteer opportunities that reflect community values; operates and programs DC Ranch amenities; creates outlets for communication; and defines DC Ranch Standards.

2

DC Ranch Community Council

Community Values

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

Standing Principles

- Fully support the DCR brand
- Sustain financial stewardship
- Maintain the highest level of landscape and appearance
- Attract, train and retain the highest quality staff and leadership
- Preserve a safe environment
- Be an active and engaged voice in regional Scottsdale issues
- Foster open and transparent communication
- Optimize governance structure

Strategic Initiatives

- Further develop an amenity-rich community and level of programming
- Continue to invest in health, wellness, and active lifestyle
- Identify and position DCR for the target buyers of the future
- Invest in infrastructure and future technology for DCR growth
- Assist with the success of the three commercial properties
- Position DCR as environmentally sustainable for the future

3

DC Ranch Community Council

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.

4

Three Funds

- Operating Fund
  - Revenues and Expenses balanced at $4,412,661 (6% increase v. 2020 budget)
  - Assessments remain at $52 per month (no increase)
- Reserve Fund
  - Projects total $189,760
  - Contributions budgeted at $244,236
  - Funding level projected at 99% as of January 2021
- Capital Fund
  - No new capital projects proposed for 2021
  - Previously approved projects will be completed
  - Set aside for large-scale capital investment, as determined through master plan

5

Budget Process

D Reimagine

C Reevaluate

R Reinvest

- Budget Parameters
  - Board direction, finance committee input, resident input, staff experience
  - Strategic plans, governing documents and core services, community values,
  - Quality over quantity
  - DC Ranch brand and quality standards
  - Impact of pandemic and other current events and trends
  - Keep assessments level
  - Continue to build the reserve and capital funds
  - Serving core areas as usual with contingencies

6

Departments

- Administration
  - Human Resources
  - Board Operations and Support
  - Executive Director
  - Finance
- Community Engagement
  - Communications
  - Events and Programs
  - Public Affairs
- Facilities and Recreation
  - Desert Camp Community Center
  - The Homestead Community Center
- 2021 Total: 23 full time and 8 part time employees
  - Plus personnel support from Ranch Association
  - One new position in finance to coordinate purchasing, technology, and contracts/agreements

7

Operating Fund Revenues

$4,412,661

8

Revenues

Revenue	2021 Budget	2020 Budget	Y/Y Change
Community Council Assessments	$ 1,654,224	$ 1,645,307	$ 8,917
Community Council Benefit Fee	1,500,000	1,500,000	-
Commercial Assessments	605,280	605,280	-
Builder and Developer Assessments	43,056	31,824	11,232
Management Fee Income	263,520	-	263,520
Charitable Events Registrations and Donations	220,500	192,000	28,500
Clubs and Class Registrations	37,664	43,909	(6,245)
Facility Rental	15,000	43,200	(28,200)
Art and Education Registrations	25,545	26,570	(1,025)
Events Registrations	24,200	22,470	1,730
Other (Interest, Advertising, CFD etc.)	23,672	52,436	(28,764)
Total	**$ 4,412,661**	**$ 4,162,996**	**$ 249,665**

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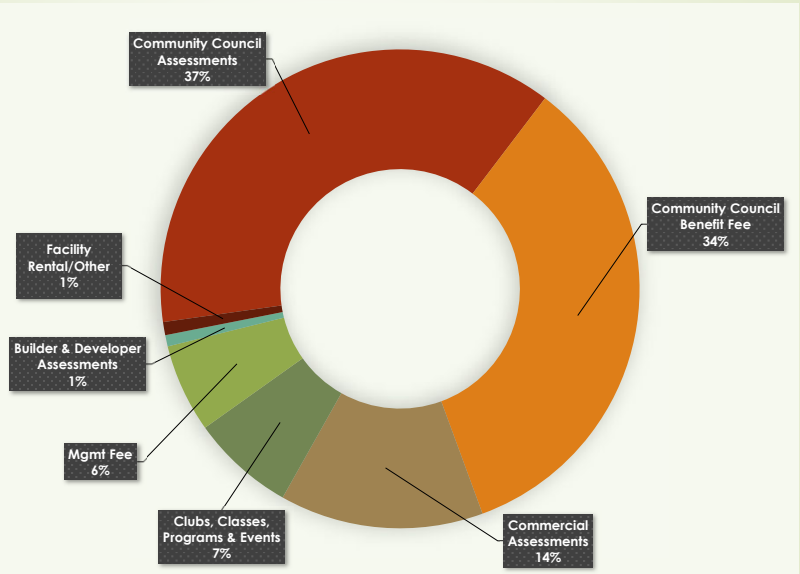
Revenue Allocation



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Revenue Highlights

- Revenues overall are projected to increase 6%
- Benefit Fees are budgeted at $1,500,000, consistent with 2018, 2019, 2020
  - Variable, fluctuating income source
  - Excess benefit fees to strengthen Reserve and Capital Funds
- Assessments remain at $52 per month
- Facility rental and garden revenue project to decrease; may change
- Program and event registration fees are conservative and based on historical data and participation projections

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Management Fee

- Covers shared costs between Community Council, Ranch Association, and Covenant Commission
- Covers communications, security, landscape, maintenance, office space, joint projects and events, text messaging, etc.
- Costs are incurred in cost centers and reallocated per Management Agreement
- Starting in 2019, landscape and maintenance track hours, resulting in increased accuracy
- Modifications in 2021 to reflect actual and desired hours of coverage for landscape and maintenance, resulting in decreased cost allocation
- In 2020, Council added employee allocated to Covenant Commission
- Council net revenue budgeted at $263,520

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Operating Fund Expenses

$4,412,661

13

EXPENSES

Expense	2021 Budget	2020 Budget	Y/Y Change
Administration & Special Projects	$ 1,447,725	$ 1,291,989	$ 155,736
Community Centers	1,034,065	1,006,257	27,808
Events, Clubs & Classes	692,325	677,860	14,465
New Residents, Community Building & Communications	546,542	522,700	23,842
Charitable Events	219,600	189,100	30,500
Market Street Park, Paths & Trails, Seasonal Decorations	107,594	92,655	14,939
Arts & Education	64,725	64,725	-
Reserve Fund Contributions	244,236	248,400	(4,164)
Capital Fund Contributions	24,000	42,000	(18,000)
Management Fee	-	3,576	(3,576)
Other	31,849	23,734	8,115
Total	**$ 4,412,661**	**$ 4,162,996**	**$ 249,665**

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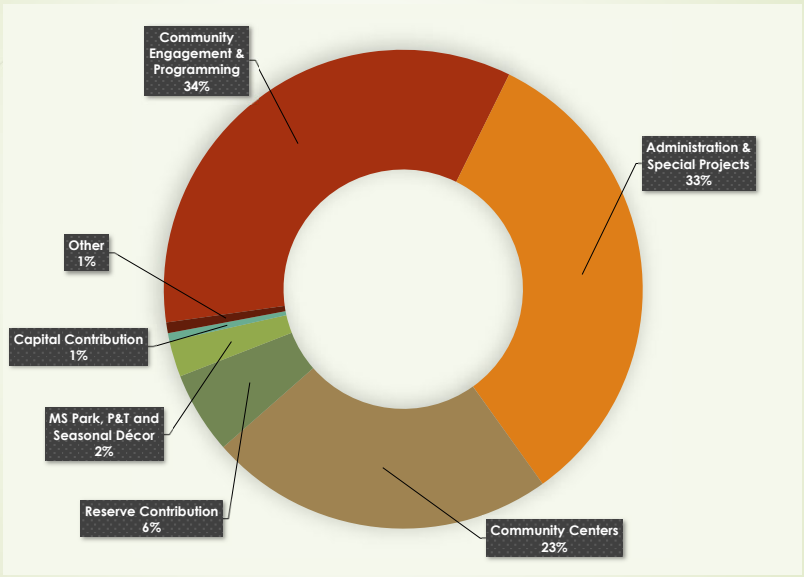
Expenses



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Expenses | Administrative & Special Projects

- $1,447,725 in 2021 (v. $1,291,989 in 2020)
- Covers employee relations and professional development, administrative salaries and benefits, uniforms, training, etc.
- Legal/professional fees, audit/tax return
- Special projects
- Shared operational expenses (technology hardware and software, office lease, office supplies)
- Permits, licenses, taxes
- Bank charges and service fees

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Community Engagement Overview

- Communications
- Community Engagement
- Events and Programs
- Public Affairs
- Recreation

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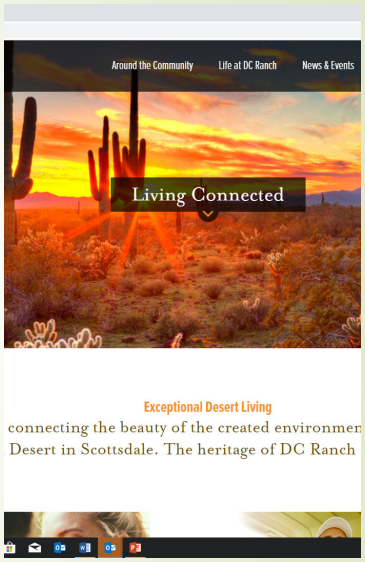
Expenses | Community Engagement

- Communications
  - $499,332 (v. $475,000 in 2020)
  - Personnel
  - Web site and social media
  - Collateral
  - Ranch News
  - Seasonal Program Guides
  - Photography
  - Brand Management



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Expenses | Community Engagement

- New Residents and Community Building
  - $47,210 (v. $47,700 in 2020)
  - DC Ranch Gives (volunteer) program and events
  - Commercial owner outreach
  - Board support, meetings, orientation
  - Annual Program Open House
  - New Resident Welcome Program and collateral
  - Scottsdale involvement and engagement
  - Public Affairs

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Expenses | Community Engagement

- Community Events and Programs
  - $614,235 v. $595,685 in 2020
  - Continuing: Eggstravaganza, Spooky Carnival, PJs and Pancakes, Starlight Concerts, Fourth Fridays Social Hour, Starry Night and DC Ranch Day

20

Expenses | Community Engagement

- Arts and Education
  - $64,725 (v. $64,725 in 2020)
  - Continuing: Arts and education performances, creative arts workshops, spring theater production, summer camps

21

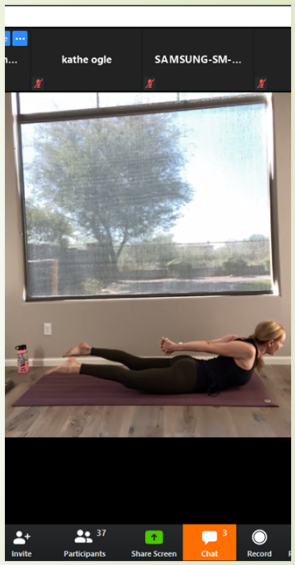
Expenses | Community Engagement

- Charitable Events
  - $219,600 (v. $189,100 in 2020)
  - Tour de Scottsdale
  - Dinner in the Desert

22

Expenses | Recreation

- Recreation Programming
  - Recreation: $78,090 v. $82,175 in 2020
  - Continuing: TGIF, Clubs, Wildflower Walk, Grapenuts, Fitness Classes (weekday & weekend), Pickleball/Tennis Clinics; Cards and Games instruction (Canasta, Bridge, Mahjong), Reel Deal Movie, Teen Day Trip (Flagstaff Xtreme Course); Health & Wellness (Weight Watchers, Meditation, Caregiving); Specialty Classes (CPR, Living with the Desert)



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Facilities and Amenities

- Desert Camp Community Center
- The Homestead Community Center
- Market Street Park
- Path & Trail

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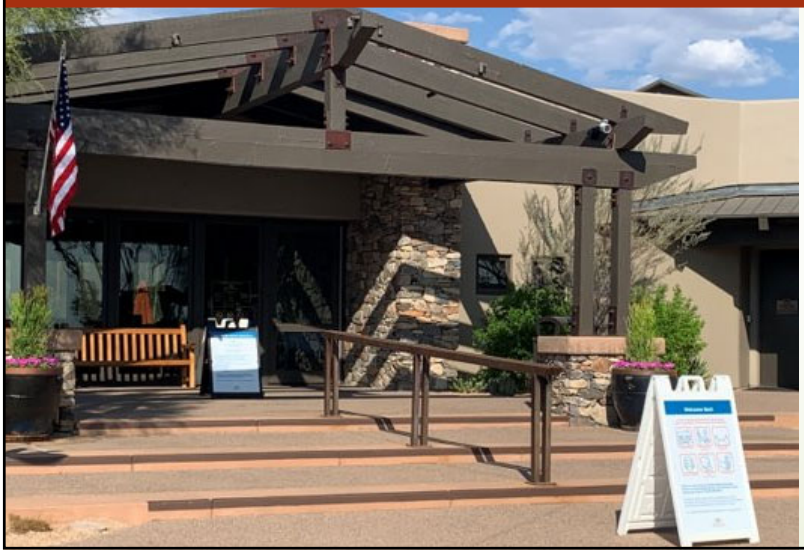
Expenses – Community Centers



- Desert Camp Community Center
  - $900,668 (v. $859,782 in 2020)
  - Houses Facilities and Maintenance Staff
  - Offers outdoor heated recreational and tot pools, adventure playground, two lighted tennis courts, fitness room, basketball, pickleball courts, ramadas, BBQs, indoor and outdoor event facilities, dressing rooms with lockers and showers
  - Hosts classes, fitness activities, major events, programs, meetings, and rentals

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Expenses – Community Centers

- The Homestead Community Center
  - $133,397 (v. $146,475 in 2020)
  - Houses Community Engagement and Facilities & Recreation staff
  - Hosts a variety of classes including fitness and theater, meetings and events, basketball, rentals and the playhouse
  - Offers splash pad, play structure, basketball courts, indoor and outdoor event facilities, commercial kitchen

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Facilities and Amenities - Other

- Market Street Park and Paths and Trails ($40,819 v. $28,155 in 2020)
  - Landscape: turf management; wildflower program supplies; storm clean up
  - Maintenance: trash, playground; bollard lights; pet waste station supplies
  - Path and Trail: landscape and maintenance safety audits

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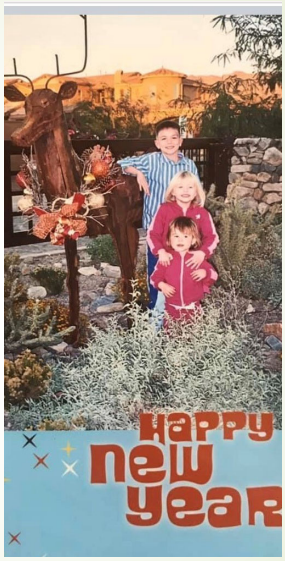
Expenses - Other Categories

- Seasonal Decorations – Ranch Wide ($66,775 v. $64,500 in 2020)
- Insurance, Tax & Interest ($31,849 v. $23,734 in 2020)
- Management fees
- Transfers



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Expenses - Transfers

- General Reserve Fund Contribution
  - Repair and replacement of Council-owned amenities and assets
  - 1.67% Decrease ($244,236 vs. $248,400 in 2020)
  - 99% funded in 2021
  - Guidelines: 80% funded or above
- Capital Fund Contribution
  - $24,000 budgeted (decrease from $42,000 in 2020 budget)
  - Projects funded through savings and excess cash as needed

29

Reserve

Balance as of Sept. 30, 2020: $1.76m

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Capital

Balance as of Sept. 30, 2020: $1.65m

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Next Steps

- Budget is finalized per board direction
- Board adopts budget on November 5
- Budget communication sent to residents in late November
- Budget is implemented in 2021
- Financial monitoring throughout 2021

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Conclusion

- Budget is balanced as proposed with no increase in assessments
- Will consider an additional transfer into the capital fund in 2020
- The budget provides for continued investment in the community, preservation of home values and the desire to meet community needs for programs, activities, and amenities, and continuing to provide valuable programs and services during unique times.

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Thank You

To Board, DC Ranch Staff, Ranch Association, Covenant Commission, Finance Committee, Residents, Businesses

Every day you may make progress. Every step may be fruitful. Yet there will stretch out before you an ever-lengthening, ever-ascending, ever-improving path. You know you will never get to the end of the journey. But this, so far from discouraging, only adds to the joy and glory of the climb.

-Sir Winston Churchill

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Community Council Reserve Projects Update

2020 Status and 2021 Planned Projects

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2020 Reserve Project Update

The 2020 Reserve Project list has 48 Reserve projects budgeted at a total of $615,181

- 23 Reserve projects were deferred to future years $319,618
- 19 Reserve projects have been completed and 6 projects are scheduled for completion by year end

Estimated total expenditure of **$295,563**

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2020 Reserve Projects

Desert Camp Updates

- Interior and exterior paint
- New flooring MPR, Office and Rec Room
- New counters, cabinets, hardware Rec Room and Front Desk
- Irrigation lines replaced
- Resurface tennis courts, repaint basketball court

The Homestead Updates

- Video Cameras and other technology
- Concrete replacement by splashpad
- Cushioned tot repaint and reseal
- Slide replacement

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2021 Reserve Projects

The 2021 Reserve Project list has 32 Reserve projects budgeted at a total of $386,640

- 12 Reserve projects will be deferred to future years $196,880
- 20 Reserve projects are scheduled for completion throughout 2021

Estimated Total Expenditure **$189,760**

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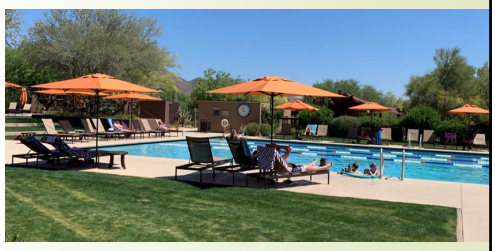
2021 Reserve Projects

Desert Camp Updates

- Concrete curbing, patio and paths
- Cushioned tot maintenance
- Pool filter, heater and tarp
- Sod replacement
- Windows and doors refinish

The Homestead Updates

- Irrigation line replacement
- Lobby floor replacement
- Shade structure paint
- Sod replacement
- Windows and door refinish



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2021 Percent Funded Projections 5 Years

2021 Community Council
Percent Funded Projections
5 Years

$200,000 one time contribution in October 2020
-1.67% Decrease Annual Contribution 2021 from 2020
5% Increase 2022-2025

Balance Date	100% Funded	Begin Balance	Percent Funded	Contribution	Interest	Expenditure
01/01/2020	1,600,400.30	1,469,580.00	91.8300	437,526.68	19,359.76	362,893.00
01/01/2021	1,576,204.33	1,563,573.44	99.2000	233,559.96	19,488.05	410,610.85
01/01/2022	1,513,914.01	1,406,010.60	92.8700	245,238.00	18,945.57	285,942.86
01/01/2023	1,603,096.52	1,384,251.31	86.3500	257,499.96	18,248.96	317,757.49
01/01/2024	1,648,485.94	1,342,242.74	81.4200	270,375.00	15,841.04	450,024.68
01/01/2025	1,580,727.56	1,178,434.10	74.5500	283,893.72	14,663.37	374,137.49

$220,000 one time contribution in October 2021
5% Increase Annual Contribution 2022-2026

Balance Date	100% Funded	Begin Balance	Percent Funded	Contribution	Interest	Expenditure
01/01/2021	1,576,204.33	1,563,573.44	99.2000	453,559.96	20,176.25	410,610.85
01/01/2022	1,513,914.01	1,626,698.80	107.4500	245,238.00	22,278.77	285,942.86
01/01/2023	1,603,096.52	1,608,272.71	100.3200	257,499.96	21,632.48	317,757.49
01/01/2024	1,648,485.94	1,569,647.66	95.2200	270,375.00	19,275.67	450,024.68
01/01/2025	1,580,727.56	1,409,273.65	89.1500	283,893.72	18,149.86	374,137.49
01/01/2026	1,593,945.71	1,337,179.74	83.8900	298,088.40	17,828.62	318,804.41

$220,000 one time contribution in October 2021
3% Increase Annual Contribution 2022-2026

Balance Date	100% Funded	Begin Balance	Percent Funded	Contribution	Interest	Expenditure
01/01/2021	1,576,204.33	1,563,573.44	99.2000	453,559.96	20,176.25	410,610.85
01/01/2022	1,513,914.01	1,626,698.80	107.4500	240,566.76	22,243.57	285,942.86
01/01/2023	1,603,096.52	1,603,566.27	100.0300	247,783.80	21,488.19	317,757.49
01/01/2024	1,648,485.94	1,555,080.77	94.3300	255,217.32	18,941.48	450,024.68
01/01/2025	1,580,727.56	1,379,214.89	87.2500	262,873.80	17,537.53	374,137.49
01/01/2026	1,593,945.71	1,285,488.73	80.6500	270,759.96	16,842.04	318,804.41

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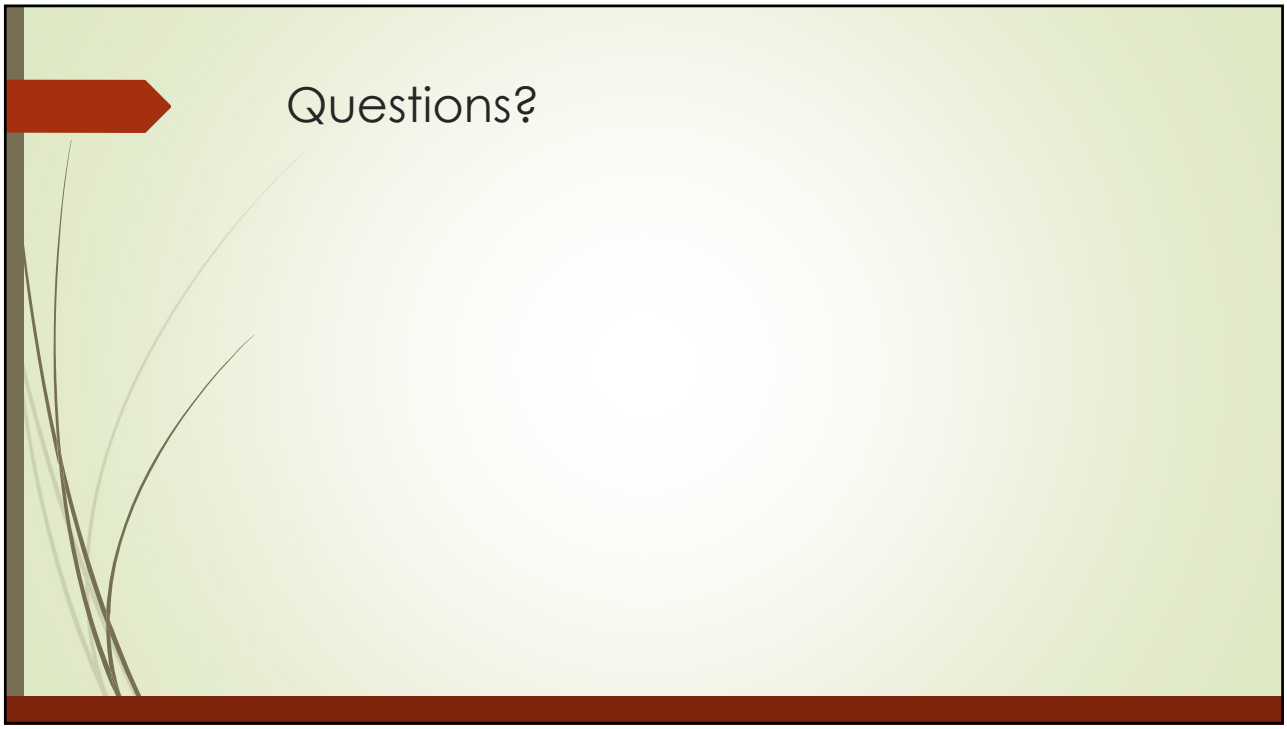

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DC Ranch Community Council

To: DC Ranch Community Council Board of Directors

From: Beth Overton, Facilities and Recreation Director
Lynette Whitener, Sr. Facilities Manager

Copy: Jenna Kohl, Executive Director

Subject: *Community Center Access Management Plan*

Summary

Our mission is to provide community gathering spaces at both centers that are welcoming, well-maintained, safety-oriented, aesthetically inviting, functional, and that serve the needs of DC Ranch residents. A critical component of our operations is resident access. This memo describes our approach to improving resident access (and therefore resident enjoyment of the facilities and convenience) and proposes a capital purchase to resolve existing challenges.

Overview

For the past three years staff have been working to improve community center access. We are taking a three-phased approach:

- Phase I. The first phase includes formalizing guidelines for the administration and management of access to the community centers that protect and preserve the facilities, amenities and the value of the amenities that residents pay for through their monthly assessment to the Council.
- Phase II. The second phase is to identify a comprehensive facility management software that allows staff to create and manage a unique resident/tenant id # to be used for access; it will also allow us to consolidate program and event registration and community center and court rentals. After months of research, staff selected Civic Rec; this software is funded in the 2021 operating budget.
- Phase III. With the onset of the pandemic, staff has identified additional areas for improvement. The hardware and software used to monitor door and gate access via resident key fob are out of date, problematic, and cumbersome due to external management of the system. Bringing the system in house and updating both software and hardware will enable center staff to directly manage the system, reducing downtime and improving the experience for residents. This is an important consideration given the increasing number of residents utilizing the community centers and their desire to add people to their accounts.

Recommendations

Phase I: We have operated with guidelines on resident access; however, the increasing number of residents using the centers and requests to add on additional people to accounts have necessitated a review of our guidelines. We have updated those guidelines and propose that they be adopted by the Board as official policies. Staff has consulted the governing documents and has researched best practices at similar communities to develop the attached policies and fee schedule. While these are currently still in review, **we welcome initial board feedback at this time**. We anticipate bringing the policy to you in January for formal consideration, with implementation to happen concurrently with rollout of the new access system and software (targeted for January 1, 2022).

This new policy provides guidance on number of users per home/unit, resident status and verification. Our aim is to have guiding policies in place that prioritize those that reside in DC Ranch and promote fairness in terms of what residents receive for their assessments.

Phase II: CivicRec software is in the 2021 budget so no additional board action is needed on this item. We currently use a variety of software packages for key fob access, program and event registration, meeting scheduling, court reservations and so on. The new software will consolidate all of those packages into one streamlined system that is designed specifically for organizations such as DC Ranch. Residents will have one account that they can use for all their registration needs.

Phase III: To implement the policy and software mentioned in phase I and II, we need to upgrade our access hardware and software. Staff has identified a replacement system that supports Civic Rec's ID platform. The initial estimate is $15,000; this will be a reserve cost. Annual operating and preventative maintenance costs will remain the same. Staff recommends replacing keyfobs with an ID card that is customizable to include a photo and unique resident barcode/ID number. **Staff requests Board authorization to spend up to $30,000 out of the capital fund**. This will cover replacement of existing keyfobs via a printer, ink and 7,500 ID cards. This spend would be offset by the already budgeted $24,000 capital transfer planned in 2021 plus an additional $6,000 out of the capital fund (to be spent in Q3 of 2021).

These improvements along with Civic Rec will complete a comprehensive community center access management plan that will modernize our access management system; improve services to residents; and improve staff control and efficiencies. Roll out of the comprehensive plan will take place January 2022.