

Fripp Island
A Vision for the Future
Strategic Plan
October 12, 2013

Fripp Island Property Owners Association
South Carolina



FRIPP ISLAND PROPERTY OWNERS ASSOCIATION
STRATEGIC PLAN

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FRIPP ISLAND PROPERTY OWNERS ASSOCIATION
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Introduction/History

The Fripp Island Home Owners Association was incorporated in 1972. Its name was changed to the Fripp Island Property Owners Association (FIPOA) in 1981 to reflect the fact that many owners had not yet built homes. In 1983 the developer transferred the authority to collect assessments and the responsibility for security to the FIPOA. In 1985 roads, bridges, common areas and beach access were deeded to the association.

In 1988, the FIPOA Board asked the Membership to vote in favor of an annual special assessment of \$50 for unexpected bridge and road repairs. The owners did so and a restricted fund was created. In 1997, there was a “settlement” of a section of the Fripp Inlet Bridge that cost over \$600,000 to repair. This prompted a request for a special assessment of \$100 to increase the funds and an increase of the annual contribution from \$50 to \$100. In 2003, it was determined that insurance costs for the Inlet Bridge were becoming prohibitive. The Fripp Island Public Service District (FIPSD) had the ability to purchase state insurance at an affordable rate and offered to purchase the Inlet Bridge if FIPOA would continue to collect the funds to cover the expenses. The FIPSD makes a budgetary request to the FIPOA annually for the Fripp Inlet Bridge needs.

In 2005, the Membership voted to amend and restate the Bylaws of the association creating the position of the General Manager, reducing the number of standing committees and preparing for the future addition of the Architectural Review Board (ARB).

In 2007 the developer agreed that it was time to transfer the single-family covenants to the FIPOA, but they wanted to retain authority over commercial property and condominiums. The two entities started writing the document together, but soon realized that it wasn't feasible, so the FIPOA had one four person committee do the work. Simultaneously there was a campaign to get the Membership to approve the concept. Once the attorneys signed off, the vote went out and the ballot passed easily. The Amended and Restated Declaration of Covenants Conditions And Restrictions for Single Family Residential Properties was recorded in 2009. At this juncture, the ARB moved under the umbrella of the FIPOA.

Between 2009-2010, the Office of Coastal Resource Management sought to reconfigure the setback lines for Fripp landward placing more of the island under their jurisdiction, rendering many properties unsuitable for rebuilding in the case of a major storm. The FIPOA was successful in getting legislation passed to ensure that the setback lines will remain as they are.

There are currently 1339 dwellings and 489 unimproved lots. The basic assessment is \$770 with a road and bridge assessment of \$100.

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Mission Statement

The FIPOA continuously assesses our near-term and long-range priorities while providing the resources necessary to maintain the island's infrastructure, support the environment, and provide security to protect our community with the goal of increasing the value of our owners' investments.

Function of a Strategic Plan

A strategic plan is certainly more than simply a "wish list". But it is equally not a prescription of what the Association *must* do, or a fixed timetable of dates, events and funding. Those are the responsibility of the entities that make definitive plans for the Association- the professional management, the appropriate committees, the governing Board and ultimately the Members. What the strategic plan attempts to do – in the words of Professor Bryson – is to provide a process, "a disciplined effort to produce fundamental decisions and actions", by defining those items and goals to which the Association should devote serious consideration in order to fulfill its mission, and to set out both the assets the Association can utilize and the challenges it will face as it conducts that consideration. In other words, its objective is to facilitate decisions, not prejudge them.

The Draft Strategic Plan will be released to the Association Members for their review and comment. After any updates are made to the Draft Strategic Plan based on input from Association Members, the plan will be adopted by the board and will become a working document to guide the Association. Recommended actions will ultimately be expanded and criteria to measure the accomplishment level of the goals will be developed.

The goal of the Strategic Plan is to provide a roadmap to the future that permits the Association to be more proactive and more efficient. The Strategic Plan will chart the course for Fripp Island reflecting the needs, desires and aspirations of the Fripp Island Property Owners, affiliated organizations, and guests so necessary to the future success of the Association.

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Vision Statement

The FIPOA seeks to preserve the essential qualities that comprise our way of life. This will be accomplished by promoting greater involvement and participation within the Fripp Community, by upgrading our infrastructure, by committing to our environmental initiatives, and by strengthening our relationships with the organizations most vital to our long-term growth and success.

Values Statement

FIPOA will be focused, resilient and transparent in the pursuit of its mission, operating with a level of integrity and dedication all property owners have the right to expect. Furthermore, FIPOA will strive to listen first as it broadens its reach by more actively engaging with our constituents. All this to insure that we continue to be the best stewards of the responsibilities and trust bestowed upon us.

FRIPP ISLAND PROPERTY OWNERS ASSOCIATION

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DEFINITIONS

ARB- Architectural Review Board. The Association's Committee responsible for reviewing residential building and improvement projects.

CAI – Community Associations Institute – Organization that provides information and education to community associations and the professionals who support them.

Capital Reserve Replacement Study- A study listing all of the capital assets owned by FIPOA, the age of the capital asset, the expected life of the capital asset and the estimated replacement cost of the capital asset.

Capital Reserve Replacement Fund- The fund that receives an annual contribution from the FIPOA budget in order to have funding available when a capital asset needs to be replaced.

FIPOA- Fripp Island Property Owners Association. The Mandatory Association that comes with property ownership on Fripp Island and the group that created the draft of this Strategic Plan.

FIR- Fripp Island Resort. An independent business that owns and operates the resort and club facilities and amenity programs on Fripp Island.

FIPSD- Fripp Island Public Service District. The municipal agency responsible for the water and sewer and fire and EMS services on Fripp Island. The FIPSD also owns and maintains the Fripp Inlet Bridge with funding provided by the FIPOA.

SWOT – Strength, Weakness, Opportunities and Threats

Strategic Goal

Ensure Future Bridge Viability

The Fripp Inlet Bridge is owned and managed by FIPSD, subject to budget approval and funding by the FIPOA. The inlet bridge is our lifeline—an asset we must maintain to the best of our ability.

The objective of this goal is to ensure the appropriate level of insurance is maintained on the Inlet Bridge. The FIPOA Finance Committee must regularly determine annual funding requirements necessary to properly fund maintenance and insurance, determine the level of bridge reserves needed, and make recommendations on the sources of such funding. The Finance Committee should consider usage levels of bridge and roads. Currently each property owner pays the same assessment, regardless of frequency of usage, size of property and whether it is rented or not. A recommendation should come from the Finance Committee, on whether or not, higher usage of bridge and roads should lead to increased fees from high usage owners, or their renters.

The criteria for success of this goal will be keeping the Inlet Bridge properly maintained and keeping enough funds available to do so.

Strategic Goal

Effective Financial Planning

In order to prosper, the FIPOA must continue to strengthen and stabilize its financial position. The guiding principal for the Finance Committee is to continually keep as a priority, the fiduciary responsibility they bear to all owners.

One of the goals is to develop five year operating and capital budget which should be updated each year thereafter. During this process, the Finance Committee should critically review each line item in the budget process looking for expenses that can be reduced or eliminated. All increases or new expenses must be justified. Another goal is to regularly direct the update of the Capital Reserve Replacement Study to ensure that FIPOA is properly funding its Reserve Fund. Currently this study is updated every three years. The Finance Committee must monitor and evaluate all methods to generate the revenue to meet operating needs and to maintain the reserves at the appropriate level.

The criteria for success will be a strengthened and stable financial position for the FIPOA.

Strategic Goal

Communication Initiative

The FIPOA has worked to significantly increase the level and quality of information being disseminated to property owners, concerning all matters of interest and significance pertaining to Fripp Island. The new website was created to help represent a distinctive and accurate image of Fripp Island so that anyone who researched Fripp would receive a comprehensive and appropriate impression of our community.

The goal is to continue enhancing and streamlining the communication process so that our audience receives the information they need and want, in an effort to provide more transparency, greater knowledge and education of the actions and activities on the Island. Furthermore, the objective of this initiative will be to portray Fripp accurately and distinctively, so visitors and potential homeowners will better understand and value the community we have built here.

The criteria for success will be higher levels of involvement, greater reach into the property owner community, better understanding and awareness of all constituents, homeowners and visitors alike. And, in conjunction with the other initiatives, our ambition is to enhance the prospects of attracting new and beneficial owners to the Island, thus protecting and improving the value of our properties and the essential elements of our unique community culture.

Strategic Goal

Determine Shoreline Requirements

The Shoreline committee will use the recently completed study to provide direction and consideration for those involved in the decision making process. Because of the uniqueness of the island, the history of the islands near Fripp the concern of island erosion will remain a priority for the FIPOA.

The changing shoreline involves many entities, FIPSD, the Resort, FIPOA, individual property owners, and the State of South Carolina. The present study helps to offset emotional decisions and provide the area to monitor. The actions and results of other barrier islands with similar concerns will be followed to assist in any decision making process.

Presently, the only unanswered segment of the three-part study, revetment wall, inlet channel location and the accreted sand on the shore, is the accreted sand issue that falls mainly to the responsibility of FIPOA. All of the property owners will continue to be informed of any movement toward an action.

Strategic Goal

Enhance Community Involvement

This is a new initiative designed to reach out to property owners and guests in an effort to create a warmer and friendlier community. It has often been mentioned that 85% of our property owners are not full time residents. Yet everyone who lives on Fripp or visits Fripp should enjoy the hospitality and vitality of the Island and get to know the people and programs better.

The goals are aimed at better integrating new homeowners and families into the community with a stronger welcoming process, central directory and access to the social networking infrastructure. The initiative also hope to generate a greater level of education, recreation and health related activities for all permanent and part time property owners, taking full advantage of the great many activities available, perhaps starting new ones and tapping into the caring and friendly community we live in.

We will know this initiative is bearing fruit when “we feel it”, when there is greater participation in events, when there are more “good mornings” spoken and when there are fewer strangers in our midst.

Strategic Goal

Enhance Existing Disaster Plan

It is necessary for the FIPOA to be operational at all times to serve members and their needs. In order to meet this requirement the FIPOA must be prepared for any possible situation that could impede the proper operation of the organization. There are many possible circumstances that could affect FIPOA operations including, fire, flood, civil unrest and weather conditions; including hurricane. The FIPOA currently has a written plan for continued operations if a hurricane were to approach Fripp Island. This Hurricane and Emergency Disaster Plan is updated occasionally and covers how the organization will operate in the event of a hurricane.

It is the objective of this goal to establish a non-standing Disaster and Recovery Committee to better analyze conditions that could disturb operations and to affect mitigation plans to ensure that the continued operations of the FIPOA occurs. This committee will work with FIPOA management, Chief of Security and the Fripp Island Fire Department Chief to be sure that plans are in place and are known to all necessary parties.

The criterion for success of this goal will be that the FIPOA is prepared for any possible emergency situation and that plans are in place for continued operations under any conditions.

Strategic Goal

Maintain Infrastructure

The FIPOA must lead the way in maintaining, improving, and replacing as necessary the infrastructure of the island. The Capital Reserve Replacement Study provides the information in a systematic manner for consideration by the committees and administrative staff in developing the yearly budget.

The objective of this goal is to make recommendations for capital replacements giving consideration to factors such as but not limited to, replacement period, energy efficiency, whether it is environmentally friendly, island appearance and safety. As the island approaches build-out the FIPOA will assume a larger role in the maintenance of the infrastructure.

The criterion for success of this goal is that all segments of the infrastructure will remain in good shape.

Strategic Goal

Manage Wildlife and Environmental Programs

The FIPOA Environmental Committee will take the lead in implementing an initiative focused on raising awareness of the unique environmental ecosystem of Fripp Island and celebrating the Island's designation as a South Carolina Wildlife Sanctuary and National Wildlife Federation Community Habitat. The Committee will promote the engagement of all property owners and visitors in the preservation of the wildlife, fauna and natural beauty of Fripp Island and inspire a process for new environmental initiatives.

The objective of this goal is to educate property owners, visitors and all island stakeholders about the essential elements of Fripp's unique habitat and to inspire responsible, environmentally friendly behavior by as many participants as possible in order to protect and preserve the natural essence of Fripp's environmental heritage.

The criteria for the success of this goal is that Fripp Island will be recognized as having greatly expanded the participation of all stakeholders in the implementation of significant environmental initiatives; Fripp Island will be acclaimed as a model for environmentally friendly living and will be among the most widely recognized residential and resort communities in the southeastern United States.

Strategic Goal

Security Requirements

The Fripp Island Security Department is an essential component of the FIPOA. The Security Department shall strive to maintain and improve existing operational aspects, while implementing new initiatives that will best serve the Fripp Island Property Owners Association.

The objective of this goal shall be to ensure a safe environment by enforcing the rules and regulations in a cordial, officer-friendly, equitable and consistent manner. The FIRD will provide timely communication and information to the property owners, and the Security Committee will monitor and assess all security-related operational data on a monthly basis. The Committee will continue to review Security operational data and advise the Chief and General Manager regarding personnel matters.

The criteria for achieving this goal is that Fripp Island Security shall continue to develop and improve in becoming a model operation for a small, private island community.

Strategic Goal

Monitor Commercial Property Issues

The FIPOA does not desire to be involved in the ownership of commercial real estate on the Island, but one of its responsibilities as a good steward of the island to ensure that all commercial real estate on Fripp is well maintained. The businesses should enhance the quality of life the property owners and guests enjoy at Fripp Island.

The objective of this goal is to closely monitor potentially problematic situations and be prepared to recommend and/or take appropriate and necessary action. We can ask other planned communities how they handle the monitoring of their commercial properties as a means of looking at best practices.

The criterion for success of this goal is that all commercial properties remain open for business and are well maintained.

Strategic Goal

Working on the Association's Relationship with the Resort

The FIPOA and the Fripp Island Resort have much in common. Many property owners are members of the Club, which is operated by the Resort. It will benefit both entities for there to be a close, cooperative working relationship. We realize that there are other entities on the Island that play a significant role such as FIPSD and The Fripp Group, but the SWOTs specifically targeted this relationship as needing attention.

The objective of this goal is for the FIPOA leadership team to continue to work with the ownership and management of the Resort team, recognizing that any increase in communication and cooperation benefits both entities. There are agreements in place that should be reviewed and renegotiated as necessary to reflect current and future conditions.

The criterion for success of this goal will be a closer, more cooperative working relationship between FIPOA and Fripp Island Golf & Beach Resort.

Strategic Goal

Review and Update Bylaws

The FIPOA Bylaws Committee will affect a comprehensive review of the bylaws in order to address deficiencies and prepare for the future of Fripp Island. The recommendations for changes will be reviewed by the Strategic Planning Committee and any redrafting will be done by the Bylaws Committee who will then submit a final recommended version to the Board of Directors. The Board will determine a final draft of the proposed updated bylaws and then, with help of staff, past presidents, committee members and community leaders will educate the property owners prior to going for a vote of members in good standing to approve the updated bylaws. Throughout this process, the committees and the board will look at industry wide best practices for community associations by studying the practices of associations similar to FIPOA.

The criterion for success of this goal will be passage of a new set of updated bylaws.

Recommendation For Annual Review starting in 2015

- Begin the strategic planning process in mid-January by seeking property owner input, through owner survey or questionnaire, as example.
- Assess the property owner input along with any other input received during the past year and outline additions or changes that may be needed in the strategic plan in mid-February.
- If needed, update and approve the strategic plan in March.
- Review organization chart and committee structure in May.
- Finalize operating committees by June first.
- Committees should review their operational plans and develop new ones if needed.
- Begin budget preparation by July 15th.
- Committee operational plans and budgets should be finalized in September, keeping in mind that operational plans are not approved by board resolution.
- Budgets are approved at the October Board meeting in order to be mailed no later than November 15th, per bylaws.