

Board Held Hostage by Reserve Study

By Chuck Miller

While a reserve study cannot technically hold a board hostage, in this particular case, a board's lack of initiative in dealing with a situation, coupled with the actions of an unreasonable reserve professional, left the board feeling as if they were being held hostage to their reserve study.

Let's go back to the beginning to see how this situation developed. The Association is approximately 30 years old, and has responsibility for maintaining some 15 miles of roads serving its more than 2,000 members. While the roads are not the only components within the reserve study, they are the most significant in terms of dollars and maintenance obligation.

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Who Owns the Reserve Study Report?

By Gary Porter, RS, PRA

There are differences of opinion within the reserve study industry as to who "owns" the reserve study report, what degree of responsibility the reserve professional has, and how situations like the one described in Chuck Miller's article "Board Held Hostage by Reserve Study" should be reported.

One thing is clear - national reserve study standards do not provide adequate guidance in this area.

Many reserve preparers take the position that [Read more](#)



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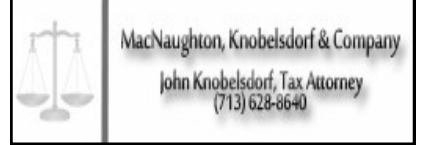
While a reserve study cannot technically hold a board hostage, in this particular case, a board's lack of initiative in dealing with a situation, coupled with the actions of an unreasonable reserve professional, left the board feeling as if they were being held hostage to their reserve study.

Let's go back to the beginning to see how this situation developed. The Association is approximately 30 years old, and has responsibility for maintaining some 15 miles of roads serving its more than 2,000 members. While the roads are not the only components within the reserve study, they are the most significant in terms of dollars and maintenance obligation. The roads are well-constructed, and have received appropriate maintenance over the years that consisted of annual crack filling, slurry seal on approximately a five-year cycle, spot repairs as needed, and overlay on approximately a 20-year cycle.

Many years ago the Association engaged a well-known contractor to perform the annual maintenance work, and has continued to use this company consistently through the years. Although this contractor did not construct these roads, the company does construct roads as part of its service activities, so it is very familiar with the proper maintenance activities that should be performed.

In addition, several years ago the Association engaged an engineering company to perform a pavement study of its roads.

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One thing is clear - national reserve study standards do not provide adequate guidance in this area.

Many reserve preparers take the position that they have been engaged to perform an independent study resulting in a report of their findings, and that the reserve professional "owns" the entire reserve study report. [Read more](#)



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Nevada HOA board called too conflicted to function properly	Inherent conflicts plague the state commission responsible for overseeing Nevada's common interest communities. This has many saying the panel is unable to function properly.	Nevada
Southeast Boise homeowner spots mountain lion in neighborhood	A mountain lion alert has been issued by a homeowners association in Boise.	Idaho
West Hartford homeowners question impact of ASD land proposal	Residents are raising questions about the environmental impact of a proposed residential development. The new development would include nine to twelve homes on 9.2 acres.	Connecticut
Neighbors raise extra funds for added security patrols	Residents and their homeowners association are considering adding private security after crime has increased in their neighborhood.	Texas
Disabled vet, HOA at odds over sidewalk improvements	A homeowner made improvements to his driveway, like his neighbor did a couple years ago, and now the HOA is wanting him to tear it up and install grass.	Texas
Fence flap to resume with Portsmouth historic board	A historic landmark removed its wooden fence during renovations. It is now requesting that a metal fence replace it. The Historic District Commission has denied the fence saying a decorative wood fence is more appropriate.	New Hampshire
Condo Association fighting to keep sex offender out	A small community in Austin Texas has voted to amend their bylaws to exclude anyone registered as a sex offender from living in their community.	Texas
Some co-op/condo boards may have Oct. 1 deadline for Affordable Care Act	If your co-op or condominium association has employees, you have requirements that you must follow under the new Affordable Care Act.	National
Homeowner association feuds grow amid rules and fees	Feuds within associations are on the rise. Poor management and high association fees are just two of the reasons for struggling associations. You need to beware and know the rules of your association before buying since homes in associations are now the predominant form of new housing across the country.	National
Homeowners group continues to hit wall on noise buffer	A subdivision wants a noise buffer built, in the form of an 8-foot fence, by the Bridge Authority at an estimated cost of about \$198,000. The fence would prevent noise from the Mid-Bay Bridge Connector. The Bridge Authority says no.	Florida