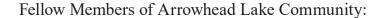
Arrowhead Lake Community Association Strategic Plan 2021 - 2025







I am pleased to endorse the third edition of Arrowhead's Strategic Plan. We are proud and grateful for the work of our members in reviewing our previous plan. They have documented the successes it has enabled. Finally, they laid out the goals and objectives we need to implement so that we can continue to make progress towards the future we need.

With this robust plan, we can take deliberate steps towards a shared vision of the future of our community. We can anticipate rather than react. This plan is a roadmap for the direction Arrowhead must travel.

It establishes realistic objectives and goals that are aligned with the vision and mission on which we have agreed. It provides our operations team with a means to align Arrowhead's functional activities to achieve set goals. It increases operational efficiency by guiding discussions and decision-making in determining resource and budget requirements.



Our Strategic Plan sets the direction for our Master Plan and our Long-Range Financial Plan which are both more tactical in nature. With these tools, and the resolve to use them, we will arrive at the Arrowhead we all want for ourselves and our children.

Best wishes for our future.

Phil Whitehurst, President ALCA/ASC Board of Directors

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INTRODUCTION

With the review of the "Arrowhead 2017-2021, Working Today for a Better Tomorrow," we can be assured that the Arrowhead Lake Community Association (ALCA) continues to be a successful family-oriented single-family residential, with recreational amenities, planned community growing and going strong for over 55 years. The community has matured into a fiscally sound, thoughtfully governed and managed, safe, and well-maintained community which contributes to the quality of life of its residents and guests.

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 North Arrowhead Lake, eastern end to the main lake, Island, Beach 3, or swimming pools. ALCA now encompasses 1,900 acres, 42 miles of roads, numerous buildings and amenities and has an operating budget exceeding \$7,000,000 annually. As of yearend 2020, our Membership is comprised of over 2,450 homeowners and over 850 lot owners. That is over 3,300 owners to serve and voices to be heard. Every successful business listens and responds to its customers' needs and wants and ALCA is no different. The elected volunteer Board of Directors and Management personnel have a responsibility to serve the ALCA "customers" ... its Members! This responsibility means addressing Members' concerns 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 2017 - 2021 Strategic Plan has proven successful already! For example, despite upward pressure on operating expenses, the Community has consistently decreased its debt while, at the same time, increased reserves that are needed over the next thirty years. Additionally, the Arrowhead Sewer Company, (ASC, a wholly owned subsidiary of ALCA) which has 1,513 customers, began an improvement project at the treatment facility and completed a video inspection of all customer laterals to gain information necessary to decrease our inflow and infiltration issue. Most importantly, the estimated cost to repair the gravity sewer system has significantly decreased from the initial engineering estimates assumed in the 2017 - 2021 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 assess the progress made by ALCA and the ASC since adoption of the 2017 – 2021 Plan. This assessment confirmed that many projects and goals have been achieved, while new or refined challenges and opportunities have arisen. A Strengths, Weaknesses, Opportunities, and Threats (S.W.O.T.) analysis conducted during the course of the review provided further feedback and direction to the Strategic Planning Ad-Hoc Committee. As a result, it was determined that an updated Strategic Plan was appropriate; this is that Plan.

To demonstrate the many successes that have occurred over the last four years, the format of this Strategic Plan has changed slightly from the 2017 – 2021 Plan. Following the Strategic Environment update, the "Accomplishments" section has been expanded to provide a more detailed review of the progress made since the last plan was adopted. We have also included a summary of the S.W.O.T. analysis that was carried out as part of the review process. We, as a community, have much hard work and difficult decisions ahead of us. In addition to a continuing focus on infrastructure, such as road and ditch repairs, evaluating the expansion and/or development of new amenities or services as identified in the Master Planning process, this new strategic plan continues to inform the planning process. Analysis of our previous strategic plan demonstrates we also have made significant progress, for which we should be proud. As you will see throughout this document, there is added value in many areas and the Board, Management and our volunteer committees are continually investigating ways to improve the overall Member experience in Arrowhead. The Strategic Planning Ad-Hoc Committee encourages every Member to volunteer and become active in helping ALCA achieve its vision of being the premier privately-owned single-family oriented residential and recreational planned community in Pennsylvania!



ARROWHEAD LAKE COMMUNITY ASSOCIATION (ALCA)

MISSION

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

VISION

ALCA will be a premier privately owned, family-oriented residential, with recreational amenities, planned 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 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 a fundamental set of Shared Values within our community. These values are important to the actions and future success of Arrowhead. ALCA staff also have the same values, with slight differences in definition to promote a shared understanding of how they support the community. These values are:

Accountability: assurance that members (staff, BoD, committees, members) will be responsible for their behavior, actions, and words.

Respect: Consideration for yourself and others. Treat others as you would like to be treated. Encourage them to share valuable ideas and actively listen.

Responsibility: Ethical behavior shown in the community. Responsibility drives results and is an important factor because it leads to a well-functioning community.

Ownership: Taking initiative to bring on positivity. Ownership is being accountable for the results of your actions as a collective member of the community.

Willingness: Preparedness to accomplish community goals and to always learn and adapt quickly for success.

Humility: Confidence and ability to accept input from others.

Equality: Fair treatment of others regardless of differences. Equality in our community means making sure others are given equal opportunities and accepted for their differences.

Authenticity: The person you are at your core. As the staff is a representation of the company, Members are a representation of our community. This is important so everyone can be valued as their best selves.

Dignity: Showing others that they are worthy of respect and all other Arrowhead values.

LONG RANGE PLANNING APPROACH

Our approach to comprehensive long-range planning includes the on-going utilization of a Community Master Plan and a Long-Range Financial Plan for both ALCA and ASC which, together with this Strategic Plan, provide a comprehensive roadmap for our Community's plans and priorities for the next fifteen to twenty years.



2021 S.W.O.T ANALYSIS

A community S.W.O.T. analysis was carried out on January 8, 2021, via Zoom. S.W.O.T. examines:

- Strengths (what we are doing well and what makes Arrowhead unique)
- Weaknesses (what we could do better, what keeps us from performing at our optimum level)
- Opportunities (external factors that might be leveraged to give the community a competitive edge)
- Threats (external factors that have the potential to harm the community)

20 individuals participated in the S.W.O.T., and the participants included ALCA supervisors and staff, committee chairs, and members of standing committees. The findings of the analysis were shared with members of the Strategic Planning Ad-Hoc Committee to provide feedback and direction to Strategic Planning Goals Working Groups.

Results of the analysis:

STRENGTHS:

Offerings

- Amenities
- Seclusion
- Different Size/Priced homes
- Affordable Assessments
- Efforts to Improve

Recreation Programs

- Social and Youth Programs
- Variety of Activities
- Rec Management

Financial Stability

Security

- Service 24/7
- Gated (Private Community)

Location

- Nature/Woods
- Wildlife and Lakes
- Getaway from City

Maintenance

- Service
- Snow Plowing
- Trash Services
- Environmental Preservation

Management & Staff

- Customer Service
- Resourceful
- Ability to Execute
- Knowledgeable

Attitude

- Welcoming/Neighborly
- Volunteerism
- Positive Reputation

WEAKNESSES:

Communications

- Internal & External
- Understanding and Standards of Processes
- Feeling Ignored
- Response
- Social Media

Rentals

- Varying Options
- Nuisance Behaviors

Roads

- Maintenance
- Drainage

Enforcement

- Code Enforcement
- Inspection Programs
- Property Maintenance
- Security at Gates
- Traffic/Speed Control

Lack of/Upgrades Needed

- Winter Activity
- Delivery Service/Food
- Trash Services
- Staffing for Certain Departments
- Walking Paths
- Volunteers
- Organized Boating Activities/Marina
- Ambulance/Fire Protection
- Upgrade Fitness Center

Reality v. Perception

Two Townships w/ Conflicting Rules



OPPORTUNITIES:

Rapport

- Local Business Partnerships
- Local Politicians
- Other Communities
- Townships & County

Technology

- Gigabit Projects
- Kiosks
- Online Customer Service
- Training/Education of Technology Platforms
- Apple/Google Pay
- Ecommerce
- Remote Access
- Live Feeds/Webcams
- Gate Surveillance

Advertising/Communication

- Local Papers
- Internal & External Activities
- Outside Community Events

Professional Resources

Education

- Enforcement
- New Member Orientation

Funding

- Grants
- Other Qualifying Programs

Offerings

New Amenities

THREATS:

Diversity

- Homeowner v. Renting Homeowner
- Shift in Needs

Economic

- Job Loss
- Inflation
- Foreclosures
- Turnover
- New/Competing Businesses

Communications

• Social Media "Perceptions"

Severe Weather Events

Infrastructure

Population

Pollution

- Noise
- Lights

Agencies

- Permits
- Delays in Projects
- Governmental Regulations
- Lake Management

Rentals

- Short Term in General
- Frequency
- LLC Businesses

Security

• Equal Enforcement

As a result of the S.W.O.T analysis and the needs and challenges in the community, Goal 9 Information Technology (IT) and Infrastructure was recommended and incorporated into this strategic plan.



STRATEGIC ENVIRONMENT

The Challenge of Change. Both ALCA and the Poconos have changed over the past 55 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. This involves 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 2,450 Member-owned houses and 850 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 population. 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 and needs have evolved and will require commensurate responses to meet the changing needs of the Membership.
- **b. Economy.** The general economy has a direct impact on ALCA's growth and financial strength. Arrowhead Lake is 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 2020, roughly 20-25% 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 roughly 75-80%, are owned as second homes 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 second home ownership is beneficial to the Association as our revenue stream links to a larger economic base. Arrowhead's appeal to the vacation or second home market is strong and on the rise.



While currently more than 75% of the homes in Arrowhead are second homes, 88% of the homes built or purchased in the past five years are second not primary homes for our Members.

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, in recent years, Arrowhead homes are holding their value better than homes in similar Pocono communities. In the period from 2016 through 2020, 827 homes have sold, representing almost 35% of total homes in Arrowhead. Some of the same homes sold more than once. Over the past year, Arrowhead has seen the largest increase in home and lot sales since the mid-2000's. Home sales are on the rise with less time on the market. Lot sales fluctuate and reflect more the economic trend in the region. The charts below give a quick snapshot of home and lot sales.

ARROWHEAD LAKE HOME SALES 2016 - 2020

Original Price	List Price	Sale Price	CDOM
\$129,744	\$123,103	\$114,969	207
\$112,000	\$109,900	\$99,900	124
\$18,020	\$18,020	\$15,000	0
\$439,900	\$434,900	\$410,000	1,660
133 w/Orig. Pr.	133	133 sold	133
	\$129,744 \$112,000 \$18,020 \$439,900	\$129,744 \$123,103 \$112,000 \$109,900 \$18,020 \$18,020 \$439,900 \$434,900	\$129,744 \$123,103 \$114,969 \$112,000 \$109,900 \$99,900 \$18,020 \$18,020 \$15,000 \$439,900 \$434,900 \$410,000

2017 Home Sales				
	Original Price	List Price	Sale Price	CDOM
■ Average	\$153,267	\$134,333	\$126,734	229
■ Median	\$119,900	\$111,400	\$108,250	136
Low	\$15,600	\$15,600	\$20,000	4
□ High	\$1,750,009	\$549,900	\$556,000	1,252
Number of listings*	158 w/Orig. Pr.	158	158 sold	158

2018 Home Sales				
Lo to tionic duico	Original Price	List Price	Sale Price	CDOM
■ Average	\$160,579	\$146,250	\$137,715	189
■ Median	\$124,850	\$119,450	\$110,167	100
Low	\$12,000	\$12,000	\$13,500	1
■ High	\$1,550,009	\$565,000	\$543,000	1,121
Number of listings*	150 w/Orig. Pr.	150	150 sold	150

2019 Home Sales				
2013 Hollie Gales	Original Price	List Price	Sale Price	CDOM
■ Average	\$163,231	\$157,886	\$150,080	146
■ Median	\$127,500	\$124,000	\$119,500	77
□ Low	\$144	\$24,900	\$21,000	-17
☐ High	\$599,500	\$599,500	\$570,000	1,268
Number of listings*	159 w/Orig. Pr.	159	159 sold	159

Price List Price	e Sale Price	сром
		103
9,900 \$139,00	0 \$132,000	29
\$246 \$27,00	0 \$7,000	0
0,000 \$690,00	0 \$690,000	995
ig. Pr. 22	7 227 sold	227
3	35,244 \$163,73 39,900 \$139,00 \$246 \$27,00 90,000 \$690,00	35,244 \$163,733 \$161,400 39,900 \$139,000 \$132,000 \$246 \$27,000 \$7,000 90,000 \$690,000 \$690,000

ARROWHEAD LAKE LAND SALES 2016 - 2020

2016 Land Sales				
2010 Land Sales	Original Price	List Price	Sale Price	CDOM
■ Average	\$27,915	\$30,646	\$23,327	385
■ Median	\$10,500	\$10,000	\$8,250	174
Low	\$6,500	\$5,000	\$4,000	33
□ High	\$94,900	\$94,900	\$90,000	1,898
Number of listings*	13 w/Orig. Pr.	13	13 sold	13

2017 Land Sales	Original Drice	Lint Deine	Sala Drian	CDOM
■ Average	Original Price \$10,486	List Price \$10.254	Sale Price \$9,050	CDOM 225
■ Median	\$8,400	\$7,900	\$7,400	115
Low	\$3,900	\$3,900	\$1,900	0
□ High	\$35,000	\$35,000	\$35,000	565
Number of listings*	14 w/Orig. Pr.	14	14 sold	14

2018 Land Sales	Original Price	List Price	Sale Price	CDOM
■ Average	\$26,250	\$17,500	\$14,394	149
■ Median	\$22,500	\$13,500	\$8,288	47
Low	\$10,000	\$8,000	\$7,000	26
■ High	\$49,999	\$34,999	\$34,000	478
Number of listings*	4 w/Orig. Pr.	4	4 sold	4

2019 Land Sales				
2010 Lund Oules	Original Price	List Price	Sale Price	CDOM
■ Average	\$37,335	\$33,780	\$29,409	284
■ Median	\$34,900	\$20,000	\$17,500	117
Low	\$8,888	\$8,888	\$7,000	7
■ High	\$70,000	\$70,000	\$70,000	1,366
Number of listings*	11 w/Orig. Pr.	11	11 sold	11

2020 Land Sales	Original Price	List Price	Sale Price	CDOM
Average	\$23,349	\$22,062	\$20,185	554
■ Median	\$11,417	\$9,175	\$7,750	459
□ Low	\$4,000	\$4,000	\$3,500	42
■ High	\$264,900	\$264,900	\$250,000	1,999
Number of listings*	22 w/Orig. Pr.	22	22 sold	22

d. External Impacts and Influences. The Strategic Plan 2017-2021 highlighted three external influences which continue to affect Arrowhead. Those influences are: the lack of regulations guiding development during the initial build out of Arrowhead in the 1960s and 1970s; increased regulatory agency oversight; and the forces of nature and climate. In addition to these influences, by far the biggest external impact on our Community and the surrounding region in the last year is the COVID-19 pandemic.

The aging infrastructure of Arrowhead has led to large-scale ongoing projects to repair roadways, upgrade the sewer collection and treatment systems, reconfigure storm water structures and replace the North Lake Spillway. These long-term projects are strategically important, complex, and many require multiple permits before improvements can begin. Adequate lead times to accommodate permitting must be considered. This reality demands that ALCA decision-makers remain proactive in planning, well-versed in the regulatory environment and employ outside consulting expertise to ensure regulatory compliance.

Increased and changing regulations also impact ALCA homeowners and they must exercise due diligence in undertaking lot improvement and home renovation/construction projects. ALCA operations should strive to introduce needed changes to rules and regulations to incorporate new agency regulations and educate homeowners in this changing landscape.

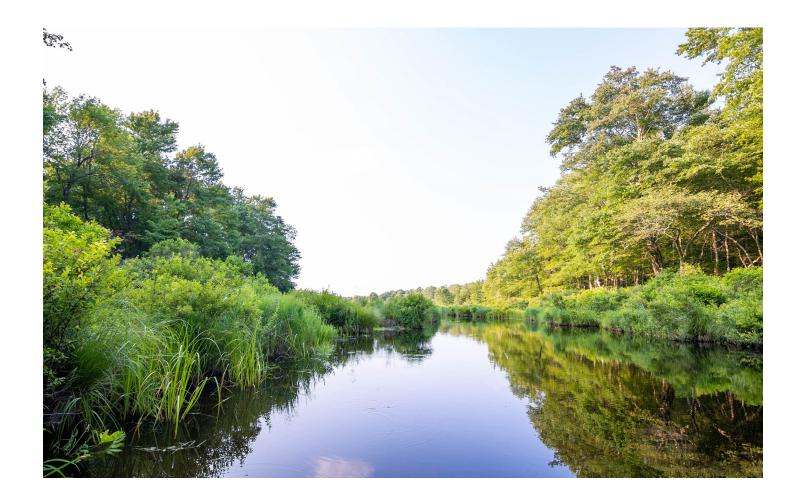
Natural forces will always impact our four-season community. Now, the occurrence of more frequent and extreme weather events brings a heightened concern. Arrowhead's location, which relies on one of two bridges for access, poses an additional safety threat should a natural event destroy both. Frequent review of emergency action plans is necessary, and a multi-tiered community emergency response and notification system is critical as more residents and visitors spend time in the community.

As stated earlier, COVID-19 has had a great impact on daily operations and the community. Public safety concerns and enacting changing government regulations quickly became top priority. Communicating these changes and gaining the cooperation of residents became key to ensuring safety. Employing technology in new ways to allow employees to work from home and the Association to conduct remote meetings and business became essential. This type of response was essential and finding new ways to expand operational flexibility is key as Arrowhead moves forward.

A recent survey of 776 Arrowhead households (30% year-round residents and 70% part-time residents) found that nearly half (46%) were spending more time at Arrowhead than in the past. However, of the people spending less or no time here (11%), several raised concerns about the changes in the community, noting a "resort like atmosphere" and the overcrowding caused by increased visitors, including renters. In spite of the concerns raised, 55% of the respondents to the survey reported they would be spending the same amount of time at Arrowhead after restrictions are lifted and 37% expected to spend more time here.

Lockdowns also brought rapid and unforeseen changes. The ability to work and school from home allowed many part time residents to relocate to Arrowhead. Long distance travel restrictions and the desire to spend time in an open and less crowded location brought increased guests and renters to our community. While the overall number of rental homes remained nearly constant, the frequency of homes rented increased dramatically. Home sales soared and brought new Members. The overall population increase taxed our resources and crowded amenities in new ways. It revealed that if a larger portion of homes in Arrowhead were in use full time, our infrastructure most likely could not sustain the population density. This overcrowding brings to bear a greater urgency to determine if expanding resources, services, and amenities and introducing new methods for monitoring amenity usage is needed. Housing and potential density concerns also suggests investigating a strategy to limit the development of unbuilt lots or purchase and retire Arrowhead lots that are in the Monroe County Repository.

Due to prior strong fiscal management and the adoption of a payment plan to help homeowners with assessments, Arrowhead weathered the pandemic, continued to fund reserves, make additional loan repayments, and realized a surplus at year end. As of this writing it is difficult to completely understand the long-term impact that COVID-19 may have. One thing is certain, the Board of Directors together with Management must continue to focus on public safety, explore new technological solutions to allow flexibility, develop multiple contingency plans, and ensure that adequate reserves are in place to ward off physical and financial challenges that may arise due to a pandemic or other unforeseen event.



ACCOMPLISHMENTS

In the four years since the adoption of the "Arrowhead 2017-2021 – Working Today for a Better Tomorrow" Strategic Plan, the Association began 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 a great choice for Members and prospective homeowners and a desirable vacation spot for visitors. As a result of the 2017 – 2021 Strategic Plan, the Committee Working Groups assessed the Plan's goal/objectives and compiled a vast list of accomplished tasks which were utilized to develop this new and updated Strategic Plan. The achievements are listed here:

GOAL 1 - COMPREHENSIVE LONG-RANGE PLANNING

- **Objective 1.1. Strategic Planning** Completed a two-year review of the Strategic Plan. Subject matter experts are employed to oversee the review and analysis of the process. A timeline has been adopted that allows a bi-annual review process to assess progress against the existing plan and to revise it for future planning.
- Objective 1.2. Master Plan Identified and addressed the essential components of the Master Plan: Land Use; Natural Environment; Existing Buildings and Assets; Future Facilities; Roads; Sewer; Stormwater Management; Green Initiatives; and a Marketing Plan. Environmental, historical, and cultural resources are monitored such that we now comply with all regulatory agencies. Priorities have been set for funding and guiding new development.
- Objective 1.3. Long Range Financial Planning Completed a Pro-forma plan showing projected revenue and expenditures for 5 years into the future and a process to update this annually has been created. This includes a Pro-forma plan showing projected Reserve balances (vs. Total Replacement Cost per the latest Reserve Study) for 5 years. With the use of new software, Operations will be able to project beyond 5 years.

In summary, our approach to comprehensive long-range planning included 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.

GOAL 2 - GOVERNANCE

- Objective 2.1. Community continues to ensure coordination between the Board of Directors, Management, and committees. Implemented electronic balloting for BoD elections and electronic communication channels were used to announce candidates and provide Membership with expanded opportunities to assess candidates.
- Objective 2.2. Develop and maintain professional relationships with all applicable governmental agencies to assure compliance and positive relations. Dedicated internal resources and personnel to foster and maintain relations with external regulatory agencies and elected officials. Created appropriate job descriptions for management personnel and developed a process that ensures input from industry experts is incorporated into the Governance Process to allow for accurate strategic planning and decision making.
- Objective 2.3. Determine if the development and implementation of a new Master Covenant Agreement is feasible. Development and implementation of a new Master Covenant Agreement began in 2021.

GOAL 3 - INFRASTRUCTURE

- **Objective 3.3. Wastewater Management.** Created an Emergency Action Plan. In 2020 the Wastewater Treatment Facility received its 5-year permit.
- Objective 3.4. Roadway and Stormwater Management. Reviewed the feasibility of expanding paved roads. It was determined to be infeasible, however, research continues for alternative road surfaces. Completed a stormwater management engineering study.



- Objective 3.5. Maintenance of Facilities. Emergency Action Plans have been successfully modified.
- Objective 3.6. Lake Management. A maintenance program for the lakes has been developed.

GOAL 4 - COMMUNICATION

- Objective 4.1. Internal Communication Efforts. Identified and provided a platform for Members to view or participate remotely in monthly Board Meetings. Expanded the number of meeting rooms with video and audio teleconferencing capabilities allowing for more Member participation in committees. Social media has successfully been used 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. Automated Member forms and processes have been created that streamline ALCA's efforts.
- Objective 4.2. External Communications Efforts. Enhanced ALCA's website and utilization of social media to promote the benefits of ownership and vacationing in ALCA. Employed high quality customer service to welcome perspective owners and provide them with information about the many benefits of the Community and how to rent or buy in Arrowhead.

GOAL 5 - QUALITY OF LIFE

- Objective 5.1. Plan a diverse schedule of events and activities that increase Member and Guest participation to maximize enjoyment at ALCA. Conducted periodic reviews of events and activity schedules to provide Members and Guests with enjoyable events that create lasting memories. Ensured that amenities are utilized to their fullest extent and activities and events are multigenerational in focus. Surveyed Membership to gain input for desired activities for all generations.
- Objective 5.2. Create a stronger sense of community. Central, social gathering places are successfully used for Members and Guests. ALCA owned property is used 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. Interacted with external agencies and experts to bring services and provide healthy living programs to Arrowhead.

GOAL 6 - SECURITY AND SAFETY

- Objective 6.1. Enhance the Community with a competent and structured force that will provide professional services. Identified, expanded, and now maintaining optimal force size. Provided regular and up-to-date training to officers ensuring consistent service throughout the community. Trained department on the proper enforcement of Association Rules and Regulations.
- Objective 6.2. Enhance community living by providing safely run events, and foster safety conscious residents and guests. Conducted a periodic review of Association Rules and Regulations ensuring that officers are capable of proper enforcement.

GOAL 7 - FINANCIAL MANAGEMENT

• Objective 7.1. ALCA Revenue. Assessments and Fees were reviewed with consideration to operating expense increases and reserve requirements. During the past five years, there was no need for additional bank financing or any one-time special assessment. Supplemental revenue producing amenities/activities were reviewed for pricing and expansion. Collections of Past Due Accounts – Between 2015 and 2020, the Association collected \$1 million from property owners having delinquent balances. The Association's overall collection rate exceeds 98%. The Community Association Institute advises you are doing well if you are collecting 85% of assessments. Non-Dues Income - Primarily from homeowner rental fees, annual income from non-dues assessments increased \$416,000 or 51% from 2015 to 2020.



Increase is due to more rental properties and fee increases. Investment Income - Increased annual investment income by investing cash designated for current year operating expenses and capital project expenditures in laddered four-week Treasury Bills. Implemented in 2019, Treasury Bills earned \$14,000 for the operating fund and \$29,000 for the Reserve Fund. Quarterly budget reviews are conducted between Management, the Budget & Financial Planning Committee and the Board Liaisons. As a result of these reviews and recommendations, the annual assessment increased only \$25 or 1.4% from 2015 through 2020. During the COVID-19 pandemic, forecast modeling became an on-going task to assure the Association's operating expenses remained below revenue collected.

- Objective 7.2. ASC Revenue. Customer Fees are reviewed with consideration to operating expense increases, reserve requirements and loan payments. For large projects, Bank financing was minimized by opting for Intercompany loans between ALCA and ASC. Significant Grant Income was obtained to partially fund the installation of shut-off valves throughout sections 19 through 21.
- Objective 7.3. ALCA Expenses and Capital Reserves. In 2017, ALCA adopted a Capital Reserve Study prepared by The Falcon Group. The Reserve Study was updated in 2019 by the Falcon Group. Reserve calculations are based on a full funding methodology. The Board approved a new investment policy to allow investment in Treasury Bills, in addition to Certificates of Deposits. Systems and Work Procedures were periodically reviewed to identify opportunities to increase efficiency and cut costs. Early Payoff of Lodge Building Construction Loan To reduce interest expense and to shorten the life of the Lodge Loan, the Association made early principal payments of \$725,000 during the period 2017 through 2020. The additional payments have shortened the term of the loan from fifteen years to ten years. Reserve Study & Reserve Study Software in 2017, the Association adopted a reserve study to assure savings for the repair and replacement of community assets are fully funded. Reserve savings as of 12/31/20 are \$4.4 million and qualify as fully funded.
- Objective 7.4. ASC Expenses and Capital Reserves. In 2020, ASC adopted a Capital Reserve Study based on information provided by Entech Engineers. Reserve Calculations are based on a full funding methodology. The Board approved a new investment policy to allow investment in Treasury Bills, in addition to Certificates of Deposit. Systems and Work Procedures were periodically reviewed to identify opportunities to increase efficiency and cut costs. Funding for major project work at the ASC The Association secured a LSA Grant in the amount of \$237,000 to install shut-off valves for the sewer collection system in sections 19 through 21. The Association also secured a \$3.0 million bank line of credit for ASC to rehab the sewer plant and collection system. No draws have been taken on the line of credit through December 31, 2020. In lieu of bank financing, a portion of the rehab work is being financed through intercompany loans which benefit both ALCA and ASC by providing lower interest costs to ASC and a higher interest earnings to ALCA based on the current market conditions.
- Objective 7.5. Planning for New Projects and/or Required Capital Reserves. Through long range forecasting and analysis, the Association identified sources of cash that can be accumulated for selected projects outlined in the Community Master Plan. Some sources include Capital Improvement Fees and money that will be available after the Lodge Construction Loan is paid off. When more is known about the projects, timelines and cost, the Association will evaluate sources of funding including cash, bank financing and special assessments.

GOAL 8 - HUMAN RESOURCES

• Objective 8.1. Recruit and retain engaged, qualified, competent employees who focus on performance excellence. Conducted annual review of the total compensation packages for each employee. Adopted a measurable performance review, leadership training, and employee training programs. Currently developing an employee onboarding hiring process. Executed employee team building sessions which have become ongoing. Utilized employee focus groups to gain employee input regarding benefits and other employment benefits.

- Objective 8.2. Automate as many processes as possible to enable the staff to provide efficient, effective operations and service to the Community. Implemented the Paychex online timekeeping and payroll system. Continued to develop the program as new features are introduced by Paychex. Implemented ongoing process to analyze workflow and job responsibilities, and update job descriptions as new positions and responsibilities are made. Trained managers on utilizing PIP to increase productivity and assist the employee with their responsibilities.
- Objective 8.3. Ensure staffing levels are accurate and appropriate for organizational effectiveness. Conducted annual review of job descriptions, staffing analysis and staffing needs of each department to ensure adequate staffing and cost effectiveness for the department.





GOAL 1Comprehensive Long-Range Planning

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 previous Strategic Plan has resulted in Arrowhead continuing to be a strategy driven Community. Moving forward, Arrowhead will engage in a comprehensive planning approach that effectively incorporates four planning efforts: Strategic Planning, Community Master Planning, Long Range Financial Planning, and Marketing. 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.

Objective 1.1. Strategic Plan.

- Utilize subject matter experts in the field of Strategic Planning and Leadership who can provide quantifiable evaluation of the prior 2-year period, resulting in a report that shows accomplishments gained and points of focus for the next period. Continue with bi-annual reviews of the strategic plan within board and broader committee.
- Submit quantifiable analysis and maintain strategic plan based on effective criteria. Adopt a strategic plan execution timeline that focuses on the following actions: assess, plan, and execute.
- Develop an Organizational Effectiveness Program (OEP) and utilize to assess prior projects and plan for upcoming projects. The primary purpose of an OEP is to track the success in implementing the Plan.

Objective 1.2. Community Master Plan.

- Ensure the Plan includes (at a minimum) the following subjects: Land Use, Natural Environment, Existing Buildings and Assets, Future Facilities, Roads, Sewer, Stormwater Management, and Green Initiatives.
- Ensure all capital improvement and maintenance projects adhere to an approval process and tracking framework which will provide the transparency for why they were prioritized (safety, regulatory compliance, etc.) and which tangible benefits/desired goals laid out by the community are supported.
- Project efforts, whether capital improvement or scheduled maintenance, should follow a set of standards to ensure accountability on timelines being met, initial and recurring costs are minimized, budgets adhered to, and expected benefits realized. Utilizing a project application checklist and execution checklist may be helpful. Example checklist items to include: Ensure environmental, historical, and cultural resources that warrant conservation are considered; Coordinate with State agencies, such as PA DEP and/or Dept. of Conservation and Natural Resources, etc.
- Develop a clear framework for identifying and tracking delinquent member properties, adjacent but non-ALCA owned properties, and ALCA owned properties that can be leveraged for ALCA cost recovery or future capital improvement. ALCA should perform an annual analysis of all possible property within said framework so that it can be leveraged for studies of future amenities or usage.
- Establish Geospatial Information System (GIS) visual roadmap of planned improvements in Arrowhead to support Community Master Planning and other initiatives. This should include bordering areas that can be accessed by ALCA members.

Objective 1.3. Long Range Financial Plan. The Association will continue to maintain and revise Long Range Financial Plan for ALCA/ASC that supports the Community Master Plan and Reserve Policy put in place by the Board of Directors during the annual budget approval. This Plan will continue to 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. The Board of Directors will continue to communicate this Plan to Membership, in whole or part, with a goal of increasing Member support of the Plan and adding to the stability of the Association.



Strategies:

- Maintain and revise Pro-forma showing projected revenue and expenditures yearly for 5 years into the future and update annually.
- Maintain and revise 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 is 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 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.

Objective 1.4: Marketing Plan. ALCA is a leading regional HOA with a need to develop a marketing plan to assist prospective members in developing an accurate understanding of what ALCA has to offer. Strategies:

- Establish processes to understand trends for those entering the community as well as prospective members looking to join. This goes two ways to also understand why existing members are leaving so that changes can be proactive. Establish procedures to understand the experiences of prospective buyers, realtors, and temporary members to identify what would be needed to convert them to owner members. This can be a targeted text survey, emailer, or feedback sheet to be dropped off with gate pass.
- Utilize captured marketing data to define the purpose of the community (getaway, full time residential, active lifestyle, etc.) so that marketing efforts as well as long term capital improvements are aligned.
- Develop and/or collect collateral that can be leveraged to reach target audiences to include but not limited to videos, print materials, online ads, etc. While we are not a traditional business with a need to focus on customers, we can provide some guidance on municipal/regional partnerships for membership awareness.
- Leverage proper platforms to engage prospective community members to include but not limited to Facebook, Instagram, and other marketing platforms.
- Create a program to educate realtors and prospective members so that there is clear understanding of what ALCA does and doesn't offer. This may be a prerequisite to entering the community and provide an opportunity to layout both the quantitative and qualitative value proposition in comparison to neighboring communities and other regional vacation areas. Also, may provide a quick reference community guide to handout during each buyer/realtor entry. This would also be helpful for anyone entering the community in general.
- Establish a clear communication plan which enables a framework to assess trending amenities (or improvements) so that ALCA community can provide quantifiable feedback on the direction of future investments.



GOAL 2 Governance

Ensure the viability of ALCA/ASC as a successful HOA organization. Continued success relies on effective BODs advised by a knowledgeable base of volunteer committees, and competent professional staff. Long term plans will be secured through well-structured ALCA/ASC boards, advisory committees, and management adherence to the Community's governance policies and procedures. This will include practicing strong fiscal control and adherence to regulatory guidance, relying on the use of professionals such as attorneys, CPAs, engineers, and wetlands experts.

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

- Adjust governance structure, committees, staffing, management, and policies to reflect current best practices and regulatory requirements.
- Review committee mission statements to evaluate adherence and relevance.
- Encourage members to participate in committees and activities. Actively recruit members with specific skills and experience that will enhance committee functionality. Continue to foster opportunity for all members to participate regardless of skill level, stressing that interest and commitment of time are the primary qualities sought.
- Identify members with subject matter expertise who can be called upon to provide guidance and feedback.
- Establish a resource list of experts that can be shared with the Board of Directors, Management, and Committee Chairpersons.
- Encourage strong participation in the Board election process by continuing to offer electronic balloting options, in addition to traditional mail-in voting for those members unable to access electronic options. Continue the use of all communication channels to announce candidates, and provide members with expanded opportunities to assess candidates, such as town hall meetings.
- Establish additional duty for Board of Directors to liaison with external local governments and attend township supervisor meetings.
- Establish quarterly updates from Management to the Board of Directors on Strategic Plan goal achievement and document the communications.

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. Having determined, pursuant to the 2017 Strategic Plan, that the development and implementation of a new Master Covenant Agreement ("MCA") is feasible, proceed to implement such MCA. Strategies:

- Ascertain the material differences in terms between the various existing covenants and group them appropriately.
- To the extent required to harmonize the existing covenants into an MCA, develop options for altering the material terms of some or all existing covenants.
- To the extent desired to explore the feasibility of eliminating archaic terms from, or adding new terms to, all covenants through an MCA, develop options to propose to all ALCA owners.
- Ensure positive contact with every ALCA owner and distribute material to inform them of the intent to put an MCA to a vote and solicit their preferences with regard to options for changing the terms of their existing covenants.



Information provided should explain that an MCA:

- 1. Will enhance the efficiency and reduce the cost of governance.
- 2. Will remove arcane and irrelevant language from existing covenants that has no practical impact on an owner's rights and obligations.
- 3. Will conform rights and obligations within the scope of existing covenants into a uniform standard.
- 4. May, subject to owner feedback, add new terms to the covenant language.
- 5. Will require approval by 67% of owners.
- 6. Provided returns on the informational outreach above provide a reasonable basis to believe that at least 67% of the owners will agree on an MCA, submit such MCA for approval that best accommodates the preferences of the ALCA owners.

Objective 2.3 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 3 Infrastructure

Arrowhead has been a successful community for generations because it provides full time members with a safe and peaceful atmosphere and part time members with a chance to "get away" from more built-up, urban and suburban areas. Therefore, the priority of our community is to maintain the wooded, natural setting and rural feel that attracted so many of our current Members to Arrowhead. At the same time, we are providing a desirable, quality of life through the many activities and amenities and recreational opportunities that our members enjoy. The appeal of a rural yet active community is 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 continue to utilize the 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 practical 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 execution of the 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. 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.
- Perform activities that relate to the health and recreational benefits of the lakes both within the Community and with upstream neighbors, including but not limited to future lake reclamation projects as deemed necessary.
- 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.
- Continue to research and apply for federal and state grants that will allow improved monitoring of watershed conditions and enhancement to our lakes and watershed quality.
- Develop preventive maintenance program for the lakes that will reduce costs for future maintenance projects as well as preserve the health of our lakes.
- Continue to conduct fish studies every three years and utilize the results of the fish studies to maintain a balanced fishery.



Objective 3.2. Roadway and Stormwater Management. Implement 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:

- Continue to look for ways of expanding the duties of the Department of Public Works with respect to stormwater, roads and ditches, and leaf removal, incorporating equipment acquisition, in order to better serve ALCA roadway needs.
- Continue to evaluate alternative road surfaces and construction techniques (i.e., Driving Surface Aggregate (DSA)) in order to rehabilitate roads and provide ALCA with best roadway design and infrastructure.
- Continue to 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.
- Review and implement the findings of the Stormwater Management Engineering Study that incorporates state-of-the-art best management practices for stormwater drainage in order to meet high quality, exceptional value standards of local and state regulating authorities.
- Look for ways to provide our Public Works staff with educational opportunities through local and state entities and universities that will improve our staff's knowledge of maintenance techniques and technology which will translate to more effective and efficient infrastructure maintenance programs for Arrowhead.
- Develop a Standard Operating Procedure (SOP) manual for all construction and maintenance procedures
 including, but not limited to, roadway pothole patching, typical drainage pipe installation and compaction,
 minimum driveway pipe size, minimum / maximum slope on roadside ditch sides, roadway paving
 standards, etc.

Objective 3.3. Wastewater Management. Continue the established program of rehabilitation and expansion of the Wastewater System of the Arrowhead Sewer Company (ASC) including, but not limited to the infrastructure (collection system and treatment plant) in order to continue to provide quality service to current and future customers at affordable fee rates as the system is upgraded. Strategies:

- Continue to Consult with industry experts on how best to grow and serve the Community, including research on alternative discharge methods.
- Review and update the Emergency Action Plan for the Wastewater Treatment Facility as necessary.
- Review and update the current 537 Plan to allow ASC to expand the sewer service to more homes throughout the community, especially those adjacent to the lakes.
- Continue to monitor applicable discharge compliance requirements, in accordance with the Delaware River Basin Commission parameters and Pennsylvania's Sewage Facilities Act, and determine how best to comply with 2025 permit renewal requirements.

Objective 3.4. Land Management. "Green spacing" 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:

- Continue to follow county and township rules for removing green spaced lots from tax rolls.
- Continue to periodically review greenspace procedures to ensure continued compliance.
- Continue to ensure professional staff maintains ALCA-owned green spaced property resulting in clean, trash free and attractive lands that contribute to the value of ALCA consistent with the Community Master Plan.
- Develop criteria for future development within Arrowhead. The criteria should consider location, impact on infrastructure and surrounding properties, the input of Arrowhead Members and costs of construction and maintenance verses benefits of the development.
- Conduct an assessment of all unimproved properties in Arrowhead. Evaluate the best use for ALCA owned properties.



Considerations should include:

- 1. Utilizing existing ALCA Properties for new amenities or expansion of existing amenities.
- 2. Acquisition of additional properties that could be developed for use ALCA.
- 3. Identification of areas to be protected such as environmentally sensitive areas, open space, green space, critical natural areas, and areas identified as potential future development land for ALCA.

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:

- Complete the development and implementation of an automated system for member and staff maintenance requests. Review the system regularly for issues and upgrades that may be required to maintain efficiency.
- Complete digitizing 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. 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 incorporate 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:

- Continue to incorporate plans that are environmentally responsible and energy efficient when considering new construction or enhancements to existing facilities or when considering new projects. Environmental considerations will be used during site selection, design, construction, operation, maintenance, renovation, and demolition.
- Investigate options and make recommendations to replace existing fossil-fuel based systems and equipment.
- Continue to use water efficiently and plan for the natural return of water to the ground in the design of projects.
- Continue to use biodegradable products and actively seek to minimize pollution in operating activities.
- Continue to reduce waste, reuse and recycle. Continue to expand the materials included in the Community's recycling program.
- Continue to educate members through educational programs, printed material, and online information so the membership will be informed and take environmentally responsible actions to help preserve the natural environment.

GOAL 4 Communications

Clear, effective, and efficient communication with Arrowhead Members has become a key to our prosperous and vibrant community. Arrowhead provides multiple forms of communication with Members, and keeps them informed, engaged, and connected with each other and the Community. Outreaching to others, Arrowhead has established a strong bond with its neighbors and has promoted the many benefits of life in Arrowhead. A strong demand for Arrowhead Lake homes has kept marketing efforts to a minimum. Its reputation and location within a few hours driving distance from two major metropolitan areas are major selling points, as are the amenities and planned events.

Objective 4.1. Internal Communications Efforts. Arrowhead has cultivated well informed Members who actively participate and support the Arrowhead spirit.

- Continue to share information with Members via various platforms of communications currently used by the Association (email, website, and publications). Additionally, continue to research new ways to connect with Members.
- Promote volunteerism to encourage member participation in committees and events.
- Arrowhead will continue to seek ways to blend live and remote participation for Board and Committee meetings in order to bring about maximum participation and information sharing.
- Explore and adapt to the technology needed to bring remote access to more spaces within the amenities, allowing multiple meetings to be broadcast simultaneously, with two-way communication between the host and guests.
- Remain engaged on social media. Arrowhead has a strong presence on Facebook, Twitter and Instagram, which fosters communal spirit between Members.
- Provide members enhanced services and support via the association website. Forms and information continue to be improved; sustain website activity by continuous assessment of best practices available such as online payments or permit applications.

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.
- Maintain working relationships with other municipalities, townships, and county governing officials that help promote ALCA.



GOAL 5 Quality of Life

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, safe, and healthy 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, and picnic groves.

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

Strategies:

- Interface with external vendors and experts to bring services to Arrowhead.
- Coordinate with external vendors to provide programs for residents that will enhance community health and promote community living.



GOAL 6 Security and Safety

The Association's Department of Public Safety 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 and Visitors to the community. 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 at these functions.

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 as budget and operations priorities permit.
- Investigate the feasibility of obtaining EMT certification and maintenance of qualification for Public Safety staff to allow at least one certified employee per shift to assist in medical emergencies.

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.
- Develop and maintain a volunteer Neighborhood Watch Team that can assist in enhancing security and safety within the Community. Utilize the following best practices to enhance success: public Safety Liaison, education on duties and responsibilities of Neighborhood Watch volunteers, and Board of Director oversight.
- Promote the Community Neighborhood Watch utilizing the Association's various communications platforms for continued awareness and increase the effectiveness of its goal.
- 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 and Bike Safety programs/workshops).

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.



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 accomplished these tasks and future enhancements by annually updating financial forecasting and analysis. Arrowhead will enforce the Association's Collection Policy to maintain or improve on an already excellent collection rate of 98%. Financial oversight will be a collaborative effort involving the Board of Directors, the Budget and Financial Committee, Management, and an independent third-party audit firm.

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.
- Continue to determine optimum mix of increased annual assessments, bank financing and one-time (special) assessments to fund projects. Pursue available grants for project funding.
- Continue to explore feasibility of adding supplemental revenue-generating amenities/activities.
- Continue to develop methods to maximize revenue opportunities to offset operating costs.

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.
- Continue to evaluate and select appropriate financing options for major projects.
- Continue to 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 to reinforce the Association's fiscal strengths, allow for growth, and maintain current asset inventory. Strategies:

- Annually update the Capital Reserve Replacement Fund Analysis (Reserve Study).
- Maintain methodology that fully funds for asset replacement.
- Have the Association engage a third-party engineer to review the Reserve Study every three years to determine if any changes should be made to replacement years and replacement costs.
- Continue to follow the Board-approved Investment Policy.
- Continue to pursue cost-saving operating procedures 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:

• Continue to update the ASC Reserve study with the assistance of a third-party engineer. Updates should be done at the conclusion of substantial treatment facility and collection system upgrades, at least every three years.

- Continue to maintain 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.
- Continue to follow the Board-approved investment policy.
- Continue to pursue cost-saving operating procedures and technology.

Objective 7.5. Planning for New Projects and/or Required Additional Capital Reserves. Reserve Studies cover existing, infrastructure, facilities, and equipment. As substantial new projects 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., bank loans, annual assessments, special one-time assessments, and available grants).
- Investigate and identify the advantages and disadvantages of the various funding sources. If a special one-time assessment is needed, educate the community as to the purpose and benefits of such an approach, if the approach is deemed necessary for a particular project where feasible.





GOAL 8 Human Resources

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/ASC will seek a culture that invites collaboration and rewards its teams and individuals for being curious, resilient and open to change. 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:

- Continue to ensure compensation levels are attractive and "in line with the region" and communicate total compensation to the employees annually. Seek out, create and utilize engagement surveys for employees on various topics relating to their day-to-day operations in order to keep a pulse on the employees and their needs.
- Provide feedback to employees regarding performance and measures of success utilizing performance reviews and other tools available to regularly include employees in their development.
- Provide training, as needed, or required, so employees stay up to date with necessary skills. Develop a leadership training series for managers and supervisors where all department guiding principles are consistently utilized throughout the organization.
- Train managers regularly on best practices so they can assist in employee development and staff retention. Training should include industry standards and may include professional licensing and certifications.
- 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 and coach employees to communicate, share their ideas and empower them to actively participate in achieving the organizations and their own personal 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.

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.
- Provide for cross training, interdepartmentally as necessary and feasible.
- Utilize periodic benchmarking techniques whether internal or external to identify any gaps in processes to achieve competitive advantage.



GOAL 9 Information Technology (IT) and Infrastructure

ALCA and ASC rely on multiple technology platforms and systems which support financial management, Member services, public safety, community access, communications, and sewer plant functions within Arrowhead. While many of the existing systems provide adequate functionality, some of the systems are outdated and difficult to integrate. The lack of integration and a more modern IT platform hinders the Association in providing Members with an enhanced digital experience and more automated processes for interactions and services. It also hinders operations in performing efficient back-office processes. The following Objectives and Strategies focus on developing a roadmap to address IT shortfalls and identify systems/platforms to upgrade or acquire which will improve the overall Member experience and Association operations.

Objective 9.1. Develop a phased IT roadmap to guide ALCA for the next four years. Strategies:

- Assemble an Ad-Hoc Advisory Group comprised of management, operations, and community IT professionals to assess the current IT operating environment.
- Deliver a phased 4-year annual timeline which recommends solutions and estimated costs.
- Utilize TECH42, ALCA's third party technology provider as an advisor throughout the process.
- Ensure all recommended solutions considered cloud-based solutions and provide API's which enable ALCA/ ASC systems to easily talk to each other.

Objective 9.2. Implement a secure portal or intranet allowing Members to access all aspects of their information and request services via an easy-to-use mobile app or browser-based interface. Strategies:

- Survey the community to understand Members needs and priorities.
- Enable Members to submit and track work orders, permits, requests online.
- Enable signup for emergency-based text messaging.
- Provide a space for committees to effectively collaborate, communicate and share documents.
- Implement a Knowledge Management program for enhanced maintenance of all of ALCA and ASC records.

Objective 9.3. Improve operational efficiencies, enhance security, and introduce convenience to community access for Members, Guest, and Visitors to Arrowhead. Strategies:

- Investigate the feasibility of eliminating the need for gate cards by introducing secure automated RFID or license plate recognition access.
- Introduce enhanced guest registration process which eliminates the need for Access Control Interaction.
- Research feasibility and provide recommendations or solutions for implementing Member ID cards for access to common facilities and amenities.

Objective 9.4. Implement internal administrative system upgrades to improve operations. Strategies:

- Implement remote access to administrative systems from Public Safety Vehicles.
- Implement automated workflow requests and management between departments.





