

# **Villages of Garrison Creek (VGC)**

## **A Strategic Plan for**

### **Master Property Management Association (MPMA)**

**July 2019**

#### **Executive Summary**

This plan is designed to provide guidance to the Master Property Management Association (MPMA) board of directors as it considers decisions impacting the future of the Villages of Garrison Creek (VGC) Homeowners Association (HOA), and it also serves as a guide for the association as it faces the many management challenges in its daily operations. With this plan the board can more effectively draft and implement programs serving association needs and fulfilling the expectations of its members. Additionally, it provides the association's membership with a clearer and more comprehensive summary of the future and how the MPMA board of directors and Village leadership will shepherd the association to that future.

The vision contained in this plan establishes the direction for initiatives necessary for the association to fulfill its vision. As the membership goes forward with this plan, budget forecasts may change, goals may be modified, and initiatives adjusted or cancelled. All are part of a planning process. This plan marks the beginning of a road map to VGC HOA's future.

This plan refers to "village(s)" in place of "phase(s)". The nomenclature "phase" is associated with construction phases as the Villages of Garrison Creek was developed over time. We are the Villages (not Phases) of Garrison Creek.

#### **The VGC HOA Vision, Mission and Values**

The homeowners of VGC envision primarily an owner-occupied community that offers an inspiring lifestyle and quality of life and is a desirable place in which to live and enjoy the benefits of family, friends and community.

Our mission is to enhance and preserve the quality of life and sense of community through effective and efficient management of the VGC, enforcement of rules and covenants to preserve property values, and support initiatives and capital improvements benefiting the greater good of the community.

In all our activities to achieve our vision and mission we value integrity, fairness, consistency and common sense, community participation, respect, cooperation and sense of community.

**Member and Board Responsibilities to Vision** - The MPMA board of directors recognizes that actions it takes involving the expenditure of association funds must be in support of the association's vision. Likewise, association members and VGC villages also understand that any projects they want the board of directors to authorize must likewise be consistent with one or more of the vision elements before the board can approve action. Accordingly, association goals and initiatives must be planned and vetted so that requested actions are supportable with necessary resources and serve the best interests of the association and its members.

### **Resources and Budgets**

As goals and initiatives are considered by the board of directors for inclusion in this plan, required resources and funding for their execution must be programmed. Long range projects require multi-year forecasting of annual costs and the future commitment of other resources. Project plans must include these forecasts balanced against other known or forecasted association needs and obligations. Should resources and budgets not allow for a specific project, the project will be suspended until the necessary support exists.

Budget forecasts are based on anticipated costs and income using known requirements and estimated VGC changes and requirements. These will change over time, and budget forecasts will of necessity be revised. These forecasts are the basis upon which initiative planning must occur.

### **Revisions**

This plan may be revised as determined by a majority vote of the MPMA board of directors.

## **ASSOCIATION PRIORITIES**

The MPMA board of directors maintains a list of the top priorities it determines necessary for the board to fulfill its obligations to the association membership and achieve the association's vision. The board may revise this list as it deems appropriate. The priorities are for planning purposes and serve as guidelines for decisions the board must make as it works to manage VGC's common use areas and association responsibilities. The priorities are listed without reference to their order of importance and they include Governance; Common areas, Irrigation and Reserves; Vegetation, Landscaping and Water Conservation; Financial Management; Governing Documents; Sustaining the Community of Villages.

## **VGC GOVERNANCE STRUCTURE AND ROLES FOR THE MPMA AND VILLAGES**

### **Resident Participation - Vital for Success**

All VGC owners and residents should be aware that their participation in village life is essential. More is said about this throughout this planning document. The key message is this: The quality of life here is directly tied to how well we care for our individual properties and the properties we all share in common such as streets, walkways, landscapes and more. Although we contract for landscape and a few other services most of the management and maintenance work is performed by your neighbors who serve as unpaid volunteers. Without them our monthly dues will increase.

### **Volunteers in Leadership Roles**

Volunteerism will be discussed more fully in later pages. The focus here is volunteers in leadership roles, which are presented below.

Village board directors and elected officers are preferred within some VGC villages. In some villages those position do not exist for various reasons. Some current villages are comfortable with the control they exercise with their governance bodies and want to continue in that fashion. Regardless of formal governance structures, neighborliness can be promoted and maintained by means of volunteer projects, social gatherings, neighborhood directories, and other creative ways.

**VGC and all of the villages should adopt a unified accounting system.** Under this system budgeting and dues rates can be village specific if desired. All dues, assessments and payments will be performed by the accounting services contracted by the MPMA board of directors. The reasons for this include liability, accountability and efficiency. Liability – The MPMA is the only incorporated VGC entity legally authorized to conduct financial transactions on behalf of the Villages. Accountability – Annual or periodic audits are

required for financial transactions on behalf of the Villages. Efficiency – one accounting source employed by the MPMA can provide the services necessary for collecting dues and assessments, satisfying all payments, producing financial reports and access for audits.

Below are the roles and responsibilities consistent with the unified accounting system.

### **MPMA Governance Roles and Responsibilities**

1. Enforce the governing documents
2. Establish sound fiscal policies and maintain accurate records
3. Develop a budget to serve the requirements and expectations of the Villages
4. Establish and monitor reserve funds
5. Act on budget items and determine dues and assessment rates
6. Collect dues and assessments
7. Establish, publicize, and enforce rules and penalties
8. Authorize legal action against owners who do not comply with the rules
9. Appoint committees and delegate authority to them
10. Select an attorney, auditor, insurance agent and other professionals for VGC
11. Provide required insurance coverage
12. Inform VGC members of important board decisions and transactions
13. Secure protection for the acts of all parties with fiscal responsibilities

### **Village HOA Governance Roles and Responsibilities**

1. Recruit and select village leadership team
2. Prepare annual budget and monitor expenditures
3. Appoint a treasurer to take care of phase accounts receivables (dues and fees) and payables (pay the bills) and prepare reports
4. Organize, conduct periodic and annual village business meetings
5. Provide landscape service for front yards
6. Recommend landscaper & annual budget including “special projects” costs for village commons to MPMA Board. NOTE: “special project costs” could also include adjacent common areas, i.e. walk trails, south of creek
7. Oversee landscape service for village common areas – regular maintenance to be paid by MPMA and enhancements paid by village
8. Manage and pay for landscape service for front yards
9. Promote compliance with CC&Rs, Bylaws, Land Use Standards, Water conservation
10. Organize village social and special activities
11. Maintain a directory of village owners/residents
12. Recruit volunteers for MPMA and village activities and assignments
13. Represent village in MPMA Board and committee meetings

## **VGC RESERVES, COMMON AREAS, IRRIGATION**

### **Reserves**

VGC has reserve funds set aside for future major expenditures including streets, irrigation systems, ponds and more. The reserve fund is essentially a savings account. It is where the HOA saves money for more costly repairs and replacements. It is ideal to be 100% fully funded, but it is suggested to have a target goal of at least a 70% funded reserve. If it is less than 70%, our HOA runs the risk of having to implement special assessments or raise association fees to cover costs. The reserve document relies on the expertise of an external analyst with required expertise.

### **Common Areas and Irrigation**

The reserves document is being reviewed to determine its adequacy for future VGC needs. Reserves may not be sufficient for unexpected occurrences. Unplanned Village One and Two street repairs are good examples. Reserves may not be sufficient for unexpected occurrences such as the replacement of Village 1 streets vs sealcoating as envisioned in the current Reserve Study. This is being addressed in a recent onsite visit by a reserve study specialist, working with volunteers Ray Goff, Henning Guldhammer and Lanny Collins.

Extensive documentation for maintaining the commons and irrigation is imperative for future reference. Much information is held informally by individuals like Scott Towslee, Ike Muro and Ray Goff. VGC needs a concerted effort to document the common area maintenance that these people have in their memories and/or in miscellaneous personal notes. The specific need is to capture in writing and store on the VGC website the maintenance steps they are doing, including critical contractor contact information. It is critical that future VGC volunteers (or a professional management company in the future) have access to this information to perform maintenance efficiently in the future when our current volunteers and Ike are no longer available to us.

Volunteer help that maintains and manages the common areas is fragile and sometimes inadequate. VGC has capitalized on volunteer assistance to help the neighborhood reduce the need for HOA assessment increases, and to build a sense of “community”.

### **Outside Management Services**

Our volunteers are aging, their capabilities are diminishing and it requires extensive volunteer time to organize and manage volunteer projects that our neighbors can do safely and effectively. We also have the problem of going back to the same small core group of volunteers for needed work because many neighbors are aged, are infirmed, are

time-constrained due to work and family priorities or are simply not motivated to do volunteer work. Long term, we may need to seriously consider contracting for management services for continuity of maintaining our aging infrastructure.

This could require a spike in HOA assessments but the reality is that the services we need and the management of those services may escalate beyond what can be funded by the current HOA assessment.

## **VGC VEGETATION, LANDSCAPING AND WATER CONSERVATION**

A major aspect of life in the Villages of Garrison Creek is the vegetation and how it is integral to the landscape. It is akin to living in a peaceful and beautiful park. A closer look reveals the opportunities to make it more beautiful, and, very importantly, to transform it to become more sustainable. Irrigation practices and plant choices are the two factors that weigh into sustainability.

Excessive irrigation has been occurring in VGC and it is expensive, wasteful and injurious to plants. The operative rule should be water less often and water deeply. The roots grow to the water and deeper watering is better.

The ponds can be made healthier with beneficial bacteria, more aeration and more shade.

VGC landscaping can be improved with plant choices that are low maintenance, native-adaptable, attractive to birds and wildlife, and a mix of evergreens and deciduous plants that display more color.

The original setup of Villages 1,2,5,6, and 7 is to have one meter for all city water needs. The one meter makes it very difficult to pinpoint possible leaks in the irrigation system. It is only when the leak is a major leak and visible that it is detected. A look at installing more meters may help with water conservation in the future.

The VGC website provides information about water conservation and plant choices that are compatible with landscaping improvements described above.

## VGC FINANCIALS AND RELATED CONCERNS

The MPMA is responsible for managing the VGC's financial condition including operational and reserve budgeting, income, payments and reporting.

Significant income and expense transactions occur within some villages and there are few, if any, audits performed. Village financial activities should be part of the annual MPMA audit statement.

VGC and the villages should adopt a unified accounting system. Budgeting and dues rates could be village specific if desired.

There is a delinquent dues policy in place and requires consistent enforcement. Dues, collections and liens should reside with the MPMA and, with that, the burden of unpaid dues, collections and liens should be spread across the VGC and not borne by individual villages.

Since contracts for common area maintenance are paid by the MPMA they should be approved by the board and duly signed by an officer. Village common area contracts should also be signed by a village representative.

The MPMA will negotiate all contracts for the maintenance of the common areas within the Villages of Garrison Creek. Currently contracts are negotiated by individual villages resulting in inconsistencies in service and costs. Inconsistencies in service and cost occur due to the complexity of different phase layouts and village preference in a certain lawn maintenance company. Village representatives should be the point in negotiating the village common areas. It is not in the best interest of the Association to have one single lawn maintenance company for the whole area. Village participation is crucial to the effective management of the phase common areas maintenance.

Copies of the contracts for front yard maintenance in the villages are to be submitted to the MPMA and kept on file with the Finance Committee.

As the sole legal entity of the Villages of Garrison Creek, the MPMA issues any liens that may be necessary to collect delinquent dues, contracts with collection agencies as necessary to collect delinquent dues, and be the sole agency to communicate with the homeowner that is delinquent with their dues.

The Operating Budget should be audited yearly or as required by Washington State Law.

Village dues are to be paid at the same time as the MPMA dues and kept in a separate account by the MPMA Board Accountant. Each village is responsible for compensation to the accountant for this service.

The village accounts will be audited every 2 years at the end of even numbered years at the expense of the village.

## **VGC GOVERNING DOCUMENTS**

**Revised Documents** - The Villages of Garrison Creek uses several types of governing documents to guide its operations including Covenants, Conditions and Restrictions (CC&Rs), Bylaws and Community Standards (formerly Land Use Standards). These have been reworked to reflect the changes that have occurred because the VGC construction is completed and the developer's work is done. VGC ownership is fully in the hands of the homeowners and the documents have been recast with that in mind.

**CC&Rs** - describe the rights and obligations of each owner and those of the association itself. The CC&Rs are the rules of the VGC. They describe the requirements and limitations about what can be done with property. The goal of the CC&Rs is to protect, preserve, and enhance property values in the community. Revisions to CC&Rs require homeowners' approvals.

**Bylaws** - describe the procedures and mechanics of VGC management and decision-making. This includes officer and director positions and how they are filled, the way meeting, voting and notification are undertaken for owners' and board members' decisions and the methods of record-keeping and reporting. Revisions of Bylaws require homeowners' approvals.

**Community Standards (formerly Land Use Standards)** - These rules cover things such as restrictions on how much a house or lot may be altered, pets, waste disposal and the use of signage, parking and recreational facilities and much more. Community Standards revisions require MPMA board approvals.

**Washington State Law – Chapter 64.38 RCW** - This Washington State law dictates how homeowners associations must conduct themselves. VGC must conform with requirements contained in this law.



## Sustaining the Community of Villages

Like a democracy positive efforts are required by the members for the Villages of Garrison Creek to be sustained for years and decades ahead.

Refer back to the first page of this plan and the Vision statement.... “We envision primarily an owner-occupied community...” **First and foremost VGC must be a community of owner-occupied homes with enforced rental restrictions.** Rentals deplete the volunteer pool necessary to maintain and manage VGC and lead to higher dues to pay for costly professional management services. Excessive rental properties also negatively impact the sale of owner-occupied homes, because prospective buyers can be faced with higher mortgage rates.

**Many Ways to Serve** - A sense of community can be achieved in various ways including activities and events within the villages and village-wide. Social media and other electronic communications can be used to interact with each other.

Many homeowners will benefit from a valid list of bonded contractors and service personnel to assist them with their home and personal needs.

**Homeowner participation in VGC maintenance and management is essential.** Steps are required to identify and recruit them to become involved. Individuals also can help with recruiting volunteers, welcoming newcomers and organizing events and activities.

The MPMA board of directors has established committees that offer members various ways to serve their neighbors. The committees are included below:

- Finance (Operating Budget/Reserve)
- Communications (website, emails, newsletters, etc.)
- Common Areas and Landscape (includes South of Creek)
- Community Standards Review (Help homeowners comply with Community Standards[formerly Land Use Standards])
- Strategic Planning (vision, mission, priorities, strategies)
- Nominations, Recruitment, Elections (MPMA and Village leaders)
- Common Area Water Costs, Equity (Water usage patterns & Improvement)
- Block Watch and Safety (crime prevention, walker/traffic safety)
- Volunteers (Recruitment, Recognition)

## Looking Forward

This plan provides the association's membership with a clearer and more comprehensive summary of the future and how the MPMA board of directors and village leadership will shepherd the association to that future.

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