

ANNUAL REPORT 2024

Sienna's vision and mission statements, adopted by the Boards of Directors, guide all Association business and endeavors.

Vision Statement

Sienna is dedicated to being the premier master-planned community.

Mission Statement

Sienna Association's mission is to sustain an environment that enriches lives and fosters a thriving, vibrant and inclusive community. We will achieve our mission through the following values and objectives:

- Unparalleled Visual Appearance
- Enriching Lifestyle Experiences
- Fiscal Responsibility
- Outstanding Customer Service

Dear Sienna Residents,

The Sienna Community Association (SCA) and Sienna Residential Association (SRA), collectively referred to as **Sienna Associations** continue to manage operational expenses and develop creative ways to maintain the Associations' budget and provide residents with a comprehensive series of activities, events, and recreational programming. At the same time, we dealt with Hurricane Beryl and unprecedented destruction to Association property/landscaping due to the high winds the storm brought to the community.

This annual report provides a high-level snapshot of our accomplishments and activities during 2024 and a look forward into 2025 and beyond. As always, we are focused on providing a maximum level of service and amenities for our nearly 12,000 households - all for a reasonable assessment. In preparation for our 2025 planning, staff issued a series of feedback surveys that helped to identify key service areas for the Association. The Association Boards adopted an updated Investment Policy based on input from the Finance Committee, which combined with higher interest rates, provided the Associations with additional funds that helped to offset the expenses of Hurricane Beryl damage. In addition, SRA once again held a Board election (occurs every 3 years), and Sienna residents David Atwood and Bill Chrisman were elected by the resident members of SRA. Major business plan items identified during our 2025 planning and adopted by the Boards at their October meetings include:

- Research Opportunities for FEMA Funding Assistance for Hurricane Damage
- Develop Long Term Plans for Tree Loss in Common Areas
- Solicit Funding Sources for Sienna Community Parks
- Broaden Opportunities for New Recreational Leagues and/or Tournaments
- Update 5-year Financial Plan
- Implement New Survey Methods

The business plan items are not intended to cover the day-to-day services provided by the Associations. As always, Staff will continue to offer a vast and diverse slate of events and programming options for residents. As with all plans and projections, elements within the plan may change as we progress through the year. The Boards approve each budget and set the assessment at their October meetings. The 2025 budgets are available online at Siennanet and each resident received a copy of the 2025 budget enclosed with their assessment statement. The Association staff looks forward to working together to meet our goal: making Sienna the premier master-planned community. If you have any questions, please contact me at 281/778-3740 or via email at sandy@clubsienna.com.

Sandra K. Denton, CMCA, LSM, PCAM / General Manager



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Beryl Comes to Visit

As noted, one of the biggest unplanned events in 2024 was Hurricane Beryl and its impact on Sienna. The damage to Association landscaping and facilities wrought by Beryl was by far the greatest of any named storm to date. While facilities and parks received some damage, overall damage to long term, large tree growth was the most significant with cleanup of debris and destroyed tree growth accounting for the largest expense.

Insurance reimbursements were processed for insurable items, while lower contributions to reserves and unrestricted funds were used to offset expenses. Considering the increase in climate disruptions, such as droughts, freezes and hurricanes/storms, the Associations' Boards of Directors have increased their focus on having funds available for catastrophic events to help minimize the need for any potential special assessments and/or loans from other funds.

Fiscal Responsibility: Budgets and Assessments

As you look around at Sienna's beauty, you are looking at the largest expense for the Associations. Landscaping includes all the community's common areas, esplanades, neighborhood entries, cul-de-sac islands, parks, irrigation, mowing, tree care, and more. Landscaping amounts for roughly 33% of the Associations' total expenses.

While many residents believe that seasonal color plantings are changed every few weeks, the reality is that the plantings are changed only 3 times per year. In early Sienna years, plantings were changed every 2 months, and then to quarterly switchovers. Quite some time ago, due to the continued growth of the community as well as cost and sustainability issues, the Association extended the replanting schedule to 3 times per year. Plantings may be changed out earlier due to disease or extreme weather damage.

The other four largest expense categories are General & Admin, General Property Maintenance, Recreation & Utilities. Contractual obligations of the Associations make up nearly 50% of the overall operating costs and utilities make up 7 - 8%. Operating costs typically increase when new facilities or common areas are conveyed to the Associations that require maintenance, upkeep, and regular services for residents, as well as increases in utilities, insurance, chemicals and labor rates.

Annually, the Association management team strives to keep assessment increases at or near Cost of Living (COL). Operating costs/assessments **do not** reflect Community Events - those expenses are funded through the Community Funds (SRA - Sienna Community Services Fund and SCA - Community Enhancement Funds), which are collected as transfer fees on the resale of each house.

2025 expenses are budgeted slightly higher than 2024 at \$1675 for SRA and \$1712 for SCA, per unit. Revenues, other than assessments, help offset these expenses and keep the assessment below this amount. The 2025 assessment is reflective of a 3.95% increase or \$1543/unit for both associations. The increase aligns with the Boards' goal to keep assessment increases close to Cost of Living (COL).



Catastrophic Funds

These funds, which may also be called Unrestricted Capital or Operating Funds, are not the same as Reserve Funds. These funds are needed so that in the event of a catastrophic event, the Association can avoid a special assessment to the members to pay for the recovery. Funds may come from excess operating funds (if applicable) at the end of a year and/or a portion of the annual assessment.

Reserve

Reserve funds serve as the Associations’/community’s savings account. These funds allow the Associations to make major repairs or replacements to assets as they reach the end of use life. A Reserve Study, performed by a 3rd party Reserve Specialist, provides an assessment of the condition of each asset and based on the anticipated useful life of that asset, projects what funding is needed when it is time for a major repair or replacement. Examples of Association assets include walls and fences, building roofs, exterior and interiors, pool equipment and pool decks, sport court components (nets, surface, fencing, etc.), fitness equipment, park/playground structures and normal landscape replacement.

Each year approximately \$3-3,500,000 is spent from the reserve funds to make repairs to these assets so they continue to operate properly and maintain appeal.

Reserves are funded through capitalization fees (collected at the sale of each new house and/or resale), the Community Funds and the prior year’s operating surplus (if applicable) and a part of the annual assessment. Since SCA has more new house sale activity, its reserves are mostly funded through capitalization fees, whereas SRA reserves are primarily funded through an allocation from the assessment.

Financial Information Online

The Associations post key financial information online at Siennanet including quarterly income statement reports, balance sheets, annual budgets, and annual audits (once approved by the Boards of Directors). Audits are completed by June 30 and related reports are posted online for residents’ review. Budgets are also mailed to residents with annual assessment statements.



Community Standards - Deed Restrictions


The Associations' Community Standards department is here to help your property maintain its value by encouraging residents to comply with deed restrictions (DR). As part of closing, each resident/owner acknowledges and signs an agreement to maintain their property in accordance with deed restrictions that include landscape and property maintenance (mowing, live & proper plants, houses, fences and driveways in good shape and free of mildew and dirt) as well as acquiring pre-approval for exterior modifications.

The Associations' approach to achieving individual owner compliance is simple - aggressive, but reasonable enforcement of deed restrictions while abiding by the Board-adopted deed restriction philosophy & enforcement policy: focus on education, inspection, and enforcement. This approach features pro-active neighborhood drives, processing of modification applications, inspections of properties each time a house is sold, special mailings to target specific issues, and the development of educational pieces to assist homeowners in property maintenance of their property.

The Community Standards team works with residents to resolve any DR violations, including helping to establish reasonable deadlines to bring issues into compliance. Additionally, in the event of community wide weather events (i.e., hurricanes, freezes, droughts, etc.) that may impact property maintenance/appearance, the Association often suspends inspections for limited periods to allow all residents to return their properties to normal.



***“Great community
with beautiful homes,
nice amenities
and well maintained...”
- Kishan***



Over 86% of DR issues are resolved before fines are assessed. It is not the goal of the Association to fine residents, but if egregious issues are ongoing and not resolved, fines may be applied.

The team also works with the community's commercial businesses to ensure that their properties comply with deed restrictions and are properly maintained.

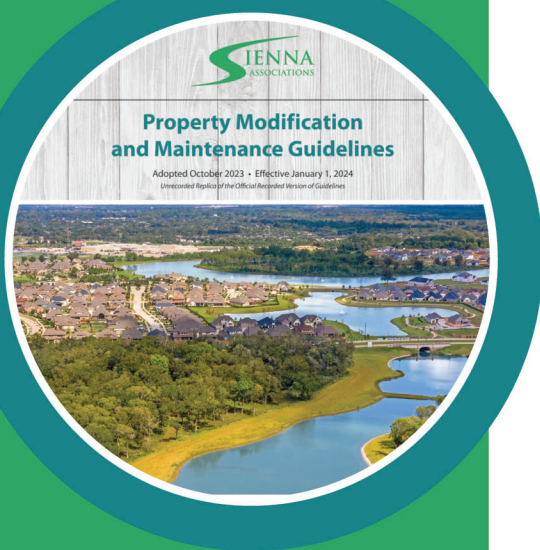


Architectural Control - Maintaining the “Look & Feel” of Sienna

Residents often question why exterior modifications to their homes must be pre-approved. The answer is simple: so that all resident modifications meet deed restrictions and maintain the aesthetics of the community. The process is very straightforward and applications that meet guidelines are approved monthly, some sooner. Getting a modification approved in advance means that any change or improvement meets building standards, doesn't impede on a utility or access easement (critical when building hard structures like a pool), that paint colors are complementary to your neighborhood (meaning, a purple house doesn't end up across the street) and that any modification doesn't negatively impact a neighbor's lot. Guidelines are in place to allow for personal expression while maintaining the look and feel of Sienna.

The Architectural Control team works closely with builders and commercial partners to ensure that new homes meet builder guidelines (as outlined by the developer) and new commercial partners/developers uphold deed restrictions during construction - including the 'look' of the building, signage and features.

During 2024, the Architectural Control and Community Standards team launched a new comprehensive tool for residents titled, *Property Modification and Maintenance Guidelines*. This guideline walks residents through everything they need to know about modifications (how and what to submit for) and maintenance (basically, how to avoid a deed restriction violation). The document also includes specific Association policies that residents may reference and provides quick links to each recorded policy. This set of Guidelines is located on Siennanet under Modifications.



One of the items most cited as to why people move to Sienna is the “look” of the community. Surrounded by natural beauty, there is a cohesiveness within the neighborhoods that appeals to individuals looking to make Sienna their home. Community Standards that include adherence to deed restrictions and approved property modifications help maintain this cohesiveness.

Operations - Keeping Sienna Looking Good!

2024 was a very productive year for the Associations. Mindful of our mission statement that Sienna should maintain unparalleled visual appearance, the Operations team and contractors work tirelessly to keep community assets looking good - from mowing, tree trimming, power washing monuments, replacing street signs, and more. To this end, the Association undertook major projects throughout the year including several reserve projects:

- Replaced brick and wood fencing along Steep Bank West (in partnership with MUDs 2 and 3) and other repairs and/or replacements to fencing throughout the community
- Playground enhancements including equipment replacement
- Fitness equipment replacement and other items in the fitness centers

In addition, the Association opened its new Maintenance Building which allows for all operations and event equipment as well as vehicles to be stored in one central location (and not spread out within different storage areas), which has the added benefit of higher team efficiency.

*Sienna...
“is home because
every time we make
that turn onto Sienna Parkway
or Sienna Ranch, we take pride
in seeing how beautiful and
well kept our community is.
We love how Sienna is so
particular on the appearance
of the landscape at each
and every corner.”*

- Has



Major projects in 2025 will include replacement of the community banners along major thoroughfares, and wood and brick fence replacements. The Operations team often works with other municipal entities on community maintenance items that may include roads, common area setbacks, and emergency response. Such entities include the Sienna MUDs (municipal utility districts), the Sienna Parks & Levee Improvement District (SPLID), Fort Bend County and the City of Missouri City.



“All the family gatherings! (i.e., the events that Sienna has that helps bring the Sienna family closer).”
- Mai



Upcoming projects in 2025 will include a new website for our commercial association members.

During 2025, the Rec team will also oversee the implementation of 8 new tennis courts at Sawmill Lake being built by Toll-GTIS (and then conveyed to the Association), and the coordination of capital funding for the Sienna Community Park development.

Enriching Life in Sienna!

Customer Service and Communications

The Associations’ Community Relations team interacts with Sienna residents daily in varied ways. Whether you utilize the Siennanet website, call or visit the Association office, use the Sienna App, read the monthly newsletter or attend one of the many community events offered, you’ve ‘met’ a team member. The Community Relations team works hard to enrich resident lifestyles and to provide outstanding customer service.

Siennanet, the Associations’ website (www.siennanet.com) provides a one-stop shop for all Association information. From Assessment and financial data to deed restrictions, modification guidelines & forms, to the monthly newsletter, to our comprehensive Resource Library housing all Association documents and policies and Board information and finally access to resident portals - Siennanet has it all!

In 2024, the team introduced Sophia, our interactive Siennanet AI Assistant. Sophia ‘lives’ in the lower right corner of the website; you can’t miss her! She is on duty 24/7 to answer resident questions which allows residents to get quick answers - even at 2 a.m., or on weekends when the office is closed. If she can’t answer you, she’ll bump the question to a staff member for assistance.

The Sienna app was also updated during 2024 to include Racquet Court reservations and to fully serve as a resident’s device-based, amenity access credential that provides access to all gated amenities.

Events

The Associations, via funding from the Community Funds, hosted over 45 events in 2024. Big or small, the events are designed to appeal to Sienna’s diverse community and vast age demographics. From cultural events to major festivals & concerts for families - like Juneteenth, July 4th, Gingerbread Market & Giving Tree Lighting - or youth/teen and adult centric activities, there is something for all to enjoy almost every weekend. It is the goal for the Events team that Association-hosted events provide an avenue for residents to gather with the community and their neighbors while celebrating life in Sienna.

Recreation

The Association’s Recreation team (aka, the Rec-ing Crew) also keeps Sienna residents busy & smiling. The ‘Crew’ is responsible for all things recreational which includes 5 pools, 1 beach area, 2 spray parks, 2 fitness centers, a racquet sports complex that houses a ‘pro’ shop, 8 tennis courts and 4 pickleball courts, as well as beautiful facilities available for rent. Plus, there are even more amenities on the horizon!

Further, the Recreation team oversees a comprehensive Rec program that features summer camps, adult and youth sport leagues, and personal enrichment opportunities for all ages (i.e., Active Adults (50+), adults (21+), youth/teen). All offerings are designed to get you out into the community to meet your neighbors and to enjoy the amenities. All recreational programming and registration can be found at www.siennarec.com or on the Sienna app.

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Association Volunteers Are the Best!

The Associations are fortunate to work directly with Sienna resident volunteers. These volunteers work with Staff in various roles that benefit the community overall. Board members who provide oversight and guidance to the Staff and Village Representatives (VRs) who are elected by residents and who act as conduits of information between residents and the Boards. VRs also assist Staff with special projects such as VR elections and village specific goals/projects.

Additionally, the Association utilizes resources and feedback from several other, very active committees that work with specific Association departments:

- Finance
- Gated Neighborhoods
- Hearing Advisory
- Landscape
- Modifications

Our resident volunteers all play a key role in making Sienna a great place to live. Volunteering is a good way to meet your neighbors while giving back to your community! We're always looking for new volunteers - the door is open for you to enhance your life and that of your neighbors. Volunteer applications are available online at Siennanet/Quick Links.



Community Funds = The 'Do Good' Fund

Of special note are the Sienna Community Funds - funds provided by the Sienna Community Association Community Enhancement Fund (SCA-CEF) and the Sienna Community Services Foundation (SCSF). As noted previously, these funds are collected on the resale of each house (1/2 of 1% of sale price). These funds serve as an investment in the future of Sienna by supplementing and complementing the functions of the Associations for the enrichment of resident lives.

The Community Funds, through grants, fund Sienna's community events, as well as various school grants (i.e., libraries, technology, etc), youth sport organizations, and other Association needs not covered by assessments. Additionally, via the very special *Children's Catastrophic Fund*, Sienna families with severely ill children can also receive grant funds.

The Grant Advisory Committee is made up of resident volunteers who review grant requests and make funding recommendations to the appropriate Board (SCA-CEF Board and the SCSF Board of Trustees). Community Funds exist in perpetuity for the better of our community. Information on the Community Funds and Grant Request Applications are located on Siennanet/ Administration.