SIERRA ASSOCIATION

PARK TOWN HALL

MONDAY DECEMBER 18TH, 2023

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Sierra Association Inc.
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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 periodic 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).
- Would like to use for Community Ed and other City sponsored activities.

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:

Q1 2024: Vote → 2024: Collect Assessm → 2024: Down Payment → 2025: Build!

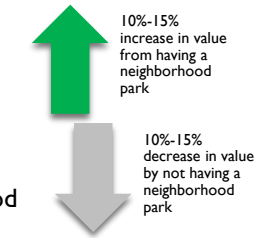
What's in it for me?

- **Continue Maintenance:**
  - Cost to have an outside party to come in annually to assess the park's safety.
  - Potential for increased maintenance costs.
  - Demolition costs when the park is deemed unsafe.
- **City takes the park:**
  - Increased neighborhood traffic and street parking leading to safety concerns if the space is used for community activities.
  - If the city chooses to replace the park, the timeline is uncertain and could be years of empty space.
  - 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.
  - No negative impact to neighborhood traffic.
  - Brand new equipment, likely lowering maintenance costs.
  - Happy Children!!

Why vote yes?

- 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 would create safety concerns from an increase in traffic and street parking.
- Additionally, the city's plan comes with significant uncertainty on cost to the association, timeline of park usage, and ultimate outcome.
- Not having an operating park has more downside that upside as the maximum savings on maintenance and annual dues 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



APPENDIX

SIERRA HOMEOWNERS ASSOCIATION

NEIGHBORHOOD PARK PICTURES





SIERRA HOMEOWNERS ASSOCIATION

NEIGHBORHOOD PARK SUMMARY

Facts and Background

- Established in 2002, located on the north side of Sierra Parkway between Fischer Drive and Fountain Lane and is the only association-owned park in Waconia.
- Due to the age of the park structure, a major playground replacement will be needed in the next 5 years, if not sooner.
- Play Structure
  - 1 Toddler Slide, 3 open textured slides, 1 open twisted slide, and 1 covered slide
  - Bubble and Crawl Tube
  - Ladders, steps, covered platforms, climbing net, corkscrew climbing pole, and other walking areas
  - 6 Wood Benches surrounding play area for seating
  - Mulch bed
- Swing Set
  - 2 Toddler bucket swings
  - 4 Belt Swings
  - Mulch Bed
- Covered Electrical Outlets
- Half Court Basketball court
- Black-top walking paths and concrete open space
- Garbage and Recycling containers inside covered enclosure
- Abundance of Trees and Greenspace with an In-Ground Sprinkler System

Park Maintenance

- 2020 Maintenance
  - Sealed Blacktop
- 2021 Maintenance
  - Stained Play Structure
  - Swing set area drainage project
  - Replaced Bubble and Crawl Tube
  - Refresh Mulch
  - Repaired wooden benches
- 2022 Maintenance
  - Trimmed Trees within the park
  - Replaced 1 toddler bucket swing
  - Stained Play Structure
  - Refreshed Mulch
- 2023 Maintenance
  - Sealed Blacktop
  - Fixed ripped basketball hoop net
- Future Maintenance
  - Install Rachio Irrigation System
  - Major overhaul?

WHAT DO OUR DUES PAY FOR

2023 DUES BUDGET ILLUSTRATION







% of Budget	per House	Budget Allocation by Activity
Association Admin and Management (23%)	**$36 per House**	**Association Administration Expenses - 23% ($8.9k)** • Association Management Company (12%) • Property & Liability Insurance (5%) • Tax Prep and Audit Support (1%) • Other Supplies, Printing, Postage, Website, etc (5%)
Maintenance and Utilities (57%)	**$19 per House**	**Utilities- 12% ($4.6k)** • Water (9%) • Electricity (2%) • Refuse and Sanitation (1%)
	$69 per House	**Neighborhood Maintenance 45% ($17.0k)** • Park and common grounds Maintenance Contract (33%) • Snow Removal and salt (4%) • Playground Equipment Maintenance (3%) • Tree and Shrub Service (3%) • Park Irrigation System Repair & Maintenance (1%) • Pest Control (Mosquito Spraying) (1%)
Discretionary Expenses (20%)	**$15 per House**	**Neighborhood Parties - 10% ($3.6k)** • Annual Party + Easter Egg Hunt + TBD Future Events
	$15 per House	**Remaining income leftover for projects - 10% ($3.6k)** • Lighthouse and Mailbox Repair and Painting • Sierra Association Document Refresh • Capital Savings for future major projects

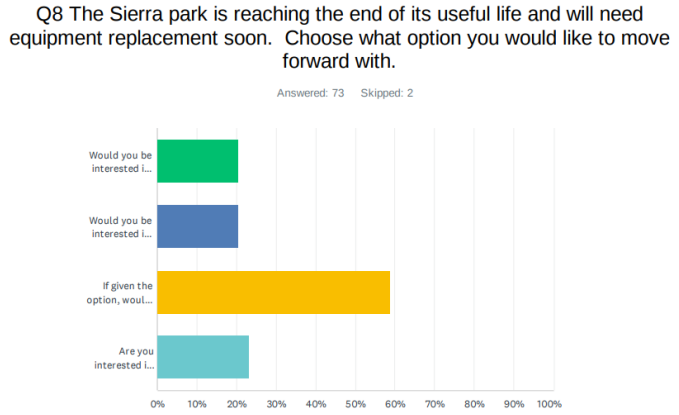
Overview

- 2023 Dues at $154 per household equate to just under $38k of gross revenue for the association.
- Roughly $10k, or ~$40 per house on park-related expenditures, most of which would still occur with or without the park.
  - Property/Liability Insurance
  - Utilities (Water, Electricity, Refuse)
  - Playground Maintenance
  - Snow Removal and Salt
  - Irrigation
  - Pest Control
- The current dues are not sufficient to save for a park replacement in the recommended time-frame.
- The association rules cap the level of dues increases at 10% annually.

LEG WORK COMPLETED IN 2023

Association Survey

- At the beginning of the year, we asked for feedback from the neighborhood with 3 questions focused on park feedback.
  - Q2: Choose what long-term project you would like to see the Sierra Association prioritize:
    - 37% of you want to prioritize upgrading the park.
  - Q3: How satisfied are you with the maintenance of the park?
    - ~40% Satisfied or Very Satisfied; 40% Neutral; 20% Dissatisfied.
  - Q8: The Sierra Park is reaching the end of its useful life and will need equipment replacement soon. Choose what option you would like to move forward with (choose all that apply):
    - 20% One-time assessment; 20% Dues increase; 59% City taking the park; 23% continue maintenance program
  - Given the overwhelming feedback on Question 8, we engaged the city in a dialogue.



City Meeting

- We held an informatory meeting in January with Lane Braaten (Community Development Director) and Craig Eldred (Public Services Director) with the City of Waconia.
- In this meeting, we presented the feedback from the survey and asked for feedback on the city's position.
- Craig ultimately requested that we present our proposal to the Park Board.
- We met with the park board in February and obtained concerning feedback:
  - The city did not seem interested in maintaining a park – they felt the proximity to the inclusive park and Clearwater Mills could suffice.
  - Additionally, the city acknowledged the replacement would not be a priority and there is risk of a safety assessment being performed that could lead to tearing down the current equipment with no timetable for replacement.
  - The city was more interested in alternative uses of the land. Including, but not limited to, soccer fields, volleyball courts, a trail system, or just greenspace.
    - This creates an immediate concern around neighborhood traffic, overflowing street parking, and house devaluation.

NEXT STEPS AND RECOMMENDATION

Recommendation

- There are 3 viable options for next steps for the park
  - Do nothing
  - Continue to engage with the city
  - Replace the equipment
- The board has chosen the route of equipment replacement
- What does that mean?
  - Current dues and capital fund would not suffice for full park replacement
  - For this reason, we are proposing a vote for a special assessment.
  - Ballpark estimates conservatively need $100k for a full replacement.
  - This translates to at least $400 per household, but likely higher.

	Low	Medium	High
Estimated Assessment	$ 100,000	$ 125,000	$ 150,000
Sierra Households	245	245	245
Cost per Household	**$ 408**	**$ 510**	**$ 612**

Next Steps

- With the help of the city, we have received a couple estimates.
  - We want to continue this dialogue to understand what kind of pricing and scope we can get with the city's help.
- The board will also obtain estimates from a multiple vendors.
- Once a budget is established, there will be an in-person vote in 2024 to approve a special assessment.
- Per Section 4 of the declaration, the assessment passes provided that assent of owners representing 67% of the lots who are voting in person or by proxy.
  - Per Section 5 of the declaration, at the first meeting, quorum represents at least 50% of lots present or by proxy (123 lots). If quorum is not achieved in the first meeting, another meeting may be held within 60 days and needs ½ of the needed lots from the preceding meeting to achieve quorum (62 lots).
- A notice with be sent out not less than 7 days nor more than 30 days in advance of the special meeting for vote.
- If passed, we would collect the assessment in 2024 with the goal of submitting a down payment on the equipment in 2024 for a scheduled build in 2025.