SIERRA HOMEOWNERS ASSOCIATION

PARK TOWN HALL SUMMARY

Recommending a ~$500 assessment to fund a full park replacement with vote to approve in 2024

3 Options for the Park

Continue Maintenance

- Park is 20 years old, well past the useful life benchmark.
- Perform annual professional safety assessments.
- Tear down the park when the assessment deems the park a safety liability.

City takes the Park

- City takes over the park land and equipment for use as they please.
- Meeting with the Waconia Park board gave insight into their potential plan.
- City would perform a safety assessment and likely tear down (TBD who pays).
- No guarantee of park upgrade (3-5 new parks currently in city budget).

Park Replacement

- Proceed with a Sierra Association vote for an assessment.
- Estimated $400-$600 assessment needed to fund a full replacement.
- If the vote passes (67% yes votes from those in attendance), the assessment will be collected in multiple installments.
- This is the board's recommendation.

Next Steps:

2024: Vote → 2024: Collect Assessm → 2024: Down Payment → 2025: Build!

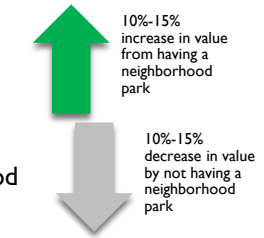
What's in it for me?

- **Continue Maintenance:**
  - Cost to have an outside party to come in annually to assess the park's safety.
  - Potential for increased maintenance costs as structure ages.
  - Demolition costs when the park is deemed unsafe.
- **City takes the park:**
  - The city would likely not replace the park, likely leaving an empty space.
  - The neighborhood would lose control over one of the largest lots of land in Sierra.
  - Current dues savings on elimination of maintenance costs would be minimal (roughly $20 annually).
  - Negative impact to home value and neighborhood appeal.
- **Park Replacement through an assessment**
  - Continued Sierra ownership gives design flexibility and neighborhood input on replacement build.
  - Increased home value and neighborhood appeal.
  - Brand new equipment, likely lowering maintenance costs.
  - Happy Children!!

Why vote yes?

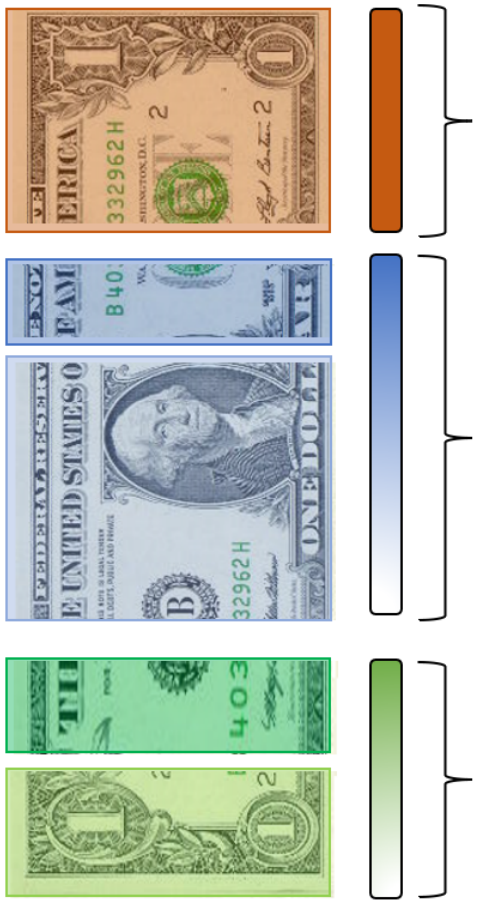
- It comes down to having a park vs not having a park in Sierra.
- Continued maintenance plan would likely result in the elimination of the park with no plan for replacement, while adding annual cost for the safety assessment and maintenance.
- The city's plan comes with significant uncertainty on cost to the association, timeline of park assessment, and ultimate outcome to the space.
- Not having an operating park has more downside that upside as the maximum savings on maintenance and annual dues likely wouldn't exceed $20 a year, which is far outweighed by negative impact to home values and neighborhood attractiveness.
- Over 95% of local realtors polled confirmed that an investment in a neighborhood park positively impacts home value and desirability. In some cases, a neighborhood park would increase home value by up to 15%.

Home Value



WHAT DO OUR DUES PAY FOR

2024 DUES BUDGET ILLUSTRATION



% of Budget	per House	Budget Allocation by Activity
Association Admin and Management (22%)	**$37 per House**	**Association Administration Expenses - 22% ($9k)** • Association Management Company (12%) • Property & Liability Insurance (5%) • Tax Prep and Audit Support (1%) • Other Supplies, Printing, Postage, Website, etc (4%)
Maintenance and Utilities (54%)	**$20 per House**	**Utilities- 12% ($4.9k)** • Water (9%) • Electricity (2%) • Refuse and Sanitation (1%)
	$71 per House	**Neighborhood Maintenance 42% ($17.5k)** • Park and common grounds Maintenance Contract (31%) • Snow Removal and salt (4%) • Playground Equipment Maintenance (2%) • Tree and Shrub Service (2%) • Park Irrigation System Repair & Maintenance (2%) • Pest Control (Mosquito Spraying) (1%)
Discretionary Expenses (24%)	**$15 per House**	**Neighborhood Parties - 9% ($3.6k)** • Annual Party + Easter Egg Hunt + TBD Future Events
	$26 per House	**Remaining income leftover for projects - 15% ($6.5k)** • Lighthouse and Mailbox Repair and Painting • Neighborhood Document Refresh • Capital Savings for future major projects

Overview

- 2024 Dues increasing to $169 per household, which is a $15 increase from 2023.
- Dues increase needed to cover increases in maintenance contracts, inflationary impacts on administrative spending (ie postage, etc), and maintenance expectations, specifically beginning repairs on worn down mailbox structures.
- $169 per house dues spent as follows:
  - $71 spent on Maintenance and Utilities covering mowing/maintenance on vast Sierra Common Land (Park and out lots), attending to trees/shrubs across the Sierra property, and maintaining the Sierra Park.
  - $20 on irrigation (lighthouse + park) and park electricity and sanitation.
  - $37 spent on administrative functions maintaining the association.
  - $15 on Neighborhood events.
  - $26 for discretionary project spend.