

Palomar Reserve Council of Co-Owners

Board Of Directors Meeting

6/17/2024

The monthly meeting of the Palomar Reserve Council of Co-Owners Board of Directors was held at 3:00 PM on 6/17/2024. 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)

1. Approval of Minutes of Previous Board Meeting

The meeting minutes from the monthly Board meeting held on 5/20/2024 were reviewed. Carrie moved that the minutes be approved, and Ima seconded the motion. The motion was approved.

2. Financial Report

Ann presented the HOA financial report as of 5/31/2024 including the following items.

a. Balance Sheet

- The total reserve account is approximately \$52.7 K, while the Operating account is around \$12.3K.
- Ann reported that she had not had time to transfer about \$25K of the reserve fund into an account that would produce better interest as discussed at the last 2 monthly meetings. Carrie will meet with Republic Bank and find out what our options are for either a CD or a High Yield Savings account that would earn between 4 and 5% interest and not tie up the funds for more than a year. We would transfer the existing money market account (~\$15K) and around \$10K of the Reserve account into this higher interest account. This would leave about \$27.6K of liquid assets in the Reserve account that could be used without penalty if needed. Also, the amount of liquid assets would increase each month as the transfer is made from the operating account to the reserve account.

b. Profit & Loss –

- The HOA net income was less than total expenses by \$0.8K for the month.

c. Profit & Loss Budget Vs Actual YTD

- 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	\$3.4K under	Mainly due to insurance cost being lower than budget as discussed in previous meeting minutes.

Expense Category	Amount Over Budget	Comment
Utilities	\$3.1K over	Caused by higher electricity costs YTD. This overage amount decreased slightly because electricity costs for May were under budget for the month.
Supplies	\$0.9 under	Due to timing of purchasing supplies.
Landscaping and Grounds	\$1.3 Under	Due to lower snow removal costs in the 1 st two months of the year

d. Open Invoices –

- The report shows that there are currently 6 past due accounts for Palomar Reserve HOA, totaling \$6.0K. One of the six accounts has actually been settled since the report was prepared, but this account was for a small amount.
- The account that has been delinquent since May 2023 () is the largest contributor to the open invoices, making up \$5.5K. The owners say they are willing to pay the past due amount in installments, but they have not produced the first month’s installment of \$850. As discussed during the May Board meeting, Ann has directed our attorney to proceed with foreclosure on this property. Ann corrected previous meeting minutes, stating that the upfront fee for foreclosure would be on the order of \$1K and the balance of the \$8K to \$10K foreclosure fee would be taken from the foreclosure settlement.
- The remaining four delinquent accounts were discussed briefly. They consist of several unpaid late fees and one month of condo dues. The homeowner for the latter account missed an HOA dues payment earlier this year, but they have paid each month since then. Each subsequent payment is therefore applied to the previous month’s past due balance and a new late fee is incurred for the current month. The unit owner is aware of the issue.

3. Old Business

- a. Newsletter. The newsletter was issued by email shortly after the last Board meeting and a printed copy was attached to each door. Ann stated that feedback about the newsletter was generally positive. After some discussion, the Board decided such a newsletter should be issued on a quarterly basis, with the next one coming in August.
- b. Website. The Palomar Reserve website has been up and down over the past weeks. Ann posted the approved meeting minutes for all the Board meetings this year (January – April). She tried to post the financial reports (Balance Sheet, P&L, P&L V B) and the updated Rules and Regulations but ran into technical issues. She has sent these to the web designer to post. Open issues with the web site that still need to be resolved are listed below.
 - i. Getting the website up consistently.
 - ii. Fixing the link for the May newsletter. Currently, this link does not work.
 - iii. Posting approved financial reports and the newly approved May meeting minutes.
 - iv. Adding a tab advertising the clubhouse and information about renting it for events.

- v. Posting a better version of the Bylaws on the web site so they are more legible.

- c. Elevator repairs. Ann is still in communication with the elevator repair company who have verbally agreed to cancel several of the charges for maintenance calls when the technician did not resolve the issue. She also asked them what the increased cost would be to have off-hours maintenance calls covered by the monthly contract. The current contract, which just covers maintenance calls during normal business hours, is ~\$788/month. (We pay extra for any maintenance calls on nights and weekends.) To cover all maintenance calls, the maintenance fee would increase to ~\$1150/month. As of the end of May, the total elevator repair costs under the old contract were \$5717, an average of \$1143/month. This includes the monthly maintenance fee plus the after-hours maintenance calls. There was some discussion on whether to upgrade the contract or leave it as is. Ann stated that we would be more likely to have the old invoices forgiven if we updated to the newer contract. This decision was tabled for the time being.
The Board asked Ann to ask the elevator repair company for some elevator operations information so that we can include this in the next newsletter. Some of the elevator maintenance calls have been caused by residents holding the elevator for an excessive time period, which leads to the elevator tripping and having to be reset. If residents knew information like this, perhaps the number of service calls could be reduced.

- d. Sprinkler inspection follow up. As a result of the March sprinkler inspection, there were 9 sprinkler heads that need to be replaced, either because they were “faulty” or painted. The estimate to replace these heads was \$2795, including isolating the sprinkler system by building, draining the piping, replacing the heads and restoring the sprinkler system to service. All of the sprinkler heads were in individual units rather than the common areas. Buildings 4218, 4219, 4235 and 4248 were affected. The Board felt that the sprinkler heads need to be replaced and that the individual unit owners need to be billed for the cost of the work for all the painted heads in their unit. We need to know more about the “faulty” heads before deciding who should pay for these. Ann will find out the reason for the heads being faulty and details for how the costs are broken down. She will inform the Board by email and make a recommendation for how costs should be split. The cost breakdown may not be simply total cost divided by the number of heads to be replaced since the prep work and return to service work is much more complicated than the head replacement.

- e. Revision to the Rules and Regulations. The updated Rules and Regulations dated May 31, 2024, were distributed by email to all homeowners. As mentioned previously, these still need to be uploaded to the web site to replace the previous version.

- f. Masonry repair 4235 building. This item was not included in the agenda for this meeting but this issue still needs to be addressed. This will be added to the agenda for the next Board meeting.

- g. Building lighting improvements. The electrician that Ann spoke with about working a half day on the building exterior lighting has still not had time to work this job. Ann will continue to encourage him to get this job done. Ann’s maintenance personnel were able to reset the photocell on building 4205 and those exterior lights are now working properly.

- h. Smoke in the garage hallway for building 4219. A violation letter was issued to the unit owner () for persistent smoke smell in the garage hallways on the 03/04 side of building 4219. Susan reported that the situation has improved, and she does not think that a fine is needed. Carrie reported that a separate unit () has been observed smoking heavily in their garage and asked that a violation notice be sent to this unit as well.

- i. Vegetation along Old Higbee Mill Road. After the last Board meeting, the city sent a crew to trim the vegetation on either side of the guard rail along Old Higbe Mill Road. This improved the visibility somewhat. A few days later, three unit owners performed additional trimming and this led to further improvement.

Several homeowners sent emails to city Councilmember Whitney Baxter about the larger vegetation issue on the intersection of Old Higbee Mill Road and Harrodsburg Road. The Councilmember's assistant responded as follows on May 24th -

The City's Division of Streets & Roads has agreed to do an initial trimming of the overgrowth along Old Higbee Mill in the vicinity of Reserve Road until a contractor can provide a more in-depth clearing of the overgrowth along both sides of the roadway. Councilmember Baxter has authorized the expense of retaining a contractor who can provide that service. That requires a budget approval process be initiated which we are processing presently.

- j. Vehicle with Expired Tags. Ann tagged the vehicle with expired out-of-state tags that was discussed at the last meeting, for towing. That vehicle was subsequently moved to a spot just behind the unit's garage. It still has expired tags and needs to be either towed or have current tags installed. The Rules and Regulations require all vehicles parked at the condo to have valid license tags.
- k. Cleaning of elevator light fixtures. Ann's maintenance personnel cleaned the elevator light fixtures in all five buildings and the Board reported that they were much improved. The plastic is still discolored but they are now clean.
- l. Seal coating estimate. Ann has requested a schedule date in July for the job to reseal and restripe the paved areas of the HOA. She will get an exact date as soon as possible.

Carrie contacted the mayor's office to confirm that there would be no issue with the HOA not performing the sidewalk repairs for building 4218 this year due to cost. (This work had been included in our grant application.) The mayor's representative told Carrie that it is common for HOAs to have to leave something off from their original requested work scope due to cost increases. The city would still pay for half of the work that was performed.

Ann stated that we should not leave money on the table this year. The city authorized \$7.5K for improvements to our HOA. The sealing work will be around \$12K so the city will reimburse the HOA for \$6K and the extra \$1.5K would not be used. Ann encouraged us to think of a less expensive project than the sidewalk repairs to tack on to this year's work. After some discussion, the Board decided to replace the treadmill in the gym and apply to have the city reimburse us for half of this cost. In Ann's experience, if the project is for the benefit of the entire HOA, the city is open to such changes.

After some discussion, the Board agreed that the HOA would request a separate grant this summer for the work to repair the 4218 sidewalk in 2025. This sidewalk is in bad condition and at least one of the residents of this building is in a wheelchair and has difficulty navigating this sidewalk. The last estimate for this work was over \$10K. Donna agreed to start preparing the application for this grant.

4. New Business

- a. Metronet damage. During May, a contractor for Metronet installed underground conduit and fiber optic cable using the easements running across the HOA. No notifications were made ahead of time and the crew caused a considerable amount of inconvenience for several unit owners (blocking garages, etc.). The contractor also knocked down a street light post near building 4248 and disrupted some of the HOA flower beds. Several Board members also felt they did an inadequate job preparing the soil for grass seed. Much of the grass seed washed away in spite of the straw used to cover the ground. They also left piles of large rocks that were excavated during their digging. Carrie will contact Metronet and ask for a supervisor and/or customer service representative to meet with her, Ann and other Board members at the work site to show them this damage. Carrie intends to get a commitment that Metronet will remedy the situation to our satisfaction.
- b. Sunshade approval. Ann reported that a homeowner () requested to install a sunshade on their deck. The Board agreed that this was OK but asked Ann to communicate to this homeowner that it should be a neutral color.
- c. Bates Security Calls. Ann reported that Bates Security had to respond to several alarms during May in building 4249 (clubhouse) and 4218. These include fire trouble alarm as well as fire alarm sounding.
- d. Air Conditioning in the Common Areas. Ima proposed that the HOA save money by not running the AC units for the common areas. She noted how low the electric bill had been for May when these units were not running. She also said that most people are only in the hallways for a few minutes in transit in or out of their units. The other Board members acknowledged that this would improve electric costs but felt that running the AC units in these areas at a reasonable setting of 77 to 78 degrees F is expected by most homeowners.

5. Adjourn. At the last Board meeting, the Board agreed to skip the July meeting (as allowed by the Bylaws) due to scheduling conflicts. The next Board meeting will be held on 8/19/24 at 4:00 PM. The meeting was adjourned at 5:55 PM.