

# Managing Expectations

HOA Manager challenges with Reserve Studies  
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- Manager Challenges
- Manager Expectations

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## What are Manager Challenges?

- Educating Board members, volunteers & membership
- Using the Reserve Study
- Finding the right Reserve Study Provider



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### Statutory Obligations

- Beneficial or Not?
  - Does it help to only require a study?
  - Does it help to only require funds be set aside?
  - For those managers with statutory requirements, their challenges may not be a great...unless their board doesn't want to spend the money as intended!




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### EDUCATING BOARD MEMBERS VOLUNTEERS & MEMBERS

- Association's job is to *Protect & Enhance Property Values*
- Why reserve funds are needed
- Value of having a professional/independent study
- Benefit of using reserve funds as intended



### Study + Fund + Use Funds

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### Why Reserve Funds are needed

- Allows Association to fulfill their obligation to maintain their assets
- Avoid special assessments
- Challenge(s):
  - Perception of "sitting on" owner money
  - Don't need it now
  - Don't want to raise assessments – or want to lower assessments




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### Value of having a reserve study

- Documents assets
- Documents condition of assets
- Provides funding model
- Member communication tool
- Challenge(s):
  - Don't we already know our assets?
  - As manager can't you just tell us?
  - Can't we just set aside the money
  - Cost of report



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### USING THE RESERVE STUDY

- Asset Management
- Reduces crisis management
- Budget
- Planning Tool
- Challenge(s):
  - Board doesn't understand information
  - Following recommendations
  - Worried about something in writing
  - Using funds as intended



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### FINDING THE RIGHT PROVIDER

*it is not just about the final report*

- Another professional service provider
- Philosophy
- Approach
- Experience
- Product
- Price



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## Manager Expectations

- Accurate Information
- Timeliness
- Independent
- Cooperative
- Professional Partner



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## Accurate Information

- Correct Assets
- Less Common Assets – detention facilities; storm water management, etc.
- Proper condition assessment
- Funding Goal
- Statutory obligations



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## Timeliness

- Agree upon a schedule at the start
- Stay on schedule
- Give manager/board deadlines



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### Cooperative

- Work with Management team
- Consider circumstances
- Not all associations fit same mold
- Offer multiple financial scenarios



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### Independent

- Don't rely on Manager for all the info
  - "Per Manager"
- Voice opinion/objection
- Is request not consistent with principles



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### Professional Partner

- Advisor
- During the Study
  - Don't assume manager is fully knowledgeable
  - Do certain assets warrant further study (streets, drainage, etc.) by expert in that area?
- After the Study
  - Best Practices



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### Summary

- Be a partner
- Help the manager "shine"
- Provide professional guidance and advise relating to reserve



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### Study + Fund + Use Funds



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