



2018-2021 SHIPLEY FARM STRATEGIC PLAN

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Abstract

This document provides a strategic roadmap to achieve goals for the Shipley Farm Homeowner's Association. It will help set priorities and focus resources on important tasks that will provide long-term benefits.

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I. Introduction

A community is defined as “a feeling of fellowship with others because of sharing common attitudes, interests, and goals.”

The Shipley Farm community began in 2012 and is managed by the Shipley Farm Homeowner’s Association, LLC, hereafter referenced as the Association. In its infancy stage, the Association acquired tangible services from a community property management company to assist with its fiduciary, fiscal, and legal responsibilities. While these services are foundational to the peaceful running of the Association, they do not speak to the intangible traits such as cooperativeness, dependability, and insightfulness that help to make a community. It is intangible traits like these that can catapult us from routine business to a socially healthy and vital community. To aspire to a community of having both tangible and intangible traits, the Association delivers the *2018-2021 Shipley Farm Strategic Plan* to provide a clear roadmap of where the community aspires to be in three years.

This plan will be used by the BOD and its committees, the association members, and the property management company to guide operational and budget planning decisions and day-to-day implementation of these decisions. It will also serve as an education and communication medium for new members to the community. The community will refine the strategic plan as external factors such as policies, laws, home trends, and new lessons evolve or are learned. In line with this thought, the strategic plan is a living document and should be reviewed annually—all while encouraging flexibility and creativity throughout the process.

II. SWOT Analysis

To develop the roadmap, the Board of Directors (BOD) conducted a Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis to: (1) gain a clear snapshot of the current situation of the Association, and (2) to determine the important tasks and goals to focus on for long-term benefits in the community. The results are as follows:

Strengths:

- Solid and knowledgeable base of volunteer leaders
- Reinvigorated HOA commitment
- A new enough community to recover and improve the aesthetic appeal of the community
- Competitive property values
- Desirable, private and natural location
- No legacy of bad financial practices

Weaknesses:

- Limited income due to delinquent accounts and no increase in association dues
- Reserves have not been funded on a regular basis to have sufficient funds for anticipated major common area expenditures and contingencies.
- Lack of project committees
- Residents voicing their dissatisfaction with the number of homes not complying with the covenants
- No strategic and operational framework to define the Association's business direction for achieving best outcomes
- Lack of community wind resisting infrastructures resulting in repeatedly damaged roofs
- No activities for youth beyond the tot lot

Opportunities:

- Further promote interest among homeowners to increase home values through improved infrastructure and curb appeal
- Regularly communicate with homeowners
- Develop community bonds through projects and events
- Strengthen financial standing by providing innovative payment methods for HOA fees

Threats:

- No buy-in on HOA's new commitment from the members based on previous bad experience

III. Vision and Mission Statements

The vision for the Association is to be considered by residents and non-residents as one of the most sought-after communities to live and enjoy the benefits of family, friends and community.

Our mission is to build a sustainable community through the management of common areas, enforcement of rules and covenants, support of initiatives that strengthen bonds among residents, and investment in capital improvements that benefit the interest of all.

Vision and mission statements cannot stand alone. It requires strategic pillars to confirm that the vision is achievable and that the assignments to achieve the vision are relevant and meets the overall intention. The *2018-2021 Shipley Farm Strategic Plan* includes the strategic pillars in detail and helps to facilitate understanding of the vision and mission.

IV. Strategic Pillars

Strategic Pillar #1: Effective Management of Financial Resources

The current Association HOA dues account for approximately 89% of the operational expenses. The remaining 11% is generally allocated to the reserve funding accounts; thus, leaving a zero balance for community improvements and events. When HOA dues are delinquent, this worsens the Association's financial position as it may cause late payments to vendors and may also trigger the need to transfer dollars from the reserve funds to cover operational expenses.

During these three years, we will begin to operate from a position of financial strength by becoming as efficient as possible in our spending while incrementally aligning the Association dues with cost of living increases.

Operating Fund—the BOD will review delinquency reports for HOA dues to review payment trends and determine those members who may have experienced financial hardships. These members will be presented with innovative payment methods to bring their account current and help with strengthening the Association's overall financial standing. The BOD will explore other innovative payment methods for members that seem to fall outside the scope of having financial hardships.

The BOD will review the history of the *Operating Fund* against the cost of living increases from year 2012-2018 to determine what the fund balance should be and how to responsibly achieve it within three years if it is a deficit.

Operating Reserve Fund—The BOD will use the determined fund balance for the *Operating Fund* to calculate 10 percent over five years to ascertain the fund balance for the *Operating Reserve Fund*. If there are not sufficient funds, the BOD will include in its financial plan a responsible way to achieve it within three years.

Reserve Study and Fund— The BOD will use the determined fund balance for the *Operating Fund* to calculate 15 percent over five years to ascertain the fund balance for the *Reserve Fund*. If there are not sufficient funds, the BOD will include in its financial plan a responsible way to achieve it within three years.

The BOD will review its community assets in the common areas to establish a *Capital Reserve Plan* consisting of a stable and equitable funding plan for improvements and to

offset ongoing deterioration. When financially feasible, the BOD will acquire reserve engineer services to conduct a reserve study. Based on the findings from the reserve study, the BOD will update its plan accordingly.

Strategic Pillar #2: Curb Appeal & Capital and Community Improvements

Curb appeal and infrastructure are critical assets in maintaining the Association's vision of the sought-after community. The Association must provide funding for the maintenance and repair of all common property, as well as enforce the covenants to ensure the preservation and protection of the property values.

Managing curb appeal starts with having excellent Declaration of Covenants, Conditions, and Restrictions (CC&Rs). The existing CC&Rs for the Association are broad, ambiguous and in some cases, not defined. The BOD will develop the *Shipley Farm Architectural and Environmental Guidelines* document to help clarify the language. These guidelines shall be looked upon as protective rather than restrictive. They will be designed to enhance the quality of life for individuals living in the Association by protecting the property values and safety of all residents and owners. Further, the BOD will establish a phased-approach to re-landscape the front entrance and determine assets that need replacing or repaired.

The BOD will investigate the possibility of adding permanent structural improvements in the common areas that will either enhance the property's overall value or increase its useful life. Feasible options will be documented in the Association's long-term capital improvement plan. This plan will supplement the strategic plan.

Strategic Pillar #3: Operations Management

Having a strategic plan with no action plan is a sure way of not realizing the mission and vision. The BOD will develop a tactical plan that includes the required activities to achieve the strategic pillars in this plan.

To continually improve operations, the BOD will ensure lean and efficient operations through the maturation of standards, procedures, and repeatable processes. This will require an understanding of the current business systems and existing processes to improve the delivery of goods and services to the Association's members.

Strategic Pillar #4: Community Engagement

One of the strongest assets of the community is the neighborliness and sense of community pride evident among its residents. Only through active community support and communication will the Association retain its position as a sought-after community to live and enjoy the benefits of family, friends and community.

The Association must continue to expand its ability to promptly and effectively establish two-way communications through leveraging technology. The BOD will establish communications that will include an interactive website, newsletter, mobile notifications, and

an electronic message board to share skills and talent, reviews, ideas and concerns. Also, as a part of establishing strong communications, the website will include community documentation, such as meeting agendas and subsequent minutes, resident directory, security information, contact information, new resident information, moving away procedures, pet information, and event information. The use of this interactive website should be considered for appropriate topics where the Association's input is vital to the Board's decision-making process.

While technology provides convenience, it does not foster neighborhood interactions that promote a cohesive, cooperative community with an increased sense of responsibility and commitment toward each other. When neighbors know each other, and interact with each other, talents for projects are discovered, more neighborly acts are shared, and conflicts and disagreements are diminished more quickly.

The BOD will improve the neighborhood communications. Such activities may include welcoming newcomers, planning and hosting events, arranging group activities such as field trips and group tours, establishing clubs (e.g., book club, walking club, supper club) and participating in volume purchasing projects such as solar panels installation and paint jobs.

V. Guiding Principles

Below are the five (5) guiding principles that prescribe how the Association will act to fulfill the mission and achieve the vision:

1. Honesty and Integrity
Demonstrate sound moral and ethical principles that produce trust among the community.
2. Open Communications
Allow for transparent dialogue on business proposals and decisions considering every individual and their needs equally.
3. Fairness
Practice unbiased assessments of issues and individuals for the benefit of the community.
4. Practicality
Place reasonable expectations on goals, issues and individuals
5. Collaboration
Work together on special interests, similar situations, or issues that impact the well-being of the community.