Reprinted from
EchoJournal
A Journal for Community Association Leaders

May 2000

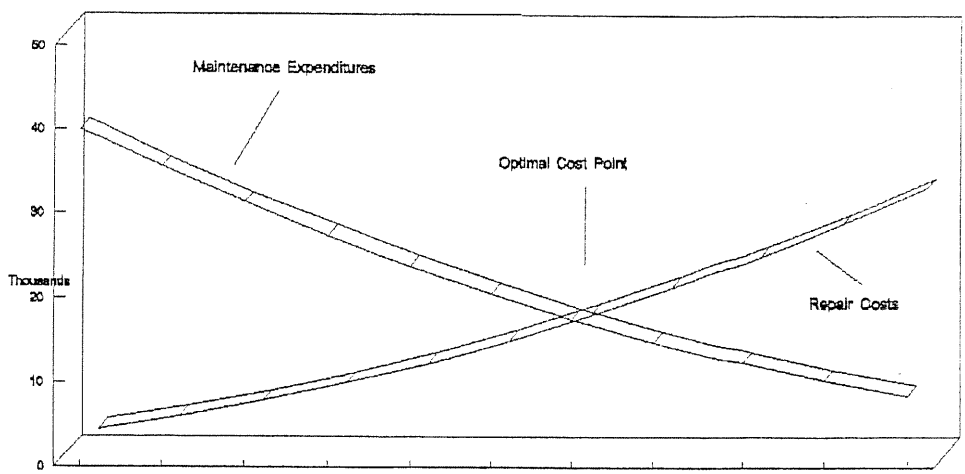
The Importance of Maintenance Records

by Roy Helsing

Most associations give very little attention to how their maintenance dollars are spent and generally merely respond reactively to the high cost of last year's maintenance at budget time. A good preventive maintenance program includes good record keeping. Such record keeping precludes many problems by providing a road map against which dollars can be budgeted and efficiently spent. By keeping good maintenance records, preferably computerized for easy access and analysis, the association can make not only analyses about where maintenance dollars have been going, but also responsible fiduciary decisions regarding how to spend dollars in the future.

An economic analysis of your maintenance program can help make the business decisions necessary concerning the appropriate level of operational maintenance. Inadequate operational maintenance (whether regular, preventive or emergency) will inevitably result in inadequate reserve funding. Maintenance expenses should be tracked by type of repair/maintenance, component, and property location. Once such information is tracked, the association begins to have records upon which it can predict the life and wear of many components. With such data the association can determine if some units, or some maintenance items, are receiving a disproportionate share of the maintenance dollar. Often, one or two units on a property receive the majority of the maintenance effort because their owners complain most. In such cases it is easy to waste money on their concerns at the expense of other parts of the property. We often hear of associations that are unhappy with the fact that many broad assumptions need to be made concerning useful and remaining lives in the Reserve Study process. In many cases, such guess work can be minimized through proper maintenance record keeping.

Repair & Maintenance Cost Relationship



The association should also be able to determine optimum maintenance funding and make informed decisions concerning when major deferred maintenance items should be addressed. There is an inverse relationship between operational and reserve maintenance

costs. As the level of operational maintenance is decreased, the cost of major repair and replacement increases. Figure 1 demonstrates this relationship, and optimal cost savings results at the indicated point on the graph.

The optimum deferred maintenance window for major components can be determined where the periodic cost of repair begins to exceed the prorated replacement cost for the same period. Figure 2 shows a typical relationship for a roof system. The time to stop repairing and begin replacing is indicated on the graph.

With good historical data, measurable work specifications, and a solid inspection program the association can optimize the use of its maintenance dollars. Without such historical data your association is only "shooting in the dark."

Roy Helsing is President and CEO of The Helsing Group, Inc., a consulting firm specializing in community associations to include reserve studies, construction management and consulting, and forensic engineering.

Repair Costs vs. Replacement Contribution