

Prioritizing Maintenance & Repairs on a Limited Budget: How to save your community a million bucks



ORANGE COUNTY REGIONAL
CHAPTER
community
ASSOCIATIONS INSTITUTE

Presenters

- Pete Fowler – Pete Fowler Construction Services
- Bobby Ameen – 24 Hour Restoration & Construction
- Lesley Millender-Irwin, PCAM – Seabreeze Management



Program Outline

1. Case Studies
2. Whack-A-Mole
3. Playing Doctor
4. Show Me The Money
5. Decisions, Decisions
6. Do the Right Thing
7. Conclusion





1. CASE STUDIES

A. Aloha HOA

B. Sunset Deck HOA

C. Bermuda Triangle HOA

Pete's Case Study: Aloha HOA The Project



Pete's Case Study: Aloha HOA The Problem



Pete's Case Study: Aloha HOA The Solution



Total Cost: \$50,000, incl. consulting fees
Savings: \$1 million
Benefit: Another 10 years to save for new siding.

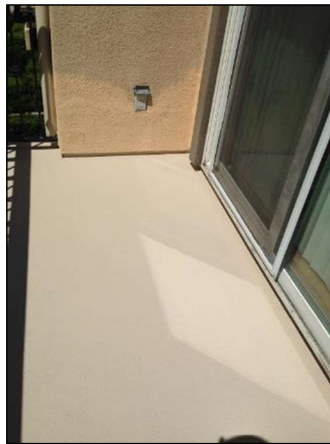
Bobby's Case Study: Sunset Deck HOA The Project



Bobby's Case Study: Sunset Deck HOA The Problem



Bobby's Case Study: Sunset Deck HOA The Solution



Total Savings:
More than
\$500,000

Lesley's Case Study: Bermuda Triangle The Project



Lesley's Case Study: Bermuda Triangle The Problem



Lesley's Case Study: Bermuda Triangle The Solution



2. WHACK-A-MOLE



whack-a-mole

/ˈwækəˌmɔɪl/

noun NORTH AMERICAN

an arcade game in which players use a mallet to hit toy moles, which appear at random, back into their holes.

"next time you are near a kiddie amusement park, go in and play a round of whack-a-mole"

- used with reference to a situation in which attempts to solve a problem are piecemeal or superficial, resulting only in temporary or minor improvement.
"the site's security team has an ongoing battle against spammers, but it's a game of whack-a-mole"



Translations, word origin, and more definitions

A. Emergency Repairs

B. Deferred Maintenance

Emergency Repairs



Deferred Maintenance

Deferred maintenance is the practice of postponing maintenance activities such as repairs on both real property (i.e. infrastructure) and personal property (i.e. machinery) in order to save costs, meet budget funding levels, or realign available budget monies.



3. PLAYING DOCTOR

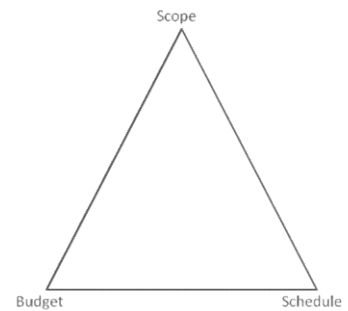


Ritz or Motel 6?



A Sensible List

Scope	Budget	Actual	Schedule
1. Item 1	\$ XXX	\$ XXX	Plan/Actual
2. Item 2	\$ XXX	\$ XXX	Plan/Actual
3. Item 3	\$ XXX	\$ XXX	Plan/Actual
4. Item 4	\$ XXX	\$ XXX	Plan/Actual
5. Item 5	\$ XXX	\$ XXX	Plan/Actual
6. TOTAL	\$ X,XXX	\$ X,XXX	



Question Assumptions



Reserve Study



	Year 1		Year 2		Years 3-5		Years 6-10		Years 11-20		Years 21-30		Years 31-49		Total	
	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A
Construction & Maintenance																
1																
2																
3																
4																
5																
6																
7																
Sub total																
OPERATION																
1																
2																
3																
4																
5																
6																
7																
Sub total																
Total	#	#														

Prioritize

Elements/Components	Priority		
	A	B	C
1. Foundation	\$XX,XXX		
2. Structural Framing		\$XX,XXX	
3. Stucco / Siding		\$XX,XXX	
4. Windows			\$XX,XXX
5. Decks		\$XX,XXX	
6. Drywall	\$XX,XXX		
7. Site Concrete			\$XX,XXX
Total	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX

A = Must Do

B = Should Do Soon

C = Would Be Nice

4. SHOW ME THE MONEY

- A. Dues
- B. Reserves
- C. Operations
- D. Subrogation
- E. Litigation/SB800
- F. Bank Loans
- G. Special Assessments



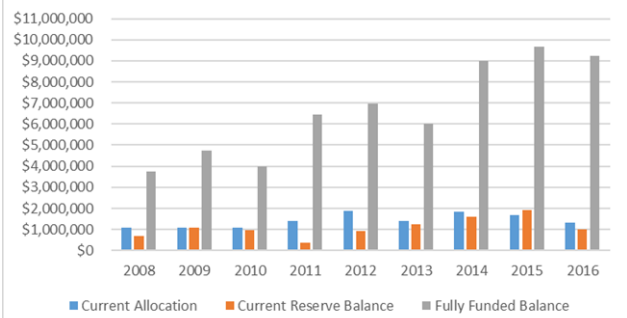
Dues



Reserves



Reserve Allocation & Balances 2008-2016



Operations



Recovery & Subrogation



Litigation/SB800



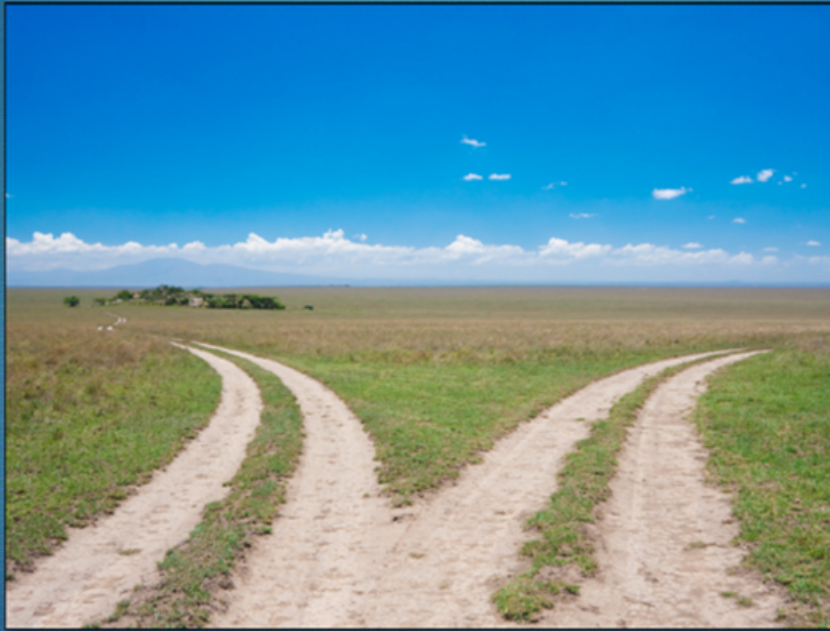
Bank Loans



Special Assessments



5. DECISIONS, DECISIONS



“I would like a car, please.”

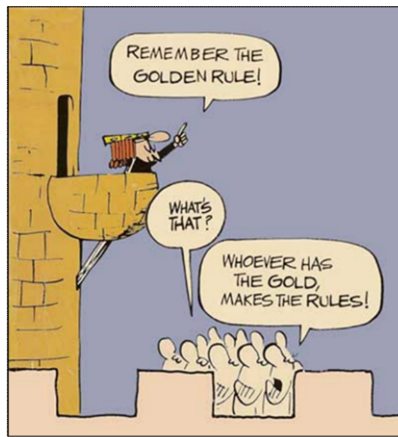


Who Would You Prefer As Your Contractor?



Criminal
VS
Incompetent

Remember the Golden Rule



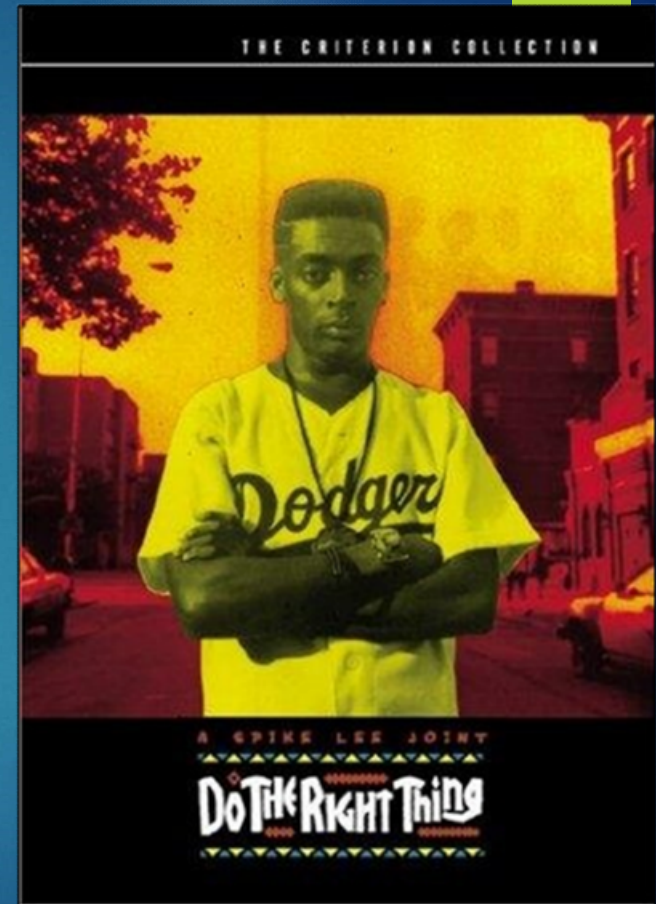
“The one with the gold should make the rules.”

Who is in Charge of What?

BLM	ACTIVITIES/DELIVERABLES
1. Evaluate	Documents, Meetings, Inspection Reports, Property Condition Assessment
2. Define & Specify	Scope of Work, Specifications, RFP for Design, Meetings
3. Budget	Budget, Estimate, Meetings
4. Tender & Contract	Request for Proposal (RFP), Bid Analysis, Recommendations, Contracts
5. Schedule & Notice	Progress Schedule, Correspondence
6. Project Kickoff	Meeting Agenda & Minutes
7. Coordinate Work	Correspondence, Meeting Minutes
8. Verify Quality	Inspection Checklists, Inspection Report, Rework Notice
9. Change Management	Proposed Change Order Analysis, Change Order, Meetings, Budget Updates
10. Payment Processing	Project Status Memo, Payment Application Memo
11. Project Close	Project Close Memo, Lien Releases, Maintenance Plan, Warranty
12. Repeat Forever	Opinion Letter

6. DO THE RIGHT THING

- A. Schedule & Notice
- B. Project Kick-Off & Coordination
- C. Verifying Quality
- D. Change Management
- E. Payment Processing
- F. Project Close
- G. Roles & Responsibilities



Schedule & Notice



Project Kick-Off & Coordination



Verifying Quality



Change Order Management



Payment Processing



Project Close

- Project close memo
- Lien releases
- Maintenance Plan
- Warranty
- Colors
- Specs for re-use
- Project players with contact info

CLOSED

Roles & Responsibilities

BLM	OWNER/HOA	MANAGER	CONSULTANT	CONTRACTOR
1. Evaluate				
2. Define & Specify				
3. Budget				
4. Tender & Contract				
5. Schedule & Notice				
6. Project Kickoff				
7. Coordinate Work				
8. Verify Quality				
9. Change Management				
10. Payment Processing				
11. Project Close				
12. Repeat Forever				

7. CONCLUSION

Q & A

