

# OWNERS WANT RESULTS

by Johannes Koerm  
Project Manager  
Association Reserves, Inc.

August 2013

[www.reservestudy.com](http://www.reservestudy.com)

We in the Reserve study business are confronted on a daily basis with homeowners who want to see their HOA dues at work. After all, they are paying for something right? Certainly owners expect to live in a safe, enjoyable and vibrant community, but sometimes their wish to see the fruits of their dues leads Boardmembers to make improper choices when it comes to which Reserve projects to prioritize in a budget-conscious world. Imagine this example: you are golfing and having the round of your life when you come upon the final hole. It's a par 5 and you have hit your tee shot in the middle of the fairway. Do you go for the green in two with an island green? It's a tempting decision, but you had better make the right choice for the sake of your score and your golf ball budget.



Now imagine another scenario: you are living in an Association, with quiet streets, lush gardens and beautiful pools around you. Many in the community, including yourself, have raised the possibility of remodeling the fitness center to better serve the homeowners with state-of-the-art equipment that will compete with the best local gyms in the area. Now consider that the Association is underfunded with respect to Reserves and are beginning to have several problems with old and leaky roofs. Would going for a remodeled gym, by making a large Reserve outlay, really be in the best interest of the Association?

This would be a tough decision for a Board to make, as they want to appeal to the homeowners by spending reserve funds on items that owners can see, feel and touch. However, the decision that is made had better be the right one for the sake of the Association's financial (% funded) and physical health. It is easy to get caught up in the emotional appeal of aesthetics, while neglecting the nuts and bolts of some of the important and less glamorous necessities.