



ARROWHEAD LAKE COMMUNITY ASSOCIATION

STRATEGIC PLAN 2017 - 2021

“Working Today for a Better Tomorrow”



Arrowhead Lake Community Members-

On June 3, 2017 the Board of Directors approved this Strategic Plan entitled “Arrowhead 2017-2021, Working Today for a Better Tomorrow.” This plan supersedes the plan previously approved on October 5, 2013. Since that original plan, the community has made tremendous gains.

This Strategic Plan is a guide for Arrowhead Lake to take targeted and measurable action toward accomplishing its vision and mission. The plan outlines objectives that provide clear guidance for priorities and a basis for evaluating progress. It also calls for focus by our board, management and committees to maximize results and ensure Arrowhead Lake is effective and accountable. Finally, it creates a framework for building on past accomplishments to help move our community forward and enables management to establish measurable goals annually.

The Board of Directors will utilize this plan to formulate other plans including a Long Range Financial Plan and Community Master Plan. Together, this set of comprehensive plans will guide future progress and position our community for growth and success for many years to come.

It has been a pleasure working with the Board of Directors, Strategic Planning Ad-hoc Committee, Management and volunteers from the community on this outstanding project. Thank you to everyone that took part in this planning process, as it is a job well done!

Best Regards,

Gerry Burke, President

Arrowhead Lake Community Association



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INTRODUCTION

To update a phrase from the 2013 Strategic Plan, “Life remains good at the Lake.” Arrowhead Lake Community Association (ALCA) has been a successful family-oriented residential and recreational community growing and going strong for over 50 years. Originally established in 1963 with only 1,250 acres, the Arrowhead Lake Community was quite different from the community that we know today. As of 1964, there was no eastern end to the main lake, Island, Beach 3, swimming pools, Clubhouse, and only two tennis courts. ALCA now encompasses 1,900 acres, 41 miles of roads, numerous buildings and amenities and has an operating budget exceeding \$7,000,000 annually. As of 2016, Members are comprised of over 2,400 home owners and over 1,100 lot owners. That’s over 3,500 owners to serve and 3,500 voices to be heard. Every successful business listens and responds to its customers’ wants and needs and ALCA is no different. The elected volunteer Board of Directors and Management personnel have a responsibility to the ALCA “customers” ... its Members! This responsibility means addressing Members’ needs and wants while being good stewards of the operating funds derived from Member assessments and other supplemental sources of revenue.

The mission of ALCA is to ensure the enjoyment of our Community for current and future generations. This is accomplished by following the direction of the Strategic Plan, which incorporates principles of strong fiscal management, responsible and proactive management of the infrastructure and environmentally sensitive decisions. The implementation of the 2013 Strategic Plan has proven successful already! For example, despite upward pressure on operating expenses, the Community has decreased its debt while, at the same time, increased savings that will be needed over the next few years. Additionally, the Arrowhead Sewer Company, (ASC, a wholly owned subsidiary of ALCA) which has 1,630 customers, installed new generators, as well as a new UV system and other improvements. Most importantly, the estimated cost to repair the gravity sewer system has significantly decreased from the initial engineering estimates assumed in the 2013 Strategic Plan.

In accordance with ALCA’s Bylaws, the Board re-established the Strategic Planning Ad-Hoc Committee, tasking the Committee to work with Management to review the progress made by ALCA and the ASC since adoption of the 2013 Plan. This review confirmed that many projects and goals have been achieved, while new or refined challenges have since arisen. As a result, it was determined that an updated Strategic Plan was appropriate; this is that Plan.

In order to demonstrate the many successes that have occurred over the last four years, the format of this Strategic Plan has changed slightly from the original 2013 Plan. Following the Strategic Environment update there is an “Accomplishments” section that outlines the progress made since the 2013 plan was adopted. We, as a community, have a lot of continued hard work and difficult decisions ahead of us. In addition to continued focus on infrastructure, such as road and ditch repairs, evaluating expansion and/or development of new amenities will be a new task. However, we also have a lot for which we should be proud. As you will see throughout this document, we have added value in many areas and the Board and Management are constantly looking to improve the overall Member experience throughout the Community. The Strategic Planning Ad-Hoc Committee encourages every Member to volunteer and be as active as possible in helping ALCA achieve its vision of being the premier privately owned family-oriented residential and recreational community in Pennsylvania!



ARROWHEAD LAKE COMMUNITY ASSOCIATION (ALCA)

MISSION

ALCA will continue to be a Member-owned, family-oriented residential and recreational community providing multi-generational recreational activities and amenities.

VISION

ALCA will be a premier privately owned, family-oriented residential and recreational community offering high-value amenities, a secure environment and a rural lifestyle.

Our Community will reflect the vision and shared values of the majority of our Members. We will maintain sound investments through responsible planning and management of the community infrastructure and environment.

We will continue to encourage active participation by Members to benefit from their diverse knowledge and experience, which will grow and strengthen the Community. We will combine strong, environmentally conscious, forward-looking leadership with fiscal responsibility, sound management, and open communication.

ARROWHEAD SEWER COMPANY (ASC)

MISSION

ASC will provide and maintain affordable, professional wastewater services to Arrowhead Community customers in order to protect the health, safety, and welfare of the public.

VISION

ASC will be a customer driven, environmentally conscious wastewater service committed to meeting all regulatory requirements and customer expectations.

Through responsible management of the organization, the infrastructure of the company will be rehabilitated and maintained in a manner that prevents discharge parameter violations and maintains positive relations with governmental regulating agencies. We will actively seek to expand the system of ASC to service new customers throughout the Community.



VALUES

ALCA's historic and long-term success relies in part on the following fundamental Shared Values.

- Honesty and Integrity: Members are honorable, trustworthy and sincere about the welfare of the Association and fellow Members.
- Excellence: Always strive to deliver the best possible services and facilities to the Community.
- Volunteer Involvement: The Association relies on Members to staff committees and for activity and event support volunteers.
- Responsiveness: Leadership listens, is empathetic and takes appropriate action.
- Open Communication: Transparency is maintained in all decisions and actions of the Board, Management and Committees.
- Accountability: Leadership is responsible to the Community for all decisions and actions.
- Active Community: Arrowhead provides a wide range of year-round recreation, events and activities for all Members and Guests.
- Environmental Sustainability: The Community protects its environmental resources by engaging in sound practices that minimize pollution, maintain ecological balance and preserve the natural environment.

LONG RANGE PLANNING APPROACH

Our approach to comprehensive long range planning includes development of a Community Master Plan and a Long Range Financial Plan for both ALCA and ASC which, together with this Strategic Plan, will provide a comprehensive roadmap for our Community's plans and priorities for the next fifteen to twenty years. It is expected that the Strategic Vision stated in this document will be made more specific and actionable as these two additional plans are developed.



STRATEGIC ENVIRONMENT

The Challenge of Change: Both ALCA and the Poconos have changed over the past 50 years, in some instances, dramatically. The challenge to the Association is to retain the spirit of our historic Mission and Vision while continuing to adapt to the changing needs and interests of our original and new Members, maintaining and improving a more complex and costly infrastructure, and managing the impact of increased external regulatory and economic influences on the community. As the Poconos and Monroe County have grown dramatically over the past fifty years, so has Arrowhead. In late 1964 when Arrowhead began sales, the Pocono region was the honeymoon capital of America. Camelback had just opened the year before with a few slopes. There were no casinos, water parks, or mega-stores. There were only about 40,000 residents in all of Monroe County compared to 169,000 residents today. After Sections 1-7 of Arrowhead opened for sale in 1964 there were around 40 early settler homes by 1966, a lake with no island, no bridge over Trout Creek on Owassa Drive, no ALCA Board of Directors, no pools, or Clubhouse. Today we have an outstanding Lodge, three pools, and many amenities only dreamed of by our early settlers. Today there are over 2,400 Member-owned houses and 1,100 lots of the total 4,330 properties in the community. ALCA has accomplished all of this while adhering to the spirit of the original Bylaws of the Association that stated its purpose in part “***...to promote the interest of its Members in social and recreational facilities, roads, lakes, premises, and activities, in and about the premises of Arrowhead Lake....***” But just as the “honeymoon capital” is no more, changing demographics, economic conditions and other external factors influence how our Community responds to current and future needs to achieve its Mission.

For Arrowhead, these factors have been significant in recent years and parallel to some degree the overall U.S. situation:

a. Demographics: As a community founded by and for suburban, middle class working families, Arrowhead’s membership has evolved in ways that require close attention to the changing interests and needs of a more diverse membership. Like the U.S. population, ALCA’s member profile has changed over the years with a growing number of older and retired owners. Many original owners are now full-time residents in retirement while others spend their winters in warmer areas of the country. With two-income households more the norm, younger Members find it more difficult to spend full summers here with their children. Most new homes are much larger than the original homes, most of which remain occupied or periodically used by the children of former original Members. With many owners spending less time at their Arrowhead homes, part-time vacation rentals have become a growing trend. While Arrowhead remains in large part a community that attracts and retains a similar demographic to its roots of middle class working families, differing Member and Guest interests, needs and involvement have evolved and will require commensurate responses to meet the needs of the Membership.

b. Economy: The general economy has a direct impact on ALCA’s growth and financial strength. Arrowhead Lake is located in Monroe County which tends to suffer more from economic downturns than many other areas of the country. However, ALCA’s revenue stream is less dependent on the local economy, as it primarily relies on economic conditions outside of Monroe County. As of March 2016, only 19% of the homes in Arrowhead were owned and occupied by full-time residents. Within this group, approximately half are retirees who moved to ALCA with retirement income generated from sources outside Monroe County. As such, the economy of Monroe County does impact the Association, but only to a small degree. The balance of the homes in Arrowhead, or 81%, are owned as vacation and/or rental homes with the owner’s primary address and income source generated from places such as New York, the Philadelphia area, and New Jersey. The trend toward vacation home ownership is



beneficial to the Association as our revenue stream links to a larger economic base. Arrowhead's appeal to the vacation home market is strong and on the rise. While currently 81% of the homes in Arrowhead are vacation homes, 87% of the homes built or purchased in the past five years are vacation homes.

As with any business, fluctuations in the economy can temporarily impact the Association's revenue stream. Periods of economic downturn can best be survived by maintaining financial policies of funding and recognizing reserve savings requirements, maintaining adequate cash savings for the operating fund, maintaining a healthy ratio between current assets and short term liabilities, adhering to a collection policy that quickly addresses delinquent accounts, addressing blighted property issues in a timely manner and assisting, if possible, in the quick turn-over of homes due to mortgage foreclosures.

c. Property Sales. According to local realtors, Arrowhead homes are holding their value better than homes in similar Pocono communities in recent years. As of the end of 2016, 503 homes have sold in Arrowhead since 2012, representing almost 20% of all homes. The charts below give a quick snapshot of

Arrowhead Lakes Real Estate Statistics - 2012-2016 HOMES			
Year	Homes Sold	AVG Selling Price	AVG Days on Market
2012	79	\$150,997	207
2013	99	\$134,999	253
2014	81	\$106,352	253
2015	112	\$115,675	237
2016	132	\$115,347	203

Arrowhead Lakes Real Estate Statistics - 2012-2016 LOTS		
Year	Lots Sold	AVG Selling Price
2012	6	\$18,583
2013	9	\$24,833
2014	7	\$15,929
2015	3	\$34,500
2016	13	\$23,327

home and lot sales. Home sales are on the rise with less time on the market. Lot sales fluctuate and reflect more the economic trend in the region.

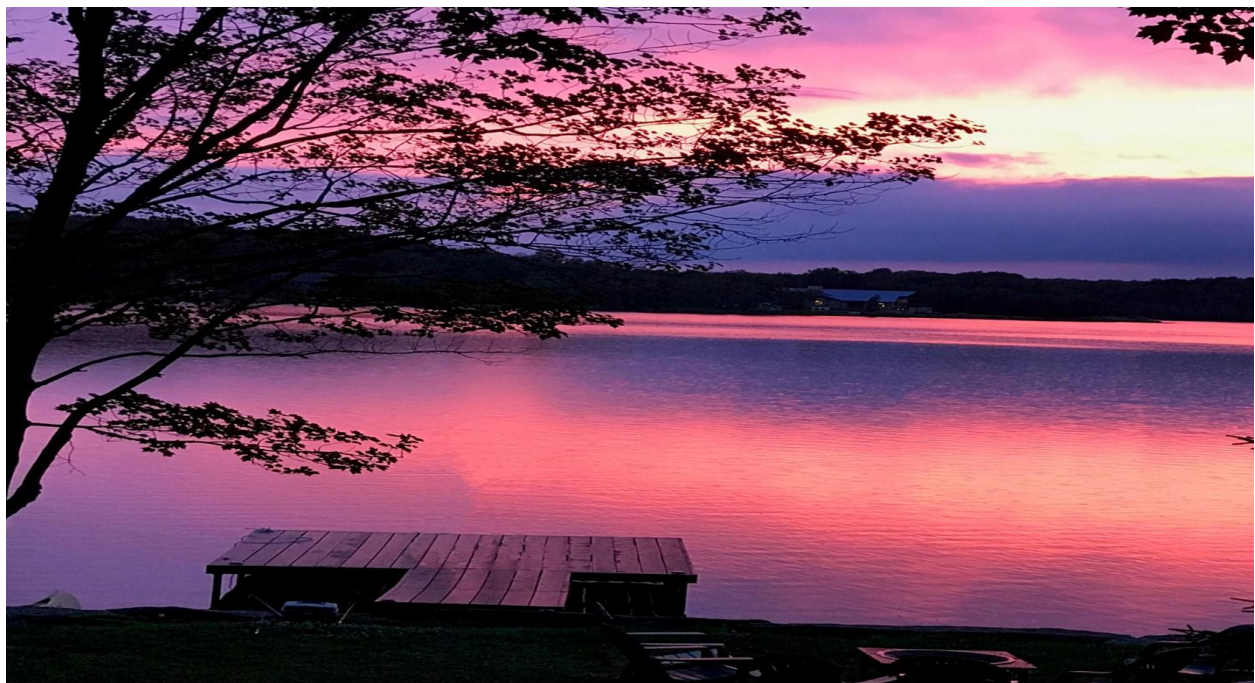
Notably, however, home values in Arrowhead have not bounced back as well as other regions of Pennsylvania and many homeowners continue to see the value of their homes either lower than past levels or remaining flat over the past 10 or more years. This situation requires the Community's present and future Boards to stay focused on increasing long term value of Members' homes by offering a premier, highly sought-after community. As long as ALCA offers an exceptional value to families, demand for houses in Arrowhead should increase which will cause home values to rise.

d. External Impacts and Influences: When All-American Realty developed Arrowhead Lake, there were very few external regulatory influences or impacts, although the developer did face economic and severe weather impacts. The only building code was the one developed by All-American Realty, which essentially set the minimum square footage for homes to be built, and required the installation of a drainage pipe for driveways. The developer provided no water supply and the only wastewater treatment was on-site septic systems with little or no inspection of the installation, or the maintenance thereof. Homeowners only had to pass a percolation test to show that they could put an on-site septic system on their lot. Roads were built and dams were constructed with essentially no required local, state, or federal oversight. Over time that changed, and more and more regulations have been generated at the local, county, state and federal levels, which started to restrict not only what the Association can do, but also what homeowners and lot owners can do on their property. Township and Monroe County officials encourage developments to improve their tax bases and encouraged tourism in the area to generate revenue for the region.



The second area of impact is the force of nature, which can affect the Community with ice storms, major snowstorms, tropical storms, hurricanes, flooding and extreme wind events. This has and will continue to have major impacts on our roads, drainage, dams, sewer system and electrical service to homes and Association facilities. With a total of over 2,400 homes now within the community, our infrastructure and emergency response systems are being stressed and appropriate response planning and preparedness are of high importance now and will continue to be in the future.

By far, the biggest impact on our Community has been the growth of government oversight from the township level up to the federal government. The Pocono Mountain Regional Police and ALCA's Public Safety personnel now share responsibility for the safety of our Community. Both Coolbaugh and Tobyhanna Township have zoning and building codes in place, which though dictated statewide, are enforced by local Code Enforcement Officers in each township. The townships also have Sewage Enforcement Officers who are responsible for enforcement of regulations governing on-site septic systems. The Pennsylvania Department of Environmental Protection is responsible for oversight and enforcement of discharge permits for the ASC wastewater treatment facility. If the Association would like to bridge a stream, extend a sewer collection system or construct drainage facilities, the project involves coordination with a number of governmental agencies including township, county, state and federal agencies and compliance with regulations at all levels. The total number of agencies involved could be as high as 15 for one project. A building such as the Lodge required interfacing with agencies at all 4 levels of government. Projects involving the lakes and dams trigger yet another assortment of government agencies at all 4 levels. A property owner with wetlands on a residential lot intending to build a home may have to navigate agencies with 3 of the 4 levels of government. This regulatory reality has an impact, operationally and financially, on the future of our great Community and requires ALCA decision-makers to be well-versed in the regulatory environment and to seek outside consulting expertise on most infrastructure development and enhancement projects to ensure compliance.





ACCOMPLISHMENTS

In the four years since the adoption of the 2013 Strategic Plan, the Association has begun initiatives and accomplished many significant goals, both within and outside the Community. This achievement has strengthened many processes within the supporting staff and the Association. Furthermore, this progress is what continues to make Arrowhead an attractive choice to prospective homeowners and a desirable vacation spot for visitors and renters. As a result of the 2013 Strategic Plan, the Community has compiled a vast list of accomplished tasks that have been assessed and utilized to develop this new and updated Strategic Plan: “Arrowhead 2017-2021 – Working Today for a Better Tomorrow.”

Governance

- Strengthened governance and management practices of the Community. These improvements have been incorporated into the Community’s updated Bylaws to ensure that continued diligence is exercised in all financial and managerial decisions affecting the community and its members.
- Electronic balloting was used for the first time in the 2015 Board Election.
- This comprehensive update is a result of the required bi-annual review process established in the first Strategic Plan and the Bylaws. It is contemplated that this updated Plan will guide the Community and Management for the next four years at a minimum subject, of course, to periodic assessment, adjustment, and update as directed by the Board.

Infrastructure, Wastewater

- Back-up generators have been installed at the pump stations, which are part of the Community’s collection system, and at the treatment plant.
- ASC Sewer Treatment Facility Assessment was completed in 1st Quarter, 2016.
- Three-year septic system inspection requirements were implemented in 2014 with completion of first cycle in 2016.
- New Septic System Rules and Regulations were approved in 2014.
- Through refinement of data from Gravity Sewer System Repair Study, including video inspection, costs to repair system Inflow and Infiltration (I&I) have been minimized, with contracting and construction to be initiated in 2017. This includes financing alternatives being reviewed.
- Local Share Account Grant obtained to finance 50% of project cost to rehabilitate shut off valves in Community sections 19-21. Construction expected to be completed in 2018.
- Acquired 4 Lehigh Drive for ASC use.
- Replaced UV Treatment System.

Infrastructure, Road and Surface Water Drainage

- As a result of significant infrastructure rebuilding needed, significant road repairs were delayed so that full engineering plans for stormwater and road management could be developed. In 2016, an asphalt rejuvenation project was completed. Planning also began for a Stormwater and Road Management Plan for the roadways and drainage, to be completed by June 2017.

Infrastructure, Maintenance of Facilities

- Beautification of the common areas of Arrowhead has become a focus. The rebuilding of the Welcome Center Wall, along with professional landscaping services for the Lodge and the Welcome Center, reflect a focus to ensure the Community’s assets retain a professional appearance.
- Tighter controls of tools and equipment were instituted.
- Rehabilitation of Minisink Pool was completed.



- Bathhouse renovation program for all beaches and pools began, with Minisink Pool and Beach 2 being completed.
- ALCA purchased two properties in vicinity of Orono Gate to facilitate future gate expansion.

Infrastructure, Lake Management

- Contractor FX Browne has submitted and obtained permits for Lewis Creek, Eastern Cove, and Trout Creek Reclamation project. Work to begin in 2017.
- North Lake Spillway berm solution permit application is underway with contractor Gannett Fleming.
- On-site septic monitoring program for lake quality was initiated in 2014, with good results. Management continues to monitor program to ensure that homeowners comply with program rules.
- Emergency Action Plans were re-validated and continue to be refined as work is completed on dams to ensure dam health for years to come.
- Shoreline soil sampling program initiated in 2015. Several rounds of testing have been completed with all data being evaluated to ensure the Community addresses any potential hotspots around the lake.
- Anglers continue lake fish stocking success laid out in original Strategic Plan.

Communications

- The ALCA website has been expanded and improved with Member log-in capability, automated forms, a live webcam overlooking the big lake, and the ability to pay annual assessments and make other purchases on-line.
- The use of Member surveys has increased.
- The email system was upgraded. The new system no longer has limitations of sending only one group email per day. Also, the design/look has improved and is more mobile friendly.
- The collection of Member email addresses increased.
- More informative articles/emails are being written and sent to educate the Community.
- Advertising opportunities were expanded for realtors and other local companies.

Quality of Life

- PennDOT completed the Locust Ridge Road, Trout Creek Bridge replacement in the Spring of 2017.
- The Lodge hosts more community events and activities (including revenue generating rentals for private events). This includes karaoke night, movie night, etc.
- Friday Food Night was introduced and has become a regular Community event. The introduction of Saturday Food Night, coupled with more menu choices being made available to Members, has aided in the success of the events.

Security and Safety

- The 2015 Member survey demonstrates that Members continue to place high value on having a secure, gated community.
- Research has begun to find potential replacements for the current access control system that will provide members with a more efficient, user-friendly system while retaining or improving on the access control we currently have.
- Remote observation cameras have been installed in many areas, including security vehicles.
- In the event of emergency, Public Safety personnel will provide transportation to designated shelters, including the Lodge, when requested.
- A back-up generator and extensive normal/emergency power service have enhanced the shelter function of the Lodge.



- ALCA is participating in the following: Pocono Mountain Regional Police Community Outreach Program, SWAT demonstrations, K-9 Demo, fingerprinting children, bicycle safety, crime prevention programs, and neighborhood watch programs.

Financial Management

- An attorney has been retained to aid with collections, and Management has pursued more foreclosures and sheriff sales.
- ALCA and ASC Collections Policy have been updated and are being enforced. Additional payment plans for delinquent accounts have been added to encourage members to return to “good standing” status.
- ALCA filed and won two judgments against a single LLC that owned 56 lots but was not paying dues on them. ALCA took possession of those lots in January 2017.
- ALCA recovered over \$120,000 under delinquent payment agreements.
- A discount of \$100 was implemented for early payment of annual assessments.
- An increased focus on collection rates, coupled with a better economy, has decreased non-paying accounts from 13.6% in 2011 to 8.6% in 2015.
- Financial reserves have been established, and have increased since the publication of the 2013 Plan. The Association had a Reserve Study completed in 2016 that includes a 30-year projection, which will be reviewed bi-annually. The study confirmed that our Reserve balances and forecasting for the upcoming 5 years is adequate to maintain our Community and allow us to better plan for the future. These 5-year forecasts have been incorporated into the annual budget process, allowing the process to be more efficient and thorough than in years past.
- Quarterly budget reviews are conducted with Management, the Budget & Financial Planning Committee and the Board of Directors, which has increased cost controls and budget oversight at all levels of management.

Administration

- A new Employee Handbook with improved management policies has been implemented for all ALCA employees.
- Upgraded computer systems, improved cyber security protections, and staff training have resulted in better service to the Community.
- New hire training procedures have been established resulting in a shorter integration period.





Goal 1 – Comprehensive Long Range Planning

Strategic Goal 1: Planning for the future is a strategic priority for Arrowhead Lake. Effective long range planning benefits the Community through clear communication of priorities and strategies, improved coordination among those pursuing those strategies, an inclusive process for agreeing on key issues, and commitment to and capacity for achievement of strategic initiatives. The success of the original 2013 Strategic Plan has resulted in Arrowhead becoming a strategy driven Community. Moving forward, Arrowhead will engage in a comprehensive planning approach that effectively incorporates three planning efforts; Strategic Planning, Community Master Planning and Long Range Financial Planning. As part of the planning process, periodic reviews will allow the Community to refine the plans, adjust financial forecasts and grow in ways not before seen. Figure 1 below shows the areas covered by the Strategic Plan, Community Master Plan and Financial Plan and how they coordinate.



Figure 1. – The Relationship of Community Plans at Arrowhead Lake

Objective 1.1. Strategic Planning. Long term planning of any type utilizes the Strategic Plan as a foundation that can provide guidance to the Board of Directors, Committees and professional staff. The refinement of the current Plan, as a result of periodic review, will ensure that the future of Arrowhead is successful and provides for growth. Strategies:

- Review the Strategic Plan every 2 years and provide refinements to supporting data and analysis.
- Utilize subject matter experts in the field of Strategic Planning and Leadership who can provide an evaluation of the prior 2-year period, resulting in a report that shows accomplishments gained and points of focus for the next period.
- Adopt a timeline that focuses on the following actions: assess, plan, and execute.
- Develop an Organizational Effectiveness Program (OEP). The primary purpose of an OEP is to track the success in implementing the Plan.

Our strategic planning process is centered on three key actions: assess, plan, and execute. In order to properly execute a plan an organization must have a way of judging its effectiveness. In many



organizations, an OEP is developed. The primary purpose of an OEP is to track the success in implementing the Plan. The figure below is a quick reference guide to showing the cyclical nature of a Strategic Plan. Over the next year, ALCA management will engage with the Strategic Planning Committee and develop an OEP with the goal of assessing the effectiveness of our strategic goals and objectives and also highlighting gaps to be addressed in future strategic plans. Figure 2 below is a quick reference guide to showing the cyclic nature of a Strategic Plan.



Figure 2. The Strategic Planning Cycle

Objective 1.2. Community Master Plan. The focus of maintaining Arrowhead’s appeal to Members and potential Members will be partially driven by our ability to determine the most desired use (e.g., development or preservation) of unimproved Association-owned lots and to plan for upgrades/enhancements to current amenities. The development of a Community Master Plan for ALCA and ASC that covers the next fifteen years will plan for a balance of long- and short-term development, beautification and open space land projects that will improve Member enjoyment. This long-range vision for Arrowhead will guide the appropriate use of lands to protect public health and safety, promote the general welfare, and ensure that Arrowhead retains the character and natural setting that attracted its Members in the first place. This Plan will be developed and implemented in 2018, with evaluation from 2019-2021. Strategies:

- Ensure the Plan includes (at a minimum) the following subjects: Land Use, Natural Environment, Existing Buildings and Assets, Future Facilities, Roads, Sewer, Stormwater Management, Green Initiatives, and a Marketing Plan. The Marketing Plan should emphasize Arrowhead’s strengths (stability, amenities, planning, great value, etc.) to attract new Members to support growth in accordance with the Plan.
- Ensure that all projects that address Member safety emergencies are afforded highest priority for completion over enhancements to current amenities or the planning of new amenities.
- Ensure that projects that are approved, in progress, and that have permits pending or granted are afforded primary priority for completion.
- Prioritize and properly plan maintenance and potential upgrades for existing amenities.
- Evaluate strategies for addressing road congestion and improving road safety including promoting the use of golf carts instead of cars through infrastructure and parking.



- Evaluate strategies to create a dedicated infrastructure for walking, biking, and running to promote the health, wellness and safety of our Members.
- Evaluate opportunities to use ALCA-owned land to extend and/or improve open space, recreational areas, and Community facilities.
- Evaluate suitable locations for future amenity sites, public buildings, and entertainment.
- Ensure environmental, historical and cultural resources that warrant conservation are considered.
- Set priorities for funding and guidance for new development.
- Enhance the Geospatial Information System (GIS) maps to support the development of the Community Master Plan and to show planned improvements in Arrowhead.
- Coordinate with State agencies, such as PA DEP and/or Dept. of Conservation and Natural Resources, to research feasibility of a walking path adjacent to and entering State Lands bordering Arrowhead, while utilizing ALCA's own land in the vicinity of Trout Creek.
- Utilize industry experts and Committees' input to analyze trends to upgrade current and future facilities to meet Community needs.
- Conduct periodic surveys to obtain feedback from Members for desired enhancements to current facilities/amenities. Utilize input for design of new facilities/amenities.
- Conduct a periodic review of all parking availability. Ensure parking areas are properly developed in order to provide ample parking for all events or alternative transportation plans to support events.
- Refine plan/process to allow ALCA-owned areas to be used as wetland mitigation sites and improve the areas so they can become exceptional value wetlands. Interface with regulating agencies, i.e., DEP, Army Corps of Engineers, to ensure agency procedures are followed. Utilize Wetlands Biologists to refine study area data for utilization.
- Develop plan to acquire properties, on a case-by-case basis to benefit the Community. Utilize the following to assist in the plan: purchase of properties from repository or real estate sales, acquire non-buildable lots in order to combine lands into common areas, and when available, pursue the purchase of land bordering ALCA for potential amenity expansion or community growth.
- Determine if ALCA-owned lots are buildable. If so, evaluate whether to sell the lots in order to promote community growth or retain for open space, future amenity or infrastructure development.

Objective 1.2 and associated strategies are of great importance to the Community and, as such, will require, in accordance with Community Bylaws, a thorough review and a super-majority vote (eight out of nine Board members) to change.

Objective 1.3. Long Range Financial Plan. The Association will develop a Long Range Financial Plan for ALCA/ASC that supports the Community Master Plan and Reserve Policy put in place by the Board of Directors by September 30th of each year. This Plan will ensure that the Association maintains a solid financial position in order to meet its financial obligations and to qualify for credit, as needed, for potential future projects. Communication of this Plan to the Membership, in whole or part, will increase Member support of the Plan and add to the stability of the Association. Strategies:

- Create a Pro-forma showing projected revenue and expenditures yearly for 5 years into the future, and update annually.
- Create a Pro-forma showing projected Reserve balances (vs. Total Replacement Cost per the latest Reserve Study) for 5 years, and update annually.



- Develop a Risk Management Plan to identify and manage contingencies based on economic trends by developing a process for building a “Capital Fund” or “Contingency” reserve in order to mitigate unexpected financial requirements.

The Pro-forma will be based on a “most likely” estimate of non-assessment revenue, operating costs, capital expenditures and reserve requirements (consistent with the Board’s adopted Reserve methodology). The assessment revenue to be included in this scenario will be based on current rates with an annual adjustment consistent with prevailing inflation factors. When the Pro-forma indicates that projected revenue will be insufficient to meet projected expenditures and reserve requirements, Management will present the Board with options and alternative scenarios for addressing the shortfall. The Board will approve an appropriate course of action in advance of setting assessments for the following year.

Objective 1.3 and associated strategies are of great importance to the Community and, as such, will require, in accordance with Community Bylaws, a thorough review and a super-majority vote (eight out of nine Board members) to change.





GOAL 2 - Governance

Strategic Goal 2: ALCA's success relies on an effective Board of Directors advised by a knowledgeable base of volunteer committees paired with a highly competent and professional staff. Operating continuity, fiscal control, regulatory compliance and achievement of long term plans will be secured through well-structured ALCA/ASC Boards, advisory committees and operating Management and adherence to the Community's governance policies and processes. Compliance with external regulations from outside government agencies demands greater reliance on the use of professional experts, (e.g., attorneys, CPAs, engineers, wetland experts) in planning and decision-making.

Objective 2.1. Continue to ensure coordination between Board of Directors, Management, and committees. Strategies:

- Evaluate, from time to time, the structure of the Board of Directors to maintain effective governance of ALCA/ASC.
- Refine governance structure, policies, and approach over time to reflect current best practices and regulatory requirements.
- Configure committees, including ad-hoc committees, to fit the requirements of their advisory function. This includes regulating the structure, size, skills, participation of Members, and communication with Board and professional staff.
- Encourage new Members to volunteer to participate in open committees and actively recruit Members with specific, current skills and experience that will enhance the Board of Directors and committee functionality.
- Continue to use an electronic balloting process that can be accessed via computer and/or mobile device as a tool to increase Member participation in Board elections. Encourage the utilization of all communication channels to announce candidates and provide Membership with expanded opportunities to assess candidates.
- Management to report to Board of Directors, quarterly, to brief updates on Strategic Plan goal achievement.
- Identify Members and other individuals with subject matter expertise who can be called upon to provide guidance/feedback to the Board of Directors. Put in place by end of year 2017.

Objective 2.2. Develop and maintain professional relationships with all applicable government agencies to assure compliance and positive relations. Strategies:

- Dedicate internal resources and personnel to foster and maintain relations with external regulatory agencies and elected officials. Ensure appropriate job descriptions of management personnel outline this requirement.
- Ensure input from industry experts is incorporated into the Governance Process to allow for accurate strategic planning and decision making.

Objective 2.3. Determine whether or not the development and implementation of a new Master Covenant Agreement is feasible. Strategies:

- Consult with external experts to develop a process to modify current library of covenants that may result in one, comprehensive document that will enhance the governance process with uniform guidelines applied equally across all owners.
- Investigate and concretely identify the advantages and disadvantages of the current covenants and weight the costs and benefits of converting to a uniform covenant.
- If it is determined a single, universal covenant is worth pursuing, educate the Membership about the issues and the benefits of such a project.



GOAL 3 - Infrastructure

Strategic Goal 3: Arrowhead has been a successful community for generations because it provides Members with a chance to “get away” from more built-up, urban and suburban areas. Therefore, it is a priority that the Community maintains the wooded, natural setting and rural feel that attracted so many of our current Members to Arrowhead. Simultaneously, providing quality of life through activities, amenities and recreation are also of primary importance, as they are a key driver in keeping demand high for homes in Arrowhead. These two priorities need to be effectively planned for and managed in balance. We will develop and implement a Community Master Plan that plans for land use and future projects for the enhancement of existing or the development of new amenities/infrastructure as well as plans for natural and open space. The Community will maintain its infrastructure, amenities, and common areas to ensure that it receives optimal operating efficiency and full service life from its assets. Arrowhead will utilize green building and green construction practices wherever possible to reduce the overall impact of the built environment on human health and the natural environment.

The following Infrastructure Objectives are Strategic Guidelines for the development of a Community Master Plan for Arrowhead, as specified in Objective 1.2. The financial components of these Objectives, addressed in Goal 7, will be detailed in a Long Range Financial Plan.

The following Strategic Objectives and associated strategies are of great importance to the Community and, as such, will require, in accordance with Community Bylaws, a thorough review and a super-majority vote (eight out of nine Board members) to change.

Objective 3.1. Environmental Sustainability, Green Building, Green Construction. The lakes and surrounding wooded areas of Arrowhead are the centerpiece of the Community. Minimizing negative environmental impact upon the lakes and regional ecosystem are of utmost importance for maintaining future enjoyment and protection of resources invested in the community. Arrowhead will use environmentally responsible and energy efficient approaches in all aspects of its operations and utilize green building and green construction practices wherever possible to reduce the overall impact of the built environment on human health and the natural environment. Arrowhead will recycle, explore clean energy alternatives and educate Members to promote environmentally friendly and energy efficient alternatives and best practices. Strategies:

- Plan for environmentally responsible and energy efficient practices to be used in new construction and enhancement projects during site selection, design, construction, operation, maintenance, renovation and demolition.
- Explore options for efficient clean energy replacements for existing fossil-fuel based systems and equipment.
- Use water efficiently and plan for the natural return of water to the ground in the design of projects.
- Use biodegradable products and actively seek to minimize pollution in operating activities.
- Reduce waste, reuse and recycle. Continue to expand the materials included in the Community’s recycling program.
- Educate the Membership on environmentally responsible actions they can take to help preserve the natural environment and maintain a balanced habitat both in the community and its surrounding regions.



Objective 3.2. Land Management. “Greenspacing” appropriate ALCA-owned lots, providing wetland mitigation areas, and acquiring properties from real estate sales or purchases through the repository are keys to maintaining the “rural” feel of Arrowhead. Intelligent and deliberative land management is important to our Members and will protect against over-development. Strategies:

- Follow county and township rules for removing greenspaced lots from tax rolls.
- Periodically review greenspace procedures to ensure continued compliance.
- Ensure professional staff maintains ALCA-owned greenspaced property resulting in clean, trash free and attractive lands that contribute to the value of ALCA consistent with the Community Master Plan.

Objective 3.3. Wastewater Management. Develop a program that will allow the Arrowhead Sewer Company to rehabilitate and maintain and expand its infrastructure (collection system and treatment plant) in order to provide quality service to current and future customers who need access to the system, while maintaining affordable fees as the system is upgraded. Strategies:

- Consult with industry experts on how best to grow and serve the Community, including research on alternative discharge methods.
- Develop and implement an Emergency Action Plan for the Wastewater Treatment Facility.
- Work to modify the current 537 Plan to allow ASC to expand the sewer service to more homes throughout the community, especially those adjacent to the lakes.
- Monitor applicable discharge compliance requirements, in accordance with Chesapeake Bay Commission and Delaware River Basin Commission parameters and Pennsylvania’s Sewage Facilities Act, and determine best option to comply with 2020 permit renewal.

Objective 3.4. Roadway and Stormwater Management. Develop and maintain a program for roadway repair and stormwater drainage improvement that is coordinated to ensure adequate and cost effective roads and stormwater drainage improvements in conjunction with sewer system improvements, where applicable, over the next ten years. Strategies:

- Research feasibility of expanding the duties of the Department of Public Works respecting stormwater, roads and ditches, and leaf removal, incorporating equipment acquisition, in order to better serve ALCA roadway needs.
- Evaluate potential expansion of paved roadways (distance and width) to improve safety. Consider golf cart, bicycle and pedestrian traffic as a comprehensive and integrated part of the roads and stormwater management plan.
- Research alternative road surfaces (i.e. Driving Surface Aggregate (DSA)) in order to rehabilitate roads and provide ALCA with best roadway design and infrastructure.
- Maintain the rural ‘feel’ of ALCA by keeping a majority of the roads as unpaved, while researching and implementing best practices for the maintenance and repair of gravel/dirt roads.
- Commission a stormwater management engineering study that incorporates state-of-the-art best practices for stormwater drainage in order to meet high quality, exceptional value standards of local and state regulating authorities.

Objective 3.5. Maintenance of Facilities. Continue to provide necessary maintenance and repair of ALCA buildings, common areas, and equipment in order to preserve facilities and common areas. Employ the most cost efficient systems and approaches when renovating and repairing facilities and systems utilizing “green” alternatives where feasible. Strategies:

- Automate Member and staff maintenance requests.



- Digitize blueprints or “as built” diagrams of facilities and grounds and incorporate into the GIS where possible.
- Computerize preventive maintenance programs.
- Consult with industry experts to increase knowledge of current facilities and infrastructure in order to develop departmental needs to maintain or lengthen life cycles of facilities and ensure regulatory requirements are met.

Objective 3.6. Lake Management. Maintain lakes and dams to ensure regulatory compliance with local and state agencies. Protect the lake ecosystem and monitor lake health to ensure the preservation of this very important environmental resource. Strategies:

- Conduct lake quality testing to gather data that may be utilized or incorporated into modifications of the 537 Plan if any level of lake contamination is attributed to on-lot septic systems.
- Modify Emergency Action Plans, in coordination with authorities, for both dams as needed.
- Perform activities that relate to the health and recreational benefits of the lakes both within the Community and with upstream neighbors.
- Conduct educational programs on the environment, especially those relating to streams and lakes, including the effects of household products and commercial spraying, and proper septic care and inspection procedures. Periodically invite professional lecturers to reinforce our educational programs for our environment and watershed.
- Increase participation in the North Pocono Care Watershed Organization, and others, to reinforce knowledge of and commitment to our lakes’ ecosystem.
- Research feasibility of obtaining federal and state grants that will allow improved monitoring of watershed conditions.
- Develop preventive maintenance program for the lakes that will reduce costs for future projects and preserve the health of our lakes.
- Conduct fish studies and utilize reports to plan annual fish stocking efforts.





GOAL 4 - Communications

Strategic Goal 4: Clear, effective and efficient communication with Arrowhead Members is the key to a prosperous, vibrant community. Arrowhead will provide for multiple forms of communication with Members to keep them informed, engaged and feeling connected with each other and the Community. Arrowhead will implement public relations campaigns and outreach to neighboring communities to positively promote the many benefits of ALCA and to establish a strong bond with its neighbors. Marketing communications will seek to build and reinforce the positive reputation of Arrowhead to attract potential home buyers and increase demand for homes in Arrowhead.

Objective 4.1. Internal Communications Efforts. Cultivate well-informed Members who actively participate in and support the activities of the Community. Strategies:

- Continue information sharing with Members via all platforms of communications utilized by the Association (email, digital boards, channel 901, website, and publications) in order to better inform our Members and increase volunteers.
- Explore ways for Members to view or participate remotely in monthly Board meetings.
- Expand the number of meeting rooms with video and audio teleconferencing capabilities to allow for more participation in committees by Members who do not live in ALCA full-time.
- Research newly developed technology and promote creativity to expand and maximize the reach and effectiveness of communications as well as provide easy and accessible forums for two-way communications and feedback to Management and the Board.
- Utilize social media (e.g. Facebook and Twitter) platforms to expand our information flow, increase awareness of ALCA projects, create a positive buzz about ALCA events and help Members feel a stronger connection to the Community.
- Research and develop automated Member forms and processes that streamline ALCA's efforts.
- Ensure that all efforts in website design provide enhanced services to Members.

Objective 4.2. External Communications Efforts. Conduct public relations outreach that conveys positive image of ALCA as a highly desirable community in which to own and live. Strategies:

- Support local events that deliver a positive community outreach message and draw prospective home buyers.
- Develop and implement a marketing communications campaign to advertise and promote ALCA's great amenities, features, and value.
- Enhance the ALCA website and utilize social media to promote the benefits of ownership and vacationing in ALCA.
- Welcome prospective owners with the highest quality customer service, including provision of information about the many benefits of the Community and how to rent or buy in Arrowhead.
- Investigate opportunities that allow non-members into the Community to showcase Arrowhead and what the Community has to offer.



GOAL 5 - Quality of Life

Strategic Goal 5: As a recreational community, ALCA thrives on multi-generational, diverse programs and activities to ensure an optimal quality of life for Members and their Guests. By providing a wide range of recreational activities, Members will get value out of owning at Arrowhead Lake. We will focus on services, amenities and events that appeal to the diverse Membership.

Objective 5.1. Plan a diverse schedule of events and activities that increase Member and Guest participation to maximize enjoyment at ALCA. Strategies:

- Develop and periodically review events and activity schedules that provide Members and Guests with enjoyable events that create memories.
- Periodically survey Members to secure input for desired activities for all generations.
- Plan activities that utilize amenities to their fullest potential.
- Plan activities and events that are multi-generational in focus.

Objective 5.2. Create a stronger sense of community. Strategies:

- Utilize central, social gathering places for Members and Guests.
- Research the feasibility of planning “block party” style events to promote social gathering of Membership from across the Community.
- Utilize ALCA owned property to expand outdoor spaces for recreational use such as parks, gardens, walking trails, bike paths and picnic groves.

Objective 5.3. Research and coordinate for external agency programs within the community that enhance health, safety and well-being. Strategies:

- Interface with external agencies and experts to bring services to Arrowhead.
- Coordinate with external agencies to provide programs for residents that will enhance community health and promote community living.
- Consider the feasibility of introducing internal public transportation to assist those with limited means of transportation.





GOAL 6 - Security and Safety

Strategic Goal 6: The Association's Department of Public Safety (formerly "Security") will continue to provide a professional force capable of conducting security functions within the Community while delivering the highest quality of customer service to its Members. The Department will enhance the safety of the Community by enforcing applicable state traffic laws and ALCA Rules and Regulations, and providing training to Members for proper operation of recreational vehicles. Arrowhead will maintain an efficiently operated gate entry system to control authorized access to the Community. Arrowhead sponsored events will have safety as a primary concern and the Department will aid in the planning and execution of safety measures.

Objective 6.1. Enhance the Community with a competent and structured force that will provide professional services. Strategies:

- Maintain optimal force size. Periodically evaluate to ensure proper structure.
- Conduct up-to-date training to provide superior service to community.
- Ensure Department is properly trained on the enforcement of Association Rules and Regulations.
- Research and acquire advanced security technology.

Objective 6.2. Enhance community living by providing safely run events, and foster safety conscious residents and guests. Strategies:

- Conduct periodic review of Association Rules and Regulations ensuring that they are capable of proper enforcement.
- Promote Neighborhood Watch utilizing the Association's various communications platforms in order to build a robust volunteer team that can result in enhanced security and safety within the Community.
- Conduct training for residents and perform annual review of training to ensure best practices are being followed (i.e., Golf Cart drivers training and Boating Safety in accordance with State Boating Laws/Regulations).

Objective 6.3. Provide a secure Community. Strategies:

- Assess effectiveness of access control measures on a regular basis.
- Research and acquire more effective, efficient access control platforms that enhance security.
- Maintain relationships with local law enforcement agencies in order to gain insight on current law enforcement trends that may affect our Community.
- Monitor use of facilities to ensure rules for admission or use are appropriately followed.



GOAL 7 - Financial Management

Strategic Goal 7: ALCA and ASC will be good stewards of Member assessments and fees by planning for and delivering cost efficient operations, infrastructure, maintenance, facilities and programs. Arrowhead will accomplish all tasks and future enhancements through financial forecasting and analysis to optimize the use of cash. Arrowhead will enforce financial policies to achieve the lowest possible delinquency rate. Financial oversight will be a collaborative effort involving the Board, the Budget and Financial Committee, Management, and an independent third party audit firm. This process will ensure maximum transparency.

The following Strategic Objectives and associated strategies are of great importance to the Community and, as such, will require, in accordance with Community Bylaws, a thorough review and a super-majority vote (eight out of nine Board members) to change.

Objective 7.1. ALCA Revenue. Continue to review annual Member assessments to ensure assessments generate sufficient funds to operate and maintain the Association. Strategies:

- Review Member assessments and fees annually. Consider forecasted rise in operating costs, requirements of the Community Master Plan for maintenance of existing amenities and development of planned community enhancements (activities and facilities), and reserve funding requirements as a basis for assessment levels.
- Determine optimum mix of increased annual assessments, bank financing and one-time (special) assessments to fund projects. Pursue available grants for project funding.
- Explore feasibility of adding supplemental revenue-generating amenities/activities.
- Develop methods to maximize Lodge revenue opportunities to offset operating costs.
- Investigate the revenue potential of wetland mitigation for Members.
- Continue to investigate and pursue opportunities for regional governmental support for internal operations in order to reduce budgetary needs.

Objective 7.2. ASC Revenue. Establish fees on an annual basis that generate adequate funds required to maintain the company's operating costs and fund reserves. Strategies:

- Evaluate customer fees to provide sufficient funds to cover operating costs, reserve funding, and loan payments.
- Build a sound financial base prior to committing to substantial infrastructure work.
- Evaluate and select appropriate financing options for major projects.
- Research and submit grant requests to governmental authorities for any project that qualifies in order to reduce debt service or cash expenditures for high cost projects.

Objective 7.3. ALCA Expenses and Capital Reserves. Properly forecast annual expenses and Reserve funding in order to reinforce the Association's fiscal strengths, allow for growth, and maintain current asset inventory. Strategies:

- Adopt the Capital Reserve Replacement Fund Analysis (Reserve Study) prepared by The Falcon Group in January 2017.
- Update the Reserve Study every three years at a minimum.
- Adopt a full funding reserve methodology that provides adequate Capital Reserves that are specifically earmarked to future infrastructure, facility, and equipment maintenance and replacement cost requirements as identified in the Reserve Study.



- Invest Reserve Funds according to the Board-approved Investment Policy and conduct an annual review of Investment Policy.
- Pursue new cost-saving methods and technology.

Objective 7.4. ASC Expenses and Capital Reserves. Properly forecast annual expenses and Reserve funding in order to reinforce the Company's fiscal strengths, allow for growth, and maintain current asset inventory. Strategies:

- Complete a Reserve Study at the conclusion of substantial treatment facility and collection system upgrades.
- Update the Reserve Study every three years at a minimum.
- Adopt a full funding reserve methodology that provides adequate Capital Reserves that are specifically earmarked to future infrastructure, facility, and equipment maintenance and replacement cost requirements as identified in the Reserve Study.
- Establish reserve requirements during project planning and begin funding upon completion of major projects or equipment purchases based on maintenance and future replacement costs.
- Invest Reserve Funds according to the Board-approved Investment Policy.
- Pursue new cost-saving methods and technology.

Objective 7.5. Planning for New Projects and/or Required Additional Capital Reserves. Reserve Studies focus upon existing and budgeted projects, infrastructure, facilities, equipment, etc. To the extent substantial new projects (such as adding amenities) arise, properly forecast expenses and funding necessary to pursue those projects, consistent with the Community Master Plan. Strategies:

- Consider the proper role and/or blend of various funding sources (e.g., loans, annual assessments, special assessments).
- Investigate and identify the advantages and disadvantages of the various funding sources.
- Regarding special assessments, educate the Community as to the purpose and benefits of such an approach, if the approach is deemed necessary and appropriate for a particular project.





GOAL 8 - Human Resources

Strategic Goal 8: ALCA and ASC will offer a professional work environment that is built on a foundation of trust, integrity and respect and offers jobs that are professionally satisfying at compensation levels that are competitive in the region. ALCA and ASC strive to be “A great place to work” as evidenced by staff loyalty, employee satisfaction and pride in their work. ALCA/ASC will seek to attract and retain the highest skilled talent and will invest in the continued professional growth and development of its staff. ALCA/ASC will deliver strong leadership that motivates and empowers employees to deliver high quality products and services to the Community.

Objective 8.1. Recruit and retain engaged, qualified, competent employees who focus on performance excellence. Strategies:

- Ensure compensation levels are attractive and “in line with the region.”
- Provide feedback to employees regarding performance and measures of success.
- Provide training, as needed, so employees stay up to date with necessary skills.
- Train managers, as needed, so they can assist in employee development and staff retention.
- Allow for professional development opportunities to retain an engaged, supported workforce.
- Engage employees in the Strategic Planning process of working together to define ALCA’s strategic goals.
- Encourage employees to communicate, share their ideas and empower them to actively participate in achieving the organization’s goals.
- Offer employee recognition and acknowledgement for performance that exceeds expectations.

Objective 8.2. Automate as many processes as possible to enable the staff to provide efficient, effective operations and service to the Community. Strategies:

- Analyze workflow and job responsibilities and pursue initiatives in an effort to obtain organizational cost savings where possible.
- Research available platforms that support efficient operations and record keeping.

Objective 8.3. Ensure staffing levels are accurate and appropriate for organizational effectiveness. Strategy:

- Conduct periodic staffing analysis to ensure organizational structure supports workload and addresses Community needs.

Objective 8.4. Develop and maintain an Information and Knowledge Management policy that enables the Community to benefit from better organized information on the website and also better management of Association records. Strategies:

- Research current industry initiatives and develop internal policy.
- Periodically evaluate methods of record keeping and amend as necessary.
- Consult with external agencies to ensure legal and governmental compliance for record keeping.