

2023 Annual Report - Owners Engagement Committee

Suncadia Residential Owners Association

A NEW BEGINNING

Introduction and Background. At the end of 2022 two previous committees, the Owners Advisory Committee, and the Owners Budget Committee, were dissolved and replaced by the Owners Engagement Committee (OEC). The new OEC charter (see SROA Resolution No. 112. Charter and Scope of Suncadia Owners Engagement Committee) states the committee “may address a variety of topics...such as community operations, owners’ surveys, social events planning, budget reviews, future development questions, environmental issues, communications, governance, and other issues relevant to the Suncadia community owners.” In addition, “The Board of Directors will periodically invite the OEC to engage on various topics.” Five persons were appointed by the Board of Directors to initiate the committee, and Noni Hughes, President of SROA Board of Directors, was appointed by the Board to serve as liaison to the OEC. Members of the 2023 Committee were:

Michael Bell (Chair)
Bill Campbell (Vice Chair)
Kendra Decker
Travis Fulton
Ray Vara

This change in owner participation should be viewed in the context of larger changes in Suncadia governance. A realignment of ownership led to the appointment of Mark Thorne as Managing Director in late 2022, and Mr. Thorne has established a new leadership team and structure. Some key executive positions have been filled with highly qualified professionals, and a backlog of owner concerns (e.g., deferred maintenance, communications, amenities) has been given high priority. In candor we must acknowledge that time will be required for positive results to be seen at all levels, but we are optimistic about the prospects for a productive and collaborative partnership between owners and current management.

The first quarter of this year was spent performing a scoping exercise that involved:

- Reviewing data from the owner 2021 survey results & recommendations, the risk consulting assessment, and the most recent traffic studies
- Holding discussions with Noni Hughes, SROA Board President and OEC executive sponsor
- One-off discussions with Mark Thorne, Suncadia Managing Director
- Engaging with various leaders Annalisa Johnson, Tucker Stevens, Jamee Smith, Michael Bennett, & Jennifer Kramer
- All of this resulted in the recommendations the committee put forth in early May, which received full board support and approval to move to the planning phase

2023 Work Plan. After reviewing the committee charter and assessing concerns and interests of owners from a variety of sources, the OEC adopted a work plan composed of six separate projects, known as the “Six Pillars.” To be discussed below in greater detail, they are:

1. Speed Monitoring and Control
2. Integration of Allied Security Services
3. Traffic Flow and Safety
4. 2024 Budgets
5. Greeter Cottage
6. Voting and Parking Policy Review and Revision

Speed Monitoring and Control

Speed and negligent driving are a rampant problem throughout the resort and a top safety concern for owners. The negligence is not limited to just one segment of the community, it includes the construction community, owners, guests, vendors, and service providers. As an active resort community, Suncadia has a significant amount of pedestrian traffic and one of our most valued features is the frequent presence of vulnerable wildlife. Our growing community is increasing in density and traffic volume. Incidents of speed and reckless driving are rising. Every incident heightens the odds of a more serious event.

Annualized data from earlier this year indicated there could be upwards of 150 such incidents annually, which will increase even further with the growth of density and commercial space.

Shortly after the May board meeting, the committee met with the Kittitas County Sheriff's Office, Allied Universal, Mark Thorne, and his leadership team to determine how best to close the enforcement gaps. We also engaged with Sunriver and Caldera Springs to understand their enforcement challenges and approaches.

Because Suncadia's main arterials are private roadways the Sheriff is unable to issue citations for speed but can stop a vehicle for negligent or reckless driving if they observe it, or a citizen witnesses it and is willing to file a report. However, the Sheriff committed to having a greater physical presence in Suncadia going forward. Allied Universal cannot interdict, detain, or stop a vehicle for speed or recklessness, but can shadow a vehicle from a safe distance to its destination and make an association with the property or construction site for follow up by the HOA compliance enforcement team.

The committee also explored technology solutions to help slow speeds and increase driver awareness. Examples include: strategic placement of temporary speed humps and "tabletops," speed awareness signs, mobile speed monitoring and recording units, license plate reader/recording units, and equipping Allied vehicles with onboard cameras and speed radar detection units. These were recommendations drawn from the 2022 independent risk assessment study.

We collaborated with an outside vendor to compile a 2024 budget request for speed awareness and traffic calming devices. The Developer, through the advocacy of Mark and Annalisa on behalf of Suncadia owners, agreed to split the cost evenly with the Association. A placeholder of \$45k is in the 2024 budget and a detailed purchase order for the assets will be prepared in Q1 2024.

Another option to be considered is to increase fines for owners, guests, rental guests, and contractors. A zero-tolerance approach is needed, not repetitive courtesy warnings. A future consideration will be what to do when Suncadia adds commercial space and has more members of the public on property. It is clear speed enforcement on visitors cannot be achieved through our CCRs or governing rules.

Integration of Allied Security Services

The 2021 Owners Survey identified safety and security as the #1 concern of owners, specifically noting vehicular speeding, traffic volume, and pedestrian safety along with violations of parking, noise, construction site management and CC&R violations. In an effort to address these concerns, Suncadia Management engaged a third-party study and recommended approaches to mitigate security and safety issues. The result was a contract between Suncadia Community Council and Allied Universal Security Services to outsource a community-wide patrol and monitoring service. That contract was executed November 28, 2022, and the previous in-house patrol service was subsumed by Allied Universal Security Services ("Allied"). Terms of the contract were reported to owners at the December 2022 Annual Meeting of the SROA.

It would be fair to state that there was confusion about the services to be provided by Allied, and a concern whether those services could effectively mitigate identified risks. As the Allied services roll-out progressed, these concerns were not allayed. Recognizing this as a topic consistent with the OEC charge to "address issues relevant to Suncadia community owners" the committee established a task force to meet with Allied and Suncadia office of Design, Review and Construction ("DRC") including President Noni Hughes to collect information and offer suggestions. The first step was to conduct a systems analysis, which identified a fundamental design flaw: Allied is a monitoring and reporting system, while mitigation and enforcement is the responsibility of the DRC, and the interaction between the two entities is suboptimal. There are multiple dimensions to this problem, including the volume of information generated by Allied's Helias system overwhelms the resources of the DRC to respond; the formatting of information from Allied's Helias system is incomplete, repetitive, and difficult to use by DRC; coordination is lacking between important entities (Allied, DRC, Suncadia Property Management, third-party property managers); and selective enforcement of rules between construction/builder sites and residential sites.

We have recommended an increase in the DRC personnel budget to better utilize the Allied Helias data on a daily basis. In addition we are working with the Allied Information Technology Office to develop standard reports that will serve the needs of different stakeholders (SROA Board, Owners, DRC, and others) to increase effectiveness and accountability of the Allied contract and help raise owner awareness of the current and emerging risk environment. The goal is a fully integrated risk management system at Suncadia.

Traffic Flow and Safety

The committee has been advocating for a sensible plan to increase safety and reduce costly roadway wear and tear by redirecting construction access, traffic flow and volume. Heavy machinery and material deliveries are moving through the resort core, while the majority of construction activity has shifted to the corridor between Nelson Preserve and Highway 903. Roadway wear and tear aside, safety is an even greater concern as these vehicles do not have the ability to stop quickly, especially when moving at a rate faster than posted speed limits. We have recommended construction access through the Greeter's Cottage be limited and diverted to the Firehouse Road and Hwy 903 entrances. We are also exploring the possibility of an additional construction debris waste station further out near Highway 903 to eliminate the flow of these materials and debris through the resort core or down Coal Mine Way. The committee has also initiated discussions to understand why the development team made a unilateral decision to dismantle and remove the SROA owner-funded 903 security gate putting the community's safety & security at risk (e.g. rising levels of trespass and transgressions) by allowing to exist an unrestricted access point to the resort 24/7.

2024 Budgets

We established a Finance Subcommittee, adding Kimberly Brown and Val O'Leary to the OEC team. The subcommittee worked with the Suncadia CFO and select HOA teams to review the proposed 2024 budgets. This included inquiring or commenting on sixty-five different areas within the budgets, and concluded with our finding that management's overall responses, assumptions and judgments were acceptable.

We provided feedback on the management fee and rate structure. Mark and Annalisa were both receptive to hearing our feedback, and as a result the 2024 contract management fee will now only apply to project work directly supervised by the developer team.

To promote greater transparency one area for opportunity we recommended would be for management to articulate to the Association their 2024 Goals, Initiatives and Execution Plans more clearly, and for management to report their progress against these plans at each of the quarterly and midyear meetings.

Greeter's Cottage

Work continues with Mark and his leadership team to explore opportunities to reimagine the greeters cottage experience. Our recommendations include a light touch security screening through the cottage lane, and a lengthened outer lane lift gate access for owners. As noted earlier in Pillar #1 (Speed Monitoring and Control), we are recommending the installation of security cameras and license plate readers to upgrade our security footprint, and these will be located at the Greeter's Cottage. Lastly, we recommend a refresh of the building itself and surrounding landscape.

Voting and Parking Policy Review and Revision

The committee engaged with Suncadia outside counsel to broaden the language in what was a narrowly defined election policy to now include guidance for all types of owner voting, including the ratification of budgets and any special assessments. We are ensuring proxies will be made available in advance of this year's annual meeting, and going forward whenever an owner vote is required.

A Voting/Nominations Subcommittee was established consisting of Paula Kurtz-Kreshel, Katie Rossmeyssl, and Susan Norris who recently helped vet board member election candidates and will help monitor the overall voting cycle from notification to proxy submissions, tabulation, and certification of results.

As it is a standard practice to bring in auditors to look over your financial statements and give shareholders the assurance that everything is as it should be, the purpose of this subcommittee is meant to give owners the same added layer of comfort and reassurance.

Finally, we authored a memo to the SROA Board regarding the increasing safety risks associated with parking behavior in our community with a recommendation to enforce the original parking policies for Suncadia and prohibit street parking.

OEC Agenda for 2024

A. Continuation and Completion of 2023 Projects

1. Implement Traffic Calming Technology Solutions, speed humps, tabletops, driver awareness signs, mobile speed monitor, and Swiftwater Drive crosswalk added to FY24 Budget. Continue discussion of controlling access to Suncadia via 903 gate.

2. Integration of Allied Security and SROA Operations. The Task Force will continue in 2024, concluding with a set of standard management reports to Suncadia stakeholders and a recommendation for a fully integrated system of risk management for Suncadia security and safety.
3. Parking Policy revision submitted to HOA SROA Board, to be reviewed and acted upon in Q1 2024.
4. Implementing a cadence with OEC Budget subcommittee and Suncadia CFO and HOA Managing Director. Suggested 30 mins quarterly.
5. Continue Review of Traffic Flow, Construction Access in Collaboration with BOD

B. New Initiatives

1. Improved Engagement of OEC with Suncadia Homeowners
 - a. HOA Quarterly Meetings: New for FY24 SROA hosting the meetings and leveraging a budget allocation not available in previous years.
 - b. Communications and Owners Portal: A continuing frustration among owners is the difficulty of accessing information from the FrontSteps platform, and the inadequacy of current efforts (notifications, bulletins, calendar, etc.) to keep owners informed. Discussions have been held on this topic and we would like to identify priority concerns and offer suggestions on improvement. (See for example <https://www.sunriverowners.org/>).
 - c. Periodic Homeowners Survey: There is a need to regularly “check the pulse” of homeowners and understand the changes in characteristics (demographics, size, residency status, etc.) of Suncadia in order to meet the community’s needs. Two owner surveys were conducted (in 2014 and 2021) and both provided valuable information on owners concerns and the state of our community. We would like to work with Suncadia Management to establish a schedule for this important function.
 - d. OEC Structure and Function: Because this was the first year of OEC’s existence, we often found ourselves struggling to anticipate deadlines and make decisions in a timely manner. Examples include regularly scheduling and reporting OEC meetings, codifying the actions of the Nominating Committee, establishing deadlines for Budget Committee meetings, preparing a budget for the Owners Picnic (and other events), submitting written monthly reports to SROA Board, developing criteria for determining “eligibility” of nominees, and other committee business. In 2024 we need to put into writing the activities and timelines of our working groups to ease future operations. We also need to review the committee roster with a view to adding or deleting members.
2. Review Snow and Safety/Security Costs. These are the two largest costs in our operations budget and owners raise the following questions on a regular basis: What is our strategy for contract management, how do we decrease our costs and increase resident value, what are the best practices that are in place, how do we use our scale as a point of leverage? Clarification of these questions would be a welcome service to owners and could identify new, more cost-effective opportunities.
3. Short Term Rentals (STR’s): If owners were asked to state their greatest concern about the quality of life at Suncadia it would undoubtedly be problems with short-term rentals. Postings on the unofficial Suncadia/Tumble Creek Facebook group document egregious accounts of noise, trespassing, property damage, and uncivil behavior. The problem has reached such a level that owners are contemplating leaving, in some cases have left, and in a recent survey owners expressed reluctance to recommend potential buyers join the community. Statistics reinforce these concerns; over the past 4 years 87% of noise complaints and 70% of parking nuisances are STR’s, yet these represent less than 25% of total single-family properties. There is a basic unfairness to a system where the costs of enforcement are disproportionately borne by those in compliance with the rules, rather than the violators. Some options include increasing the fines for violations, adding a surcharge on rental properties to help pay for their fair share of enforcement, and more targeted enforcement practices. The role of properties managers is another key factor, as they are required by contract to inform STR’s about Suncadia regulations and to be available 24/7 to address problems. Neither is happening in a consistent manner and there is a need to hold property managers accountable for their responsibilities. We will continue to review data and hold discussions with stakeholders on this matter with the goal of offering constructive suggestions to the SROA Board for corrective action(s).