**Palomar Reserve Council of Co-Owners**

**Board Of Directors Meeting**

**8/19/2024**

The monthly meeting of the Palomar Reserve Council of Co-Owners Board of Directors was held at 3:30 PM on 8/19/2024. 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 6/17/2024 were reviewed. Susan moved that the minutes be approved, and Carrie seconded the motion. The motion was approved.

The meeting minutes for the August 11, 2024 special Board meeting were approved by email on 8/13/24.

1. Financial Report

Ann presented the monthly HOA financial reports for both June and July since the July meeting had been canceled.

* 1. Balance Sheet
* The total reserve account was approximately $54.4 K at the end of June and $56.0 K at the end of July. The operating account was around $13.8K at the end of June and $16K at the end of July.
* As discussed at previous Board meetings, $25K of the reserve fund was withdrawn from the Republic Reserve account and deposited into a CD account to draw more interest. This CD will pay 4.402% interest annually, which resulted in $94 of interest the first month. The CD matures in 11 months and will have to be renewed at the then current interest rate. We still retain about $16K in the Republic Business money market account and $15.9K in the Republic Reserve account. These two accounts have much lower interest rates but the funds are available for withdrawal with no penalty.
  1. Profit & Loss for June –
* The HOA net income exceeded total expenses by $2.3K for the month of June. Because of the recovery of about $5K of back HOA dues from a delinquent account, the income was higher than normal during June. However, expenses were also higher, so this partially offset the increased income for the month.
* As noted later in these minutes, a significant amount of electrical repair work was completed during June, costing around $785 in labor and $418 in parts.
* The cleaning contract expense for June was well below normal because of timing of bill receipt and payment.
* For the second month in a row, elevator repairs for the month of June consisted of only the monthly contract amount (i.e. no after-hours trouble calls).
* The Security Services bill for June was higher than normal because Bates had to respond to several alarms the previous month.
* Landscaping and grounds cost were higher than normal in June as well because the contractor performed some flower planting and maintenance work in addition to the standard landscaping contract work.
  1. Profit & Loss for July –
* The HOA net income exceeded expenses by about $1.7K for July.
* Electrical utility bill was much lower in July than June probably due to timing of meter reading.
* General repairs were higher than normal for July, partly because of the repairs to the front door of building 4248.
* Elevator repairs reflected only the standard monthly contract price, i.e. no after hours calls during July.
* Cleaning contract expenses were much higher in July, partly because of the timing of paying the June bill and because of the need to clean the clubhouse for rentals last month.
  1. Profit & Loss Budget Vs Actual YTD
* At the end of July, several expense categories were over or under budget as shown in the table below -

| Expense Category | Amount Over Budget | Comment |
| --- | --- | --- |
| Income | $4.2K over | Due to collection of past due HOA dues and late fees in June |
| Administrative | $4.6K under | Mainly due to insurance cost being lower than budget as discussed in previous meeting minutes. |
| Utilities | $5.1K over | Caused mainly by higher electricity costs YTD. However, every utility line item is above budget by some amount. |
| Repairs and Maintenance | $4.0K over | $1.7K of the overage is elevator repairs. $1.5K is the repairs to the ceiling caused by water damage discussed in March meeting minutes. $1.1K is the cleaning contract. Other line items are slightly over or under. |
| Supplies | $0.7 under | Due to timing of purchasing supplies. |
| Landscaping and Grounds | $0.4 under | Due to lower snow removal costs. This line item was over budget in June, causing the YTD underspending to decrease substantially. |

* As of the end of June, the HOA income exceeded the total expenses for the year by about $1K. This value increased to $2.7K as of the end of July.[[1]](#footnote-1)
  1. Open Invoices –
* The report shows that there are currently 7 past due accounts for Palomar Reserve HOA at the end of July, totaling $1.8K.
* A $5K payment was made against the account that had been delinquent since May 2023 (4218 #102). However, this did not completely settle this account, and the homeowners have failed to pay both June and July HOA dues after they made their one-time payment. This account is currently at $1.2K (2 months of missed HOA dues, late fees, interest and carryover from their previous delinquent account). This was discussed at the Board meeting and the Board asked Ann to send the unit owners another foreclosure letter since their account remains past due.
* Another account (4248#103) makes up over $300 of the total delinquent accounts. This account has been delinquent since February. It consists of one month of missed HOA dues and several unpaid late fees. In addition to the monthly form letter, the Board asked Ann to email, text or call the unit owner and try to arrange a repayment plan.

1. Old Business
   1. Newsletter. At the last meeting, the Board decided to do a newsletter quarterly and the last one was in May. Because of other tasks in progress, the Board agreed to move the target date for the next newsletter out to September 16th to coincide with the next Board meeting.
   2. Website. The Palomar Reserve website now contains all 2024 approved meeting minutes through April and financials through June. Open items that remain are listed below.
      1. Add the May Board meeting minutes
      2. No link to the latest (May) quarterly newsletter.
      3. Adding a tab advertising the clubhouse and information about renting it for events.
      4. Replacing the September 2023 Rules and Regulation with the latest version (May 2024).
      5. Posting a better version of the Bylaws on the web site so they are more legible.
   3. Elevator repairs. At the previous meeting the Board decided to pursue a higher priced ($1155/month versus $788/month) elevator maintenance contract that would include after-hours trouble calls at no additional charge. The elevators are relied upon by many of our residents who would have difficulty with the steps. The Board was OK with waiting until the Fall to upgrade this contract since elevator repairs are normally less frequent during warm weather. So far, this strategy has worked since there have been no afterhours elevator trouble calls for May – July.   
        
      Ann is still working with the elevator repair company to cancel several of the charges for maintenance calls earlier in the year as discussed in previous meeting minutes.
   4. Sprinkler inspection follow up. As described in the June meeting minutes, the March sprinkler inspection revealed several sprinkler head issues that need to be resolved. All of the faulty sprinkler heads are inside of units and therefore the responsibility of the unit owners to pay for repairs. The total estimated cost for these repairs is $2795 but the repair company has still not let Ann know how these costs will be distributed for the various items to be repaired. She needs this information to inform unit owners of the portion of the total cost they will be billed for after the repairs are complete.
   5. Building lighting improvements. During June, an electrician inspected all the building exterior lighting and found that some circuits were controlled by timers and others by photocells. He replaced all the timers with photocells, since these are more reliable, and they respond to lighting conditions rather than a specific time of day. These lights are now operational.
   6. Sunshade approval. At the June meeting, the Board approved a homeowner’s request to install a sunshade on their deck, provided that the shade was a neutral color. The homeowner subsequently installed a sunshade that the Board felt was not neutral. The homeowner was then asked to remove the shade, and they did so.
   7. Metronet damage. Board members are still unsatisfied with the Metronet efforts to leave our property in the same condition it was in before they dug to install their conduits. Specifically, there are areas where grass has not grown and there are other areas where the rocks that were dug up are visible instead of grass. The Board is also not happy with the orange and white poles used to mark the location of the conduit access points. Ann will relay this information to her contact at Metronet.
   8. Seal coating. Work to reseal and restripe the asphalt parking lot was completed in late July at a cost of $12,062. Once the bill is paid, Ann can submit the forms to the city and the HOA will be reimbursed for half of this cost ($6,031). In discussions with the city representative, Carrie found out that this reimbursement normally takes only a few weeks after the forms are properly filled out and all needed information is submitted.
   9. Grant application for 2025 and addendum for 2024. A special Board meeting was held on 8/11/24 to approve submittal of the 2025 grant application. The scope of work includes replacing the sidewalks for building 4218 and the wall behind building 4235. We also submitted an addendum to the 2024 grant application scope-of-work description to include landscaping and shrubbery replacement. This addendum will allow us to recover more of the $7500 grant awarded to Palomar Reserve for 2024 work. See the meeting minutes for the special Board meeting for more details.
   10. Siding and soffit issues (Bone Dry). Ann has Requested Bone Dry roofing to repair several siding, soffit and gutter issues throughout the complex. This company is very busy and will fit in these small scope jobs between the larger scope jobs that they are working.
   11. Inoperable vehicles. The vehicles that were past their license expiration date as discussed in previous meeting minutes have either been removed from outside parking spaces or their plates renewed. Ann will add a note to the newsletter to remind residents that they need to only park cars with current license plate tags in the Palomar Reserve common areas. Also, she will encourage residents to register their vehicles online in the Palomar Reserve website so that we can deal more effectively with abandoned vehicles.
2. New Business
   1. Moving money from reserve account to cover seal coating. Ann asked the Board to approve moving $12,062 from one of the low interest reserve accounts to the operating account to cover the cost of the recent asphalt work. Sue moved that the request be approved, and Carrie seconded the motion. The Board approved the motion unanimously, provided that the funds recovered from the city are returned to the reserve account after we are reimbursed.
   2. Annual meeting. The Board set the date for the annual meeting of the Council of Co-Owners (i.e. all unit owners) to be **October 21st at 6:30 PM** in the club house. Election of board members, approval of budget and other important topics will be included on the agenda for this meeting. Ann will add a note to the September newsletter to inform homeowners of this important date.
   3. Budget for 2025. Ann reported that it is likely that HOA dues will need to increase in 2025. There was no increase in dues for the 2024 and several routine costs have risen and are expected to rise further next year. This includes the cost of elevator repairs, all utilities, insurance, mortgage interest, and other items. Also, the Board has spent funds from the reserve account for the last two years for legitimate long-term repairs (roof repairs and asphalt work). However, if we want to continue to build our reserve accounts (e.g. for anticipated major work like elevator refurbishment and modernization), we need to budget more repair dollars in the operating budget. Ann will bring a draft of the 2025 operating budget to the next Board meeting for review and approval by the Board before the annual meeting in October.
   4. Insurance increase. Ann reported that the HOA insurance would increase by about 25% ($38.8K annually to $51.6K) if we remain with the current insurance provider. Ann has requested a quote from an alternate insurance company for the exact same insurance coverage. The cost quoted by the alternate company was $40.1K. Although, this is a small increase from 2024, the Board agreed that we should pursue changing our insurance provider. Ann also stated that this new company has a higher standard of customer service than our current insurance provider.
   5. Donna requested that the Board approve a lower rental rate for the club house for her quilters club, on the condition that they hold two to three meetings a month. Donna expected no more than six attendees at these meetings and also agreed that her club would perform a light clean up of the club house before and after each meeting instead of the Board paying to have it cleaned. Susan proposed that the rate be reduced from $50 to $25/meeting if the quilters agreed to hold two to three meetings each month. The Board approved the request.
   6. Carrie said that she would like to pursue having internet available in the clubhouse using a device that works off her cell phone plan. It would only cost about $40/month and the device could be put in service when meetings or other events are planned. She will bring more information to the next Board meeting.
3. Adjourn. The next Board meeting will be held on 9/16/24 at 4:00 PM. The meeting was adjourned at 5:45 PM.

1. This value is somewhat misleading in that it does not reflect the amount paid to reduce the principal of our clubhouse mortgage, which is about $3.5K year to date. This amount is reflected on the balance sheet as a reduction in HOA liabilities rather than an expense. The liability was $158,527 as of the end of 2023. It is currently $155,012. [↑](#footnote-ref-1)