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Open Letter to All Wyngate Residents on Maintenance:

Dear Wyngate Residents,

We sometimes have questions come to us regarding why some maintenance requests by Owners take so long to process before they are completed.

The intent of this e-mail to explain the process currently adopted by the Board. The comforting thing about living in an HOA is that the residents can give input to the Board to make any changes to current policies.

The HOA has two bank accounts. The first account is called the "operational account." This account is used for service requests that need immediate attention, such as lawn care and snow removal, utility payments, and repairs that could cause property damage if not dealt with quickly. Each year the Board sets a budget for general maintenance and strives to live within that budget. The budget is presented to the community in the annual meeting each year. The issue the Board struggles with each year is that there are more service requests than budget money to spend.

The second account is called the "Reserve Account", and State Law requires that each Homeowner Association conducts a Reserve Study to identify items outlined in the CC&Rs that are to be maintained by the HOA. Reserve studies are usually done by third-party experts who understand maintenance, future repair/replacement costs, and the expected lifespan of items on the components list. Once the component list is created, and a time frame for maintenance is established, the HOA then is asked to set aside money each year for future maintenance projects. Each year, the Board recommends an amount to be added to the reserve account. The community in the annual meeting approves that amount.

Homeowner's dues are collected and deposited into the operations account. The HOA can then move money from the operations account during the year on a schedule (monthly, quarterly, or annually) of their choosing into the Reserve Account. Once the money is deposited into the reserve account, it can be used only for items listed in the Reserve Study. Monies cannot be transferred back to the operations account.

Why do some owner maintenance requests get taken care of immediately, and others get postponed to a later date?

While the Board and property management company would like to respond to all maintenance requests promptly, it is not always able to do so. Here are some of the factors that govern when service takes place:

1. If it is certain that property damage will be significant, that work will be done immediately. These work orders take a priority position. This would include water leaks, sewer backups, roof leaks, to name a few.
2. If the repair request is on the component list in the Reserve Study, then repairs are scheduled later in the year or even years down the road where they can be done cost-effectively. Items in this category might include roof replacement, outside surfaces maintenance, gutter maintenance, and cement work.
3. The availability of contractors to do the work is another factor. Boards try to line up summer projects early in the year so that the HOA can be scheduled sooner to complete projects faster.

It is important for HOA residents to understand what maintenance is done by the HOA and what homeowners will have to do on their own. Many homeowners have the impression that all maintenance is done by the HOA, after all, that is why we moved into the HOA. Unfortunately, that is not a correct perception for homeowners to continue to hold. Boards are continually working to make clear what is covered by the HOA so that homeowners know what their responsibilities are. All other property expenses are covered by the homeowner. Reserve Study Component Lists are available on the Community website.

How can we speed up maintenance work requests?

Maintenance requests can be accelerated by increasing the amount of money budgeted for maintenance in the operations account. This often can result in pressure on the Board to increase dues to cover additional expenses. Without dues increases, the amount of money scheduled to be deposited into the Reserve Account would have to be reduced. Reducing funding of the Reserve Account will cause problems later, including a possible special assessment to all residents, which is the reason this account was created... in order to prevent that situation.

As the community ages, maintenance costs will increase. In order to keep up with the increasing costs, HOA dues increase as well. The Board always tries to minimize these increases, but if residents want more and faster service, dues often have to be adjusted to fund and increase in the operations account. Boards review and provide financial statements each month on-line or each month as requested by owners so that they can see what services. These are often discussions held in annual meetings.

So, is it worth living in an HOA?

Here are some facts relative to the Wyngate HOA?

Based on reports from Realtor.com in October 2019

- Current homes values estimates range from \$355,000 to \$365,000
- Since 2010, home values at Wyngate have increased \$84,800
- Homes in Wyngate have averaged a 25% increase in value in the past three years
- It is estimated that home values at Wyngate will increase 4% next year. That would be an increase in the value of about \$15,000 in 2020
- Homeowner's dues are \$230 per month or \$2,760 annually; less than 20% of one year's appreciation or about .0075% of the value of the homes in Wyngate.
- Maintenance costs run about 25% to 50% less than single-family homes outside an HOA. Lawn care and snow removal at Wyngate run less than \$30 per month, much less than these services in a non-HOA home.

Each homeowner must make their own decision on life in an HOA, but financially, homeowners are doing well at Wyngate.