

# Homeowner: Board isn't making good financial decisions



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By Barbara Holland [RJRealEstate.Vegas](#)



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**Q: I have a question regarding our homeowners association reserve fund and our master insurance policy. What can homeowners do if they feel that the board is not making good financial decisions for their**

**community?**

**We increased the budget in 2022 by community vote so we could fund the master insurance policy that is required by law. Last year we raised dues by 5 percent twice to keep up with insurance costs. Other than these increases, we have not increased dues in approximately 10 years. We have done nothing to address the reserve shortage.**

**Our current budget has our reserve fund at 32.7 percent at the end of this year. We have been paying a \$35 reserve assessment for quite some time. The community has been warned by management and legal that the state is currently looking into HOA reserve funds.**

**Our management created a budget for 2025 that would have the reserve 55.4 percent funded by the end of next year. It includes a 10 percent dues increase and a \$1,500 reserve assessment for the year. This was based on the 2025 reserve study draft that the board received in August, but still hasn't adopted. The board rejected that budget outright and has approved one that they created. Their budget reduces the monthly dues by \$5 and raises the reserve assessment to \$50. This raises our dues by \$10, but actually reduces our reserve funded to 26.2 percent by the end of next year. I think this is unacceptable. I realize that the community would probably reject a budget with a large assessment, but shouldn't the board be trying to increase our reserve budget?**

**Some homeowners are concerned that the board is not making good financial decisions. Can you offer any advice?**

**A: Find association members who understand the dynamics of association management and encourage them to run for the board of directors.**

**Boards need to develop a strategic plan for their association, which includes the yearly funding of their operations, meeting their reserve**

goals and maintaining the physical integrity of the common elements. In addition, find board members who understand the needs of their membership.

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