

# Palomar Reserve Council of Co-Owners

## Board Of Directors Meeting

4/22/2024

The monthly meeting of the Palomar Reserve Council of Co-Owners Board of Directors was held at 4:00 PM on 4/22/2024. The following personnel were in attendance:

- Carrie Hoeller (Board President)
- Ima Lane (Board Vice President)
- Susan Vantreese (Board At-Large Member)
- Barry Tilden (Board Secretary)
- Ann Wesley (Property Manager)
- Donna Frazier (Homeowner visitor)
- Becky Lesch (Homeowner visitor)
- Barbara Bray (Homeowner visitor)

### 1. Approval of Minutes of Previous Board Meeting

The meeting minutes from the monthly Board meeting held on 3/18/2023 were reviewed. Prior to the meeting, Ima provided a comment on the minutes that was incorporated. Carrie moved that the minutes, as corrected, be approved, and Ima seconded the motion. The motion was approved.

### 2. Financial Report

Ann presented the HOA financial report as of 3/31/2024 including the following items.

#### a. Balance Sheet

- The total reserve account is approximately \$49.4 K, while the Operating account is around \$13.5K.
- Barry pointed out that the Money Market account and the Reserve Savings account were only earning 0.35% and 0.10% interest respectively. These two accounts make up the reserve fund. Our monthly interest on both accounts is less than \$7. If half of the reserve fund (~\$25k) were moved into a CD or High Yield Savings account, we could earn about 4.5% or \$100/month of interest. After some discussion, the Board asked Ann to transfer about \$25K of the reserve fund into an account that would produce better interest and not tie up the funds for over one year.

#### b. Profit & Loss for January –

- The HOA net income was more than total expenses by \$0.5K for the month.
- The income for the month included a late special assessment payment for the garage roofs. This was the final payment to be collected for this special assessment.

#### c. Profit & Loss Budget Vs Actual YTD

- Overall, for the year-to-date, the funds collected by the HOA were about \$0.5K less than the HOA's expenses. This is caused by the timing of certain expenses such as snow removal costs early in the year.
- At the end of last month, several expense categories were over or under budget as shown in the table below -

Expense Category	Amount Over Budget	Comment
Administrative	\$2.3K under	Mainly due to insurance cost being lower than budget as discussed in previous meeting minutes.
Utilities	\$2.3K over	Mainly due to higher electricity costs.
Supplies	\$0.5 under	Due to timing of purchasing supplies.
Landscaping and Grounds	\$1.5 Under	Due to lower snow removal costs in the 1 <sup>st</sup> two months of the year

d. Open Invoices –

- There are currently 6 past due accounts for Palomar Reserve HOA, totaling \$4.3K.
- The account that has been delinquent since May 2023 ( ) is the largest contributor to the open invoices, making up \$3.8K of the total and growing each month. In the past few weeks, a letter was sent to this homeowner threatening foreclosure and the HOA finally received a response from the homeowner, proposing a payment plan to pay the overdue amounts. The Board agreed that a payment plan was acceptable, but the monthly amount proposed by the homeowner would have resulted in this account being delinquent for an excessive period. The Board felt that the current \$3.8K due plus continued interest on past due amounts plus future lawyer fees should be paid off by the end of the year if possible but no longer than 12 months from the current date. Ann will have our attorney draw up an “Agreed Judgement” which will specify the monthly amount that must be paid by the homeowner to accomplish the Board’s objectives. Per this legal agreement, if the homeowner misses one scheduled payment, the foreclosure process would be reinitiated. Ann was asked to expedite this process since the HOA could really use the funds that would be collected.
- Three of the delinquent accounts were one month or less and are expected to be settled in the near term.
- The other two accounts are long term past due amounts that are very small in dollar value. These have been discussed in previous meeting minutes and their status has not changed.

3. Old Business

- a. Recycling and Republic Contract. As reported in last month’s meeting minutes, the recycling dumpster was removed from the HOA property shortly after last month’s meeting. Ann said that she has received both positive and negative feedback from the decision to remove this dumpster. She agreed that we could have done a better job communicating this decision to the HOA, but the city did not let us know when the dumpster would be removed (or even if it would be removed) until right before it was gone. Ann will distribute a newsletter in the next few days, including the rationale for removing the recycling dumpster. She will also include a link to the website that shows all the Lexington recycling locations.
- b. Website. The Palomar Reserve website is up and running. It has the governing documents, several pictures of the condominium complex and a section where residents can provide their contact information as well as other info. HOA dues, special assessments

and other requirement payments may be made on the website as well. Discussion at the meeting included the following items –

- i. Ann asked if there was a better version of the Bylaws and Master Deed to post. Barry agreed to send the Bylaws file that he had cleaned up during the Bylaws revision initiative last year. Nobody knew of any better version of the Master Deed.
  - ii. Carrie asked whether we could add a tab advertising the clubhouse and information about renting it for events. Ann said she would speak to the website creator about this.
  - iii. Ann said that she planned to communicate this website to the HOA in the upcoming newsletter. This newsletter will be distributed by email, with hard copy to the few residents without email.
- c. Review of rules regarding grill usage. A few weeks ago, Barry provided the revised Rules and Regulations to Ann for distribution as discussed at the last meeting. However, Ann had found two additional items that she thought should be added to these rules. Barry agreed to add these to the Rules and Regulations and redistribute a draft for comment.
- i. Clarify that the HOA does not allow short-term rentals. No rental agreements are allowed for less than one year.
  - ii. Add a prohibition against real estate signs on the HOA property.
- d. Bylaw committee revisions. Barry has not had time to work on the consolidation of Bylaws revisions into a one file. This will be tabled until he has more time to work on it.
- e. Buddy system for emergencies. Ann will include a message on this topic in the upcoming newsletter.
- f. Masonry repair 4235 building. At the last meeting, the Board asked Ann to have her maintenance personnel look at this wall and see if there was an easier fix than replacing the wall - maybe the wall could be propped up with rebar or posts. Ann did not have time to pursue this since the last meeting but will ask her maintenance staff to check this.
- g. KU lighting evaluations. Ann said that she is still figuring out who would do what portion of the task to install a new light post (or two) along the road in front of building 4235. The task includes pouring a base for each post, trenching for cable runs and installing the posts and connecting the wiring. She had difficulty getting estimates because of the uncertainty about who performs which part of the work. Since this task is appearing to be very costly and the HOA does not have much discretionary funds, it was suggested that we concentrate first on getting the existing lighting working and possibly installing flood lights on building 4235 instead of these light poles. Ann tried to get a cost estimate from an electrician for repairing the existing lights but the electrician said there was too much uncertainty in what the job might entail to give an accurate cost estimate. Instead, Ann will have the electrician work on a time and materials basis for one half day on building 4205, and also investigate the shortcomings in the other four buildings. After that activity, we hope to be able to get an accurate estimate for completing these repairs.
- h. Elevator repairs. Ann said that the elevator repair company agreed to cancel 3 of the invoices that had been charged to the HOA because the repairman did not fix the problem. Ann said that we will be refunded the amount of these invoices.
- i. Leak in ceiling in a unit ( ) in Building 4248. The damage caused by the leak discussed in previous meeting minutes has now been repaired at a cost of ~\$1.4K. At the end of the last

meeting, one Board member voted to have the HOA cover the cost of these repairs and another voted to have the homeowner pay for the repairs. A third board member abstained from the vote because of conflict of interest. The 4<sup>th</sup> Board member asked for additional time to research the HOA governing documents before deciding. Shortly after the last Board meeting, this 4<sup>th</sup> Board member communicated their intention to vote for the HOA to cover this cost and provided the rationale for this decision (attached to last month's meeting minutes). Since the formal vote was not completed at the last meeting, the Board voted at this meeting to have the HOA pay for the damage caused by this leak. The vote was 2 in favor, 1 opposed and 1 abstaining.

#### 4. New Business

- a. Drier vent duct cleaning. As a result of the leak described above, building 4248 unit owners took the initiative to have the drier vent ducts cleaned by Stanley Steamer in the remaining units in the building. Because 11 units were cleaned on the same day, a significant cost savings was offered by Stanley Steamers, 50% of the normal cost per unit. If only 6 to 9 units had been cleaned, Stanley Steamers had quoted a price of 62.5% of its normal per unit price. The Board asked Ann to include information on this subject in the newsletter, including (1) homeowners are responsible for this maintenance task per the Master Deed, (2) this task should be performed at least every three years and was last performed in 2021, (3) significant discounts are likely available if 6 or more units in the same building are cleaned on the same day, (4) ask for a volunteer from each building to lead the effort in their building so that these discounts can be realized, (5) if a homeowner does not perform this task themselves, the HOA has the right (and responsibility) to arrange for the cleaning task and bill the cost back to the homeowner since this is a safety issue.
- b. Car in front of building 4218. This car was tagged for towing after the last meeting and was towed recently.
- c. Request for HOA financial information. Ann will upload the Balance Sheet, the Profit and Loss sheets and the Profit and Loss YTD versus Budget sheets to the website. She will include information through the first of this year. She will also upload final and approved Board meeting minutes through the first of the year.
- d. Treadmill repair. Ann obtained a quote from Sam's Club of \$1K for a new treadmill to replace the one with the broken belt discussed at last month's meeting. The Board discussed whether the HOA had enough discretionary funds to cover this cost this year. The Board agreed that we should wait a few months before deciding. Once the resealing and striping of the paved areas is complete and the payment plan for the delinquent account has been started, we would have more certainty about whether we could afford this unbudgeted \$1K expense. Ann was asked to include a sentence or two in the newsletter to communicate that the Board is evaluating funding options for replacing the treadmill and hopes to replace it before the end of the year if budget allows.
- e. Sprinkler Inspections. Ann reported that the sprinkler inspections were complete, and a sufficient number of units were inspected for the sprinkler company to call this inspection complete. Ann asked the Board what they wanted to do about the units who did not provide any means for the inspectors to enter their unit. The HOA Rules and Regulations article 4.D states the following –

*Sprinkler and Fire Alarm Inspections are conducted annually. Homeowners are notified a week or 2 in advance to provide access to their unit to management or be present*

*during the inspection. Failure to do so could result in the homeowner paying for the sprinkler company to come back.*

The Board felt that this rule was not well understood by homeowners and therefore should not be enforced this year. However, next year the letter announcing the inspection should make it clear that homeowners who do not provide a method for entry into their units will be charged the cost of reinspection.

- f. Smoke in the garage hallway for building 4219. Susan reported that there continues to be the strong smell of smoke in the garage hallway on the 03/04 end of the building. During the sprinkler inspection, it even appeared that one garage on this end of the building ( ) showed signs that it was being used as a recreation room or smoking lounge, or even being lived in. Susan wanted to know if the Board could take any action to correct this. After a thorough discussion of various possible solutions, the Board decided to continue to watch this issue going forward. If any evidence surfaces that would show that the garage is actually being lived in (e.g. rented out), Ann can send a letter telling the owner that this is not allowed. For now, no firm evidence exists.
  - g. Becky Lesch and Barbara Bray asked the Board to approve the expenditure of \$300 to purchase potting soil, fertilizer and plants to spruce up the flowerpots around the HOA. This was about the amount spent last year. They will try to purchase perennials that will come back year after year, but they will also purchase some annuals to add color. Carrie moved that the Board approve this expenditure and Barry seconded. The motion carried with no dissenting votes.
  - h. Barbara also pointed out that the shrubs at the HOA entrance way had been cut back severely last year by the landscaping contractor. The contractor agreed to replace these shrubs if they did not come back this year after the excessive trimming. Barbara said that she thinks they are coming back but wanted to let the Board know about this option if they start looking like they will not make it. She asked that these shrubs not be trimmed this year to give them more time to recover. Ann will speak with the landscaping company.
  - i. Ima asked Ann to include in the newsletter a request to dog owners whose dogs shed on the common area carpets to clean up after their dogs. The newsletter request should make it clear that these common area carpets are only cleaned once a month and between cleanings, homeowners are encouraged vacuum up any dirt or hair that is caused by them or their pets.  
Ima also requested that Ann use the newsletter to ask homeowners who use the gym restrooms to ensure they completely flush the toilets and leave them in good shape.
  - j. Ima reported that she called the police and reported the bicycle that was abandoned on our HOA site several weeks ago. Ima had moved the bike up from the grassy area to keep it from interfering with mowing. After several weeks, with nobody claiming it, she felt that the police should take it away and see if it has been reported stolen.
5. Adjourn. The next Board meeting will be held on 5/20/24 at 4 PM. The meeting was adjourned at 6:15 PM.