

Lake Heritage Home Owners Association

Report submitted by

The Strategic Planning Committee



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PREAMBLE: The articles of incorporation (Bylaws, Preamble) state that the purpose of the Lake Heritage Property Owners Association (LHPOA) is "to maintain an area of cleanliness and neatness and to foster natural beauty, free of pollution, for the primary and main purpose of building permanent homes for ourselves and our posterity..." The bylaws (Article IV) also charge the Board of Directors with managing the affairs of the Association. These affairs are defined in the Rules and Regulations (Article I) to enable all members "to enjoy the use of Association property and facilities in safety, protect the members' investment by maintaining property values, and preserve our private, family-oriented community." The Strategic Plan, as well as the Vision Statement, have been developed in accordance with these recorded purposes of the LHPOA and its governing Board of Directors.

This document contains seven primary strategic objectives followed by specific goals and recommended actions to achieve these goals. The Board of Directors will regularly review these objectives and associated goals and make them available to the membership. At each regular Board of Directors meeting, the committee chair should include in his/her report updates to goals and action steps. The Strategic Plan will in this way, be used by the Board, its Committees and the Community Manager to guide both their operational and capital budget decisions and day-to-day implementation of these decisions.

VISION STATEMENT

Lake Heritage is a unique, private, forward-thinking community offering a safe, friendly and well-maintained environment with amenities focused on enhancing the quality of life for all its residents.

The Vision Statement is a declaration of what the Lake Heritage Community aspires to be. It communicates what is intended for and from its members and serves as a guide for choosing current and future courses of action.

Role of Strategic Planning Committee

The role of the Strategic Planning Committee (SPC) is to maintain, monitor and update the plan as needed. The SPC will be a standing committee of the Board of Directors with one of the directors assigned the chairmanship each year.

Duties:

1. Regularly review the vision. Make recommendations to the board on such. Survey/poll membership every 5 to 10 years.
2. Regularly review Strategic Plan for needed updates.
3. Assist committees in understanding the strategic plan and in putting the plan into action.
4. Communicate to membership about the Strategic Plan and recruit volunteers.

5. Review Annual Operating Budget from Strategic Plan perspective. Make recommendations to the board for areas to improve progress on our Strategic Plan.
6. Make recommendations to the board regarding spending of the Improvement Capital Fund.

Strategic Objective 1: Managing Financial Resources Effectively

BACKGROUND: It is evident that the Board of Directors has met its fiduciary responsibilities in a commendable manner. Annual budgets have covered costs without creating a need to incur debt. The lake's assets have been reasonably well maintained, and there is a long-term capital budget plan to cover all anticipated capital requirements. The association uses an outside firm to conduct an annual financial audit and regularly receives clean audit statements. However, dues are at a level that creates a hardship for some residents, and in the latest homeowner survey, there was significant interest shown in containing costs. There was also significant interest from other residents for improving or increasing lake assets. These conflicting financial interests have always been and will continue to be a challenge for the board to manage. The Board's responsibility lies with the collective welfare of the entire community not individual homeowners. The decisions of the board must reflect a concern for "the greater good." The "greater good", by definition, often creates hardships for specific individuals. Without minimizing these concerns, the Board must maintain a responsible financial focus. The following recommended actions may help in this effort.

GOALS:

1. Annual Operating Budgets fund all services required to enable a healthy, thriving community.

***Anticipated Benefits:** Current expenses, which benefit current residents, should be covered by current dues. Thus, annual operating budgets must be set to cover all anticipated costs plus an allowance for a reasonable number of unplanned items. This avoids going into debt which would penalize future residents for the benefit of current residents. It is however recognized that in rare cases, for certain large events such as road replacement, that a loan may be necessary.*

There are two ways to balance a budget, either increase revenues or decrease expenses. The Board should look at both options when preparing each year's operating budget.

RECOMMENDED ACTIONS

- a. Continue to prepare annual budgets using the established practices.
- b. To ensure, or achieve, efficient operation, set up a system to benchmark the major cost elements of operating the lake against similar operations. Communicate the findings, positive and negative, to the homeowners. Prepare action plans to improve operations for those areas that do not benchmark favorably. If not confidential due to personnel matters, share the improvement plans, and results after implementation, with the residents.
- c. Continue to analyze new Operating Budgets, excluding extraordinary items, against prior year actual, excluding extraordinary items, and explain any increase greater than cost-of-living.

2. Near and long-term Capital Budgets maintain and improve existing assets and allow for additions to infrastructure with input from the members.

***Anticipated Benefits:** Maintenance of existing assets is crucial not only for operation of the lake community and enjoyment of the lake by community members, but also in maintaining property values for all homeowners. Improvements to existing assets can reduce operating costs, increase use and enjoyment of the lake properties by the community members and can increase property values within the lake.*

RECOMMENDED ACTIONS

- a. Continue to prepare the long-term capital budget for maintaining/replacing existing assets as per the successful, established practice.
- b. Utilize the Strategic Planning Committee to regularly list and prioritize projects to improve or add to lake assets. The Strategic Planning Committee must develop a method of successfully soliciting input from homeowners in the development of this list.
- c. Work on Finance Goal #3 to develop a system for funding of the improvement list.

3. Implementation of a responsible and predictable dues structure consistent with the Operations and Capital needs.

***Anticipated Benefit:** In order to manage their personal finances, homeowners need a predictable dues structure, one that increases only slightly from year-to-year. Large increases should be the exception and should be accompanied by factual explanation of the need and the alternatives considered.*

RECOMMENDED ACTIONS

- a. Consider changing the capital buy-in to a formula that has built in year-to-year growth and a clear basis for communication and understanding. Also, consider adding an annual fee to every homeowner's dues that is a separate contribution for capital requirements. This annual fee would reduce the impact of downturns in the housing market on the capital fund.
- b. Consider establishing a Lake Heritage Special Assessment vs Debt policy.

4. Adherence to an investment policy which does not expose our assets to undue risk

***Anticipated Benefit:** Protection of the Associations cash balances will ensure that the resources are available for future needs, in particular capital requirements*

RECOMMENDED ACTIONS:

- a. Continue implementing the conservative investment strategy outlined in the Association's By-laws.

- b. Consider a change to the by-laws permitting a portion of the reserves to be invested in financial investments such as mutual funds, particularly in times of low interest rates.

5. Target an operating reserve of an appropriate percent of the annual operating budget

Anticipated Benefit: *Should there be an unknown or catastrophic event, an operational reserve fund would enable the Association to continue functioning while sorting out what to do about the occurrence.*

RECOMMENDED ACTIONS:

- a. Develop a system of transferring unused operation budgeted monies at the end of each year to an Operational Reserve fund.
- b. The Board should consider developing an Operational Reserve Fund Policy and Capital Fund Policy.
- c. Encourage Lake Heritage social organizations and individuals e.g. legacy fund or charitable giving to donate to the Improvement Capital Fund.

6. The decision-making process and results are communicated to the members in a transparent and understandable manner.

Anticipated Benefits: *While the Board has the responsibility to develop an accurate budget, fund anticipated expenses, and otherwise make decisions on behalf of the community, the average member is not privy to the information the Board relies on to make their decisions. Without accurate information, the people cannot easily understand the reasons for those decisions.*

RECOMMENDED ACTIONS:

- a. Continue to inform the residents, through the association website, the monthly newsletters, occasional town hall meetings, and emails on the costs of running the community.
- b. Consider designating a Board member or volunteer as a communication liaison between the Board and homeowners. This person prepares educational materials and articles for inclusion in newsletter, website, and other communication tools.

Strategic Objective 2: Maintaining the Lake Quality, Appearance and Amenities

Background: The lake is the community's number one and largest asset. In addition to maintaining the water quality of the lake at or above state standards for swimming and fishing, the spillway and dam must be compliant with state mandates. Residents must also be educated as to the steps they can take to assist in maintaining a healthy lake. Amenities

connected with the lake must also be well maintained, and new amenities considered as feedback from surveys directs.

GOALS:

1. Maintaining the water quality of the lake at acceptable biological and environmental standards.

***Anticipated benefits:** Controlling the quality of the lake is essential to community members for purposes of swimming, boating, skiing and fishing. In addition, maintaining the lake at appropriate levels will have aesthetically pleasing results and will maintain stability of property values.*

RECOMMENDED ACTIONS:

- a. Immediate reduction in lake phosphorus and organic matter. LHPOA shall maintain in place the current agreement with Aquatic Environment for treating and monitoring the lake for oxygen content, water temperature, dissolved solids, and oxidation reduction potential, and other attributes as agreed. This agreement should be made as circumstances warrant to evaluate the effectiveness of the Lake Savers agreement. If current efforts to maintain or improve lake quality are not successful, LHPOA will evaluate Lake Savers program and determine which elements were effective and which were not. Alternative plans, including the possible change in consultant companies, will be evaluated and implemented as appropriate.
- b. Maintain and increase aeration of lake. LHPOA should maintain the aeration program under contract with Lake Savers for a period of seven years (with an option to extend the program for two 5 to 7-year periods). Over this period, the program will be regularly evaluated relevant to specific goals, namely, algae growth, phosphorus, water clarity, organic content in lake sediment, dissolved oxygen and costs.
- c. Coves should be cleaned to remove leaves and debris based on an annual evaluation of their condition conducted by a member of the Lake and Dam Committee, a maintenance representative and the Community Manager.
- d. Use best practices of storm water runoff throughout the community. LHPOA needs to continue encouraging the use of rip-rap and other mitigation tools in feeder streams and all run off areas. Vegetative buffers should be maintained in drainage areas. In addition, LHPOA needs to spearhead an aggressive education campaign to provide residents with guidance relevant to best practices.
- e. Install effective phosphorus reducing vegetation and other methods in and around the lake. Consider native plants that will thrive by using the phosphorus in the lake. Consider planting these in strategic areas such as Plum Run and Pleasant Cove that are intake areas for the lake. Consider the cost-benefit analysis.

- f. Maintain and improve fish habitat. LHPOA should continue to maintain a healthy fishery through maintaining the above referenced agreements with Lake Savers as well as regular fish stocking and enhancing the lake through the placement of fish hides.
- g. Maintain boat quarantine program. LHPOA must continue to enforce quarantine as outlined in LHPOA Rules and Regulations Article XI section 10 to ensure invasive species are not introduced into the lake.

2. The spillway and dam must be effectively maintained.

Anticipated benefits: The state rules and regulations regarding dams are in flux at the present time. It is expected that when the standards for dams and spillways are resolved, LHPOA will comply to remain a viable lake.

RECOMMENDED ACTIONS:

- a. Continue funding dam reserve as necessary.
- b. Ensure integrity of dam and spillway through necessary regular inspections.
- c. Determine the need to service existing drainage pipe by the end of 2018.

3. Educate members in order that they can proactively participate in maintaining a healthier lake.

Anticipated benefits: As community members, both lakefront and in the interior sections, become aware of actions they can take to ensure a healthier lake, all will be part of the stewardship of the lake.

RECOMMENDED ACTIONS:

- a. Continue to encourage greater participation in control efforts such as removal of grass clippings.
- b. Continue to identify safe lawn care products such as those using no phosphorus or nitrogen and disseminate this information to all members. Members who contract with lawn care providers must ensure they use only these safe products.
- c. Educate members in type of plants that can be used in drainages and water's edge to prevent erosion and to prevent phosphorus from getting into the lake and to inhibit harmful runoff into the lake.
- d. LHPOA must continue to research and work with experts in the field of lake management to further educate members on beneficial actions.

4. Amenities connected with the lake must be well maintained and consideration should be given to adding amenities.

Anticipated benefits: Responsible stewardship by LHPOA includes valuing member input regarding the amenities of the lake. In addition, as the lake is the community's most obvious and largest asset, maintaining the lake amenities will provide stability for the community and property values.

RECOMMENDED ACTIONS:

- a. LHPOA must continue to maintain the boat ramp, docking spaces, parking spaces, the swimming platform, the fishing pier, and the no-wake buoys.
- b. Periodic surveys should be conducted to ascertain what additional lake amenities members desire.

Strategic Objective 3: Managing Safety and Security

Background: Feeling safe and secure in one's home and community is an essential element to quality of life. In general, members have indicated that their needs are being met for the most part. Some areas for improvement do exist, however.

GOALS:

1. LHPOA members should understand that safety and security are the responsibility of all Lake Heritage community members.

Anticipated Benefits: Understanding that safety and security are everyone's responsibility, and not just the responsibility of the security staff, helps ensure the entire community is concerned for the welfare of one another.

RECOMMENDED ACTION:

The survey indicated strong agreement among members that safety and security are everyone's responsibility. However, there is room for improvement in our day-to-day behaviors to meet this ideal – see comments below.

2. The community entrance should facilitate the proper registration process for all guests and service providers while allowing quick and easy gate access for residents.

Anticipated Benefits: A modern gatehouse with an efficient and effective registration process should monitor and control access of non-residents thereby improving security of the community while minimizing the impact on members. It should also provide a good impression for guests visiting our community and for members returning home.

RECOMMENDED ACTIONS:

- a. Explore implementation of new technology and/or design changes at the front gate to improve traffic flow and enhance security.
- b. Review whether a fence is needed along community entrance to reduce ability of people easily walking into neighborhood without passing by guard house.
- c. Management should explore the use of modified staffing arrangements (training, revised duties, outsourcing.) to enhance professionalism, efficiency, and effectiveness of security operations.

3. The Association should use the latest technology that can be feasibly and beneficially implemented towards the safety and security of the community.

Anticipated Benefits: Advances in technology offer new opportunities to improve safety and security in the community. These advances should be explored to determine if changes are warranted.

RECOMMENDED ACTION:

Explore the use of new technology (e.g., speed monitoring signs, electronic security notifications, security cameras) to enhance efficiency and effectiveness of security operations.

4. Safety and Security rules and regulations are well monitored and enforced.

Anticipated benefits: Monitoring and enforcing rules and regulations help ensure all members and guests can safely enjoy life in the community. Enforcement should be fair, consistent, and appropriate to the offense. There are divergent views within the community on the enforcement of traffic rules. Some would like to see more, others less. Some complain that non-residents are treated differently than residents. While full agreement among all community members is not possible, there should be a common understanding on how and why enforcement is applied as it is and what recourse is available.

RECOMMENDED ACTIONS:

- a. Review current procedures annually for vehicular and boat traffic rules enforcement to assess whether they are fair, consistent, and appropriate in achieving the goal of improved safety in the community. Revise the procedure if needed.
- b. Ensure community members (and visitors and service providers, as appropriate) are aware of the rules, how and why enforcement is conducted as it is, and what recourse is available to them.
- c. Continue to monitor who speeds (members vs. guests vs. service providers) to assess amount of speeding due to non-residents. Evaluate and revise as appropriate the procedures for notifying members, guests, and service providers

of violations. Consider revising enforcement action to be taken if not satisfied that speed control by non-residents is addressed satisfactorily.

- d. Consider additional measures (cameras, for example) to better monitor and enforce lake boating rules such as the no wake zones.

5. Roadways are respectfully shared by all users including drivers, walkers, joggers, and bicyclists.

***Anticipated Benefits:** For a community such as ours without sidewalks nor a substantial trail system, sharing the roadways is a legal requirement which helps ensure that members and guests can enjoy activities like walking, jogging, and bicycling while still allowing for reasonable motor traffic flow. These activities are an essential part of many people's lives. As such, our community's willingness to respectfully accommodate these activities is part of what defines our character and ultimately the desirability of our community as a place to live.*

RECOMMENDED ACTIONS:

- a Recognizing that our roads are shared by walkers, joggers, and bicyclists, as well as motorists, evaluate and implement as appropriate ways to help ensure their safety in our community. These might include:
 - 1) Installation of off-road paths along some of the more difficult sections of the road – including a possible walking/biking trail along top of dam with bridge over the spillway.
 - 2) Installation of speed calming measures in some areas.
 - 3) Education, reminders, and signage on roadway etiquette.
- b Consider establishing a subcommittee under the Safety and Security Committee or other approaches to seek input on ways to improve non-motorist safety on our roadways.
 - 1) Consider whether additional paths like the Woodland Trail could be developed and linked together.
 - 2) Consider whether a trail around the periphery of the neighborhood would be possible.

Strategic Objective 4: Maintaining Member and Association Property

BACKGROUND: There is a long-standing concern about the sightliness of member property and association property. This goes beyond a quality of life issue as unsightly properties are often hazardous, erode the real estate value of surrounding properties and may proliferate if unchecked. The Board of Directors in conjunction with the Community Manager, by virtue of Rules and Regulations, Article V, Upkeep of Buildings and Grounds, Sections 1-4 and Deed Restriction, Section 8, are empowered to enforce rules that outline minimal standards of sightliness. It has long been argued that association property should set the bar for well-groomed and well-maintained property standards.

GOALS:

1. To have neat and well-kept properties be the norm both for members and association properties at Lake Heritage.

***Anticipated Benefits:** This goal will lead to a general sense of well-being among the members. A commonly held value is that appearance is a common goal shared by all. Real estate values will be preserved and enhanced. There will be a diminution of unsafe conditions due to disrepair, lack of routine maintenance, and poor land use such as filled in swales, overgrown vegetation and improper drainage conditions.*

RECOMMENDED ACTIONS

- a. Develop acceptable minimal norms beyond what now exist in Rules and Regulations, Article V, such as but not limited to: evidence of disrepair, peeling paint, rusty road signs, litter, and overgrown shrubbery.
- b. Be specific about what is inadequately maintained, itemized in a way like a traffic ticket or building violation.
- c. Better use of media such as Newsletter and association website to propagate the “norms” of sightlines as developed above.

2. Association-owned properties are well-maintained and serve as examples to residents.

***Anticipated Benefit:** When the association property is well-maintained, it sets a positive example for the members.*

RECOMMENDED ACTIONS

- a) Maintain association property to the highest level of sightliness like the best member properties.
- b) In all matters regarding association property, make safety the prime consideration.

Strategic Objective 5: Promoting a Sense of Community

BACKGROUND: If the lake is the community's number one asset, then the lake's members are its number one resource. Therefore, creating and supporting opportunities for those members to come together should be a top priority of the Association. The Strategic Plan recognizes that several key values of a successful community are communication, active involvement, and the sense that all members have “a voice at the table” demonstrated by equal opportunity for participation in Association activities. The LHPOA plays an important role in promoting these values.

GOALS:

1. Lake Heritage staff and residents are friendly and neighborly.

Anticipated benefits: By treating one another with respect and kindness, the community will only become stronger and more united.

RECOMMENDED ACTIONS:

- a. Continue customer service training for all LHPOA staff.
- b. Actively promote an atmosphere of tolerance, respect and neighborly behavior.

2. There are sufficient opportunities for active involvement in Association committees, clubs, board matters and special events.

Anticipated benefits: By creating opportunities for a greater cross-section of the membership/residents to join clubs/committees and/or attend Board meetings, new perspectives could be considered.

RECOMMENDED ACTIONS:

- a. Investigate alternate times to hold one Board meeting. Advertise this and see if attendance changes.
- b. Utilize town hall meetings.
- c. Explore other methods to increase members of committees.

3. Communication from the association is prompt and effective.

Anticipated benefits: There is nothing more important in any effective organization than prompt and thorough communication. If the association is to gain and maintain the trust of its members, every effort must be made to achieve transparency, dissolve any silos, and disseminate information as soon as it is available.

RECOMMENDED ACTIONS:

- a. Make greater use of website postings, social media (such as Facebook), sandwich boards at the community entrance, email blasts as well as the newsletter to keep residents informed.
- b. Investigate alternate ways for members to communicate with the Board and/or Community Manager.
- c. Encourage members to avail themselves of the information already provided them on the website and in the monthly newsletter.

4. Community members actively utilize common properties and amenities in a way that is safe and congenial.

Anticipated benefits: When community space is used safely and returned in the same way it was found, all association members benefit. A sense of community and pride is reflected when we respect our communal property and recognize that we all "own" it.

RECOMMENDED ACTIONS:

- a. Seasonal reminder in newsletter and website of what is available for use by all members and the protocols for usage.
- b. Consider a part-time or volunteer activities director

5. There are ample opportunities to participate in volunteer activities that provide a valuable contribution to the Lake Heritage Community.

Anticipated benefits: Members of all ages can benefit from a volunteer experience in their community. Volunteers take pride in having a hand in making their community a better place alongside their neighbors.

RECOMMENDED ACTIONS:

- a. Research if some of the light, seasonal maintenance work could be done by volunteer groups from the community (weeding, painting, raking, etc.).
- b. Many school, and club projects encourage community service hours and involvement would better connect neighbors to one another and increase community stakeholders.
- c. Evaluate possibility of utilizing these volunteers to help property owners in need.

Strategic Objective 6: Implementing and Maintaining LHPOA Rules and Regulations

BACKGROUND: Community Rules and Regulations are appropriate, effective and current with the definitions of households and advances in technology. The Strategic Plan recognizes the values of a successful community are the clear and concise Rules and Regulations and of the equal enforcement of the Rules and Regulations.

GOAL:

Review the Community Rules and Regulations to determine if they are appropriate, effective, outdated or confusing to the property owner.

Anticipated benefits: Residents will be able to understand and adhere to the rules and regulations.

RECOMMENDED ACTIONS:

- a. Continue the work of the Governance Committee to review and rewrite the Community Rules and Regulations and present to the Board.
- b. Ensure the committee is comprised of Homeowners, Board members, Lawyer, and LH Staff that will provide a diverse background of ideas, comments, and revisions to the Rules and Regulations.

Strategic Objective 7: Improving Community Facilities and Amenities

BACKGROUND: Maintenance of our infrastructure provides the basis for maintaining property values within the community and assuring proper financial resources are planned. The priority of all infrastructure projects must be evaluated on a yearly basis to properly plan for the future.

GOAL:

Solicit input from community members regarding enhancements to amenities and assets.

***Anticipated benefits:** The community input about facilities and amenities will lead to improvements that create a thriving, enjoyable and valued community.*

RECOMMENDED ACTIONS:

- a. The SPC should establish a mechanism to solicit input from the community on a regular basis and maintain this input in a reviewable database.
- b. The SPC should develop evaluation criteria and a scoring mechanism.