

# Palomar Reserve Council of Co-Owners

## Board Of Directors Meeting

6/16/2025

The monthly meeting of the Palomar Reserve Council of Co-Owners Board of Directors was held at 4:00 PM on 6/16/2025. The following personnel were in attendance:

- Carrie Hoeller (President)
- Dexter Sprandling (Vice President)
- Baxter Napier (At-Large Member)
- Sue Vantrese (At-Large Member)
- Barry Tilden (Secretary)
- Ann Wesley (Property Manager)
- Donna Frazier (CH/Grant/Wel committee)
- Becky Lesch (CH/Gard/Wel committee)
- Ima Lane (CH subcommittee)

1. Approval of Minutes of Previous Board Meeting. The meeting minutes from the monthly Board meeting held on 5/19/2025 were reviewed. Carrie moved for approval of the minutes, and Baxter seconded the motion. The motion was approved.

2. Financial Report. Ann presented the monthly HOA financial reports for May 2025.

a. Balance Sheet

- The total reserve account was approximately \$69.0 K at the end of May (\$25.9 in a higher interest CD and the rest in two lower interest accounts).
- Carrie reported that the 11-month CD (about 38% of the reserve fund) matured during June. It was renewed for another 11 months at an interest rate of 4.0% (slightly less than the old CD). Carrie asked the bank representative if we could add funds to the CD at time of maturity so that we could have about 50% of the reserve fund in an interest-bearing account. She was told by that we could not but that we could start a separate CD for the additional amount if desired. There was no decision made to pursue this separate CD at this time.
- The operating account was around \$6.4K at the end of May. Ann warned that this was getting low and we needed to either decrease spending or transfer some funds from the reserve account to the operating account. The Board decided to continue to watch this account for now. June tends to be a low utility bill month, and some funds are coming in from the city grant that will add to the operating account. If this continues to be a problem, the Board will vote to transfer \$4K to \$5K at the next meeting.
- The balance on the clubhouse loan was down to \$142.9K at the end of May.

b. Profit & Loss –

- The HOA expenses exceeded income by \$445 for the month of May. In addition to “expenses,” we paid \$555 in May for principal for our clubhouse mortgage. So, total expenditures in May were \$1.0K more than HOA dues collected.
- HOA income overall was \$1.3K above budget in May. General assessment HOA dues collected were \$0.6K above budget and late fees/other income was about \$0.7K above budget. “Other income” included \$100 income from the clubhouse rental in May as well as the \$484 collected from owners for sprinkler repairs in their units.
- Administrative, Landscaping/grounds, Utilities and Repairs/Maintenance expenses were all very close to the budgeted amount in May.

- Supplies were over budget in April by ~\$600 due to the project to replace the flowerpots, the supplies for the Spring cleanup and other miscellaneous supplies.
  - Capital repairs expenses were about \$500 over budget in May. The cost of the entrance way landscaping was about \$3800 and \$3300 had been budgeted in May for concrete work which has not been performed. Under the 2024 city grant, the HOA will be reimbursed for about \$1200 of the cost of the flowerpot replacement work and the entrance way landscaping. (Previous meeting minutes incorrectly listed the reimbursement amount as \$2000.)
- c. Profit & Loss Budget Vs Actual YTD. At the end of May 2025, several Year-To-Date expense categories were over or under budget as shown in the table below -

Expense Category	Amount Over Budget	Comment
Income	\$5.0K over	Due to collection of past due HOA dues and late fees in January and May and collection of sprinkler head repair fees in May.
Administrative	--	Very close to budget
Utilities	\$3.6K over	\$2.5K of the overage was electrical costs with elevator telephone costs making up \$0.9K.
Repairs and Maintenance	\$4.1K over	This includes \$1.3K for 4218/4235 gutter cleaning, \$1.8K for 4218/4248 storm drain cleanout, \$1.1K for contractor support of the 4248 elevator sump pump replacement.
Supplies	\$1.0K over	Due to the flowerpot replacement supplies and Spring cleanup supplies.
Landscaping and Grounds	\$1.6K over	Due to higher snow removal costs in January.

d. Open Invoices –

- The report shows that there are currently eight past due accounts for Palomar Reserve HOA at the end of May, totaling ~\$1.7K. This is down by \$1.3K from last month.
- \$984 of this total is against a single account that has been delinquent since May 2023 (). These owners paid off their account in February under a weekly repayment plan, but they have only made one month's payment since then. A lien has been placed on this property again. The Board asked Ann to have our lawyer send both homeowners another letter threatening foreclosure and/or accelerating the payment of dues as allowed by the Bylaws. "Accelerating" means that, because the owners have been habitually late paying their dues, the HOA would require the owners to pay the remainder of the year's HOA dues in advance.
- One unit () is newly delinquent and owes \$321. Ann reported that since the Open Invoices Report was issued, this unit had paid last month's dues as well as this month's and the late fee.
- Last month the report showed that a unit () owed \$1210 to reimburse the cost of repairing five sprinkler heads in their unit. However, the owner told Ann that the repairs were never performed. Ann has corrected the billing issue with the sprinkler company and is trying to get these last five heads repaired and properly billed, so this amount was removed from the Open Invoices report.

- Ann reported that slow USPS mail service recently caused two homeowners' payments to be received late by her office. Ann warned that it takes a week or more from the time the owners' bank mails the check for her to receive these. The two units paid their last month's dues and late fees and these have been removed from this Open Invoices report.
- Four units ( ) only owe a small late fee. The total for these three units makes up about \$135.
- There are still two delinquent accounts that owe a small amount each from past issues, but they are paying their current HOA dues each month. Together these account for ~\$210 of the past due amount.

### 3. Old Business

- 2024 sprinkler inspection follow-up. As discussed under the Open Invoices above, the repair of five heads was reported as complete and billed by the sprinkler repair company but the work was not actually done. Several of the heads are very high in a third floor unit (vaulted ceilings) and they are difficult to replace. Ann is still working with both the Owner and the repair company to get this work completed.
- 2025 sprinkler inspection. The inspection was completed on April 29<sup>th</sup> but ten unit owners did not provide access to the units for this inspection. Ann provided the Board with a draft of a letter to these unit owners that informed them of the follow-up inspection and that they will be billed for their share of the cost of this inspection (estimated to be about \$150 per unit). Ann also reported that, in the units that were inspected, no discrepancies were found which would require re-entry to these units for repair.
- Bylaws amendment (Audits). The amendment to the Bylaws that was discussed at the March Board meeting was given to our lawyer in April for review, along with the HOA governing documents. Ann's emails asking for status have not been responded to by the attorney. Ann did not get a chance to send the same information to another attorney and ask for a price quote from this attorney. She will do this as soon as possible. It was pointed out that the Bylaws revision must be voted on by the unit owners at the annual meeting in October so there is some urgency in getting this legal review work underway.
- Metronet damage. Metronet came to Palomar Reserve on two separate occasions recently to fix the landscaping issues created by their work last summer. They removed some large rocks, reseeded the affected areas and spread straw over the seeds. The Board will continue to monitor the affected areas and will let Ann and Metronet know if more work is needed.
- Replace 311 sign on dumpster. The sign asking residents to call 311 when they leave bulky items next to the dumpster was blown off during a storm and this sign has been replaced.
- Storm damage from recent winds and hail. The fascia on one of the peaks for building 4235 was blown off during a storm in March and one piece of siding on 4248 was also damaged. Bone Dry completed the work on 4235 but has not yet fixed the siding on 4248.
- Elevator dialers. Last month, Ann noted that some properties have reduced their elevator telephone costs by installing dialers in the elevators instead of the phone lines that we currently have. Ann looked into the scope of this work and reported that the entire Bosch fire alarm panels would need to be replaced in order for the dialer approach to be successful. The approximate cost of replacing these panels is about \$5.5K per building. The panels in all six buildings would need to be replaced at the same time. This sounds like a large project, but

Ann reminded the Board that the monitoring cost for the fire systems is much higher because only Bates Security has the license to service the Bosch panels. The lack of competition drives up the fire system monitoring and maintenance costs. The annual savings in fire services monitoring/maintenance cost as well as reduced telephone/internet cost must be weighed against the cost of the capital project to replace the fire alarm panels. It was suggested that a separate meeting should be arranged so that actual cost figures could be presented and the cost benefit of performing this work could be evaluated by the Board. Ann agreed to have her contractor (Allied) put together some numbers and then support such a meeting in September. (September was chosen because Barry will be back in town and he is interested in this topic.)

- h. Audit or financial review. At the February Board meeting, we discussed doing a formal audit of the HOA finances (cost over \$5K) or a less formal financial review. Carrie asked John Collins, a CPA colleague, for an updated price to perform a non-certified financial review of the HOA finances. He told her that it would cost between \$200 and \$500 to do such a review for one year of finances. The actual cost would depend on how many invoices our Property Manager processes in a year. Mr. Collins emphasized that the review would not be a formal audit. After some discussion, Barry moved that we contract with this CPA to perform this review for the 2024 fiscal year and Carrie seconded the motion. There were no dissenting votes.
- i. Committee reports
  - i. Future grant work committee. Donna, Becky and Carrie.
    - Additional scope of work from 2024 city grant. The entranceway work was completed at a cost of ~\$3800. The total cost of the flowerpot replacement project was nearly \$1000. The city will reimburse the HOA for half of the cost of this work but only up to the \$1200 remaining in the approved grant. So, the HOA will need to cover \$3600 of this work. Previous discussions at Board meetings had mistakenly communicated that the remaining portion of the approved grant was \$2000.
    - Drainage improvement grant. Donna reported that the drainage improvement grant mentioned at the last meeting was very complex and required expertise that neither she nor any of the Board possessed. We could hire a licensed landscape architect to prepare the technical responses needed in the grant application. However, the Board felt that this added expense, as well as the required approval of the landscape architect, would drive the cost of this project up. If the grant is not approved, these costs would be for nothing. For these reasons, the Board decided not to pursue this Drainage Improvement Grant.  
Carrie discussed this issue with Andy Stachon from Cutting Edge and was told that they would provide a significantly discounted price (<\$3K) for the drainage improvement work if we did not pursue the grant at all. Apparently, their experience in the past is that using a city Drainage Improvement Grant significantly complicates the work and, because of this, they can offer a much better price with no grant involvement. The Board is still interested in improving the drainage near the clubhouse and behind 4235 and would like to get additional information on the improved price. If it is low enough, we may add this work to the NAMP grant application (submitted in August) or pay for the work out of the reserve fund.
    - 2025 NAMP grant. The Board discussed the three tasks that we want to include in the NAMP Grant application to be submitted in August. It was felt that the most important

job was the 4218 sidewalk repairs because of the safety aspect of this job. The second priority would be the drainage improvement work discussed above since more residents would benefit from this job than the third priority job of replacing the wall behind building 4235. Ann will get updated estimates for the sidewalk work and rebuilding the wall.

- ii. Clubhouse promotion committee. The yard sale described in last month's meeting minutes earned \$875. This amount has been deposited in the HOA operating account with the intention of applying it to the principal on the clubhouse loan. The Board thanked the volunteers who worked very hard on this yard sale. Much of the revenue came from donations from unit owners and the rest was from sale of many unique items donated by unit owners. Carrie also feels that the yard sale helped to show off the clubhouse and this may lead to more rentals
- iii. Garden committee. Becky reported that a fungus has been noted in the mulch around the property. This was true last year to a lesser extent. The fungus is ugly and really detracts from the appearance of the HOA grounds. Ann has asked Caudill to remove the fungus wherever it is found on the property. There was discussion about whether the fungus was caused by the mulch supplied by Caudill or the drainage conditions of our property. No firm conclusion was reached.
- iv. Welcoming committee. A Welcome Question and Answer handout was prepared several weeks ago and distributed for comments to the Board. All comments have now been incorporated. The handout was approved by the Board to be given to new unit owners during a welcome meeting. The handout is attached to these meeting minutes. Donna also reported that her quilters club donated fabric baskets and cozies for the Welcoming Committee to use when meeting with new owners. The handouts and perhaps some welcoming cookies would be provided in one of these baskets.

#### 4. New Business

- a. Clubhouse and 4219 HVAC Units. Trouble was reported with the AC for the clubhouse. The fuse was replaced twice but, eventually, the problem turned out to be a loose wire. This has been fixed and the unit is functioning properly again.  
The HVAC for the common areas of building 4219 has not been working properly. Troubleshooting revealed that the unit may need the addition of some refrigerant. This HVAC unit is one of only two original common area HVAC units still in operation, so the unit may need to be replaced.
- b. Complaints from an anonymous resident. Ann showed the Board two letters that she received from a concerned resident pointing out that a unit owner is putting solar lights/flowers in the common areas adjacent to their unit. The letter complained that the Board needs to be consistent in enforcing the rules about unit owners placing personal items in the common areas. The Board agreed that the owner of this unit should be told that they must remove the personal items from the common areas. Such items are allowed only on the porch but not in the common areas adjacent to the porch.

- 5. Adjourn. The next Board meeting will be held on July 21, 2025, at 4 PM in the clubhouse. The meeting was adjourned at 5:48 PM.



## Welcome to Palomar Reserve Homeowners Association!

We are glad for you to become part of our community. This handout was prepared to provide some information that may make your transition to condo life easier.

Q: Where do I find information about the HOA?

A: The HOA has a website at [www.palomarreserve.com](http://www.palomarreserve.com). On this site, you will find the HOA's governing documents, the latest newsletter, financial reports and minutes of recent HOA Board meetings. The site provides a way to register your homeowner's information, pay your monthly HOA dues (recurring payments if desired) or rent the clubhouse. You can also submit a request for maintenance on the common areas, but you will need to follow the steps on the web site to register with *Property Meld* first. Every homeowner is encouraged to visit the website often to get the latest scoop on what's going on in the HOA!

Q: Who is the Property Manager and how do I contact this person?

A: Our Property Manager is Ann Wesley of Assurance Realty. Her company collects HOA dues, pays routine bills, performs routine maintenance of the common areas, enforces the Board's Rules and Regulations and many other activities. Ann's company also manages contracts with service providers such as those who cut the grass, provide snow removal services, maintain the elevators, provide security system and fire protection system maintenance, etc. Ann can be reached via the website or by calling (859) 296-4663 (option 1 for routine calls and option 2 for emergencies).

Q: What are the "governing documents" of the HOA and why are they needed?

A: There are 3 main documents that govern the HOA. Because we all live closely together and share many common areas, it is important that each homeowner understands where his or her responsibility ends and the HOA's begins.

- Master Deed. This document created the HOA as a legal entity and established many rules for transitioning from the construction phase into home ownership. It contains some very important information such as what part of the condo is actually owned by the homeowner and what is owned/managed by the HOA. The Master Deed also describes how the common expenses of the HOA are divided among the homeowners.
- Bylaws. This document establishes the rules governing the Council of Co-Owners that you become a member of when you purchase a condo in the Palomar Reserve. It stipulates how the Board of Directors is chosen and what their responsibilities are.
- Rules and Regulations. The Master Deed stipulates that the Board of Directors may establish certain rules and regulations to ensure each homeowner's enjoyment of their own property. The R&Rs are revised by the Board when the need arises.



Q: What am I responsible for maintaining versus the HOA?

A: This is described in Article II(D) of the Master Deed. Basically, the homeowner is responsible for maintaining everything inside their unit, including the windows, interior doors, doors into the hallway, and piping/wiring/ducting that serves their unit. The HOA is responsible for the shared spaces (known as the “common areas” ), as well as the buildings that the condos are located in. Homeowners are responsible for the HVAC compressor and air handler that serve their unit even though these may not be located inside their unit. The HOA maintains the HVAC equipment that serves the common areas. Homeowners are responsible for the condition of the sprinkler heads in their units and garages while the HOA is responsible for maintaining the rest of the fire sprinkler system. All new homeowners should read Article II(D) of the Master Deed for much more detail on this subject.

Q: What if an emergency occurs in my unit when I am out of town?

A: You are responsible for damage to adjacent units caused by issues in your unit (such as leaks) even if you are not present in your unit. This is why it is recommended that you provide a key to the Property Manager so her team can enter your unit to stop such a leak and minimize the resulting damage. The Property Manager also needs access to your unit in non-emergency situations such as annual fire sprinkler inspection. If you chose not to provide a key to the Property Manager, you must arrange for her team to gain access to your unit when needed (such as by giving a copy of your key to a neighbor and letting the Property Manager know who has the key).

Q: What is the Board of Directors of the HOA? Are there regular meetings of the Board and of Homeowners?

A: The HOA Board of Directors is made up of five volunteers who give their time to keep the HOA functioning smoothly. There is a President, a Vice President, a Secretary and two At-Large members of the Board. The Property Manager performs the functions of the Board Treasurer under the oversight of the Board.

The HOA Board meets monthly, normally on the third Monday of the month, at 4 PM in the clubhouse. All homeowners are welcome to attend but are asked to let us know beforehand so that we can ensure there is enough seating. A member of the Board can be reached by sending an email to [hoapalomarreserve@yahoo.com](mailto:hoapalomarreserve@yahoo.com).

In October, there is an annual meeting of homeowners in the clubhouse. A notice is mailed out to all homeowners a few weeks prior to this annual meeting informing them of the time and date. At this meeting, the Board of Directors are elected (or re-elected) and the budget is approved for the following year. All homeowners are encouraged to attend. A Zoom link is provided for those who cannot attend in person.

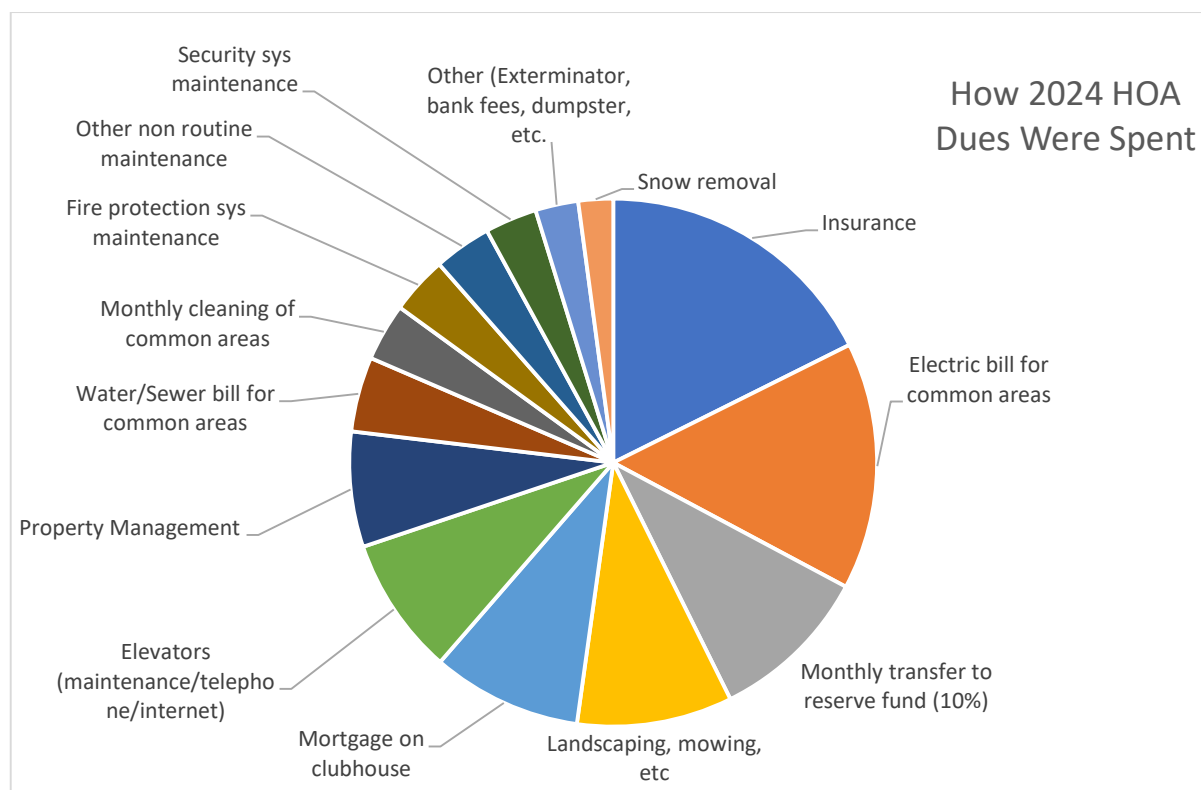
Q: How are my HOA dues calculated, and do I have any input?

A: Article VI of the Master Deed and Article V(D) of the Bylaws address your dues, also known as the “General Assessment.” Each Fall, the Property Manager and the Board prepare a budget for the following year based on the costs incurred by the HOA during the current year, incorporating any known

cost changes. The budget for the following year is approved by the Board and presented at the annual meeting of homeowners in October. The costs to run the HOA are divided among all 60 units in the condo complex according to the square footage of their units. Before January of the next year, each homeowner will receive a letter that stipulates their monthly share of the general assessment. Unit owners have input into the general assessment by attending monthly Board meetings, attending the annual meeting or by running for a position on the Board of Directors.

Q: What are my dues used for?

A: The dues are used to pay for maintenance of the common areas, for insurance cost, to pay our property manager for her services, for utilities (electricity, water and sewer) for the common areas, trash pickup, supplies (such as light bulbs in the common areas) and other things. Below is a graphical depiction of how HOA dues were spent in 2024.



Q: What is the “Reserve Fund” and how do I see how much is in this fund?

A: Ten percent of the monthly HOA dues are transferred into the “Reserve Fund.” This fund is intended to be used to pay for the long-term maintenance expenses of the HOA such as HVAC unit replacement, roof replacement, asphalt paving, etc. The reserve fund is actually deposited into 3 separate bank accounts. About 1/3 of the fund is in a longer-term certificate of deposit that earns interest but would have a penalty for early withdrawal. The other 2/3s are in 2 accounts that bear little interest but are easily accessed if needed. To see the total amount in the reserve fund, refer to the monthly financials on the website. The Balance Sheet shows the amount in the CD, the Republic





Business Money Market and the Republic Reserve account. The total of these 3 accounts is the Reserve Fund. The meeting minutes for the monthly Board meetings normally shows the total in the reserve fund as well.

Q: How can I get more involved in the HOA?

A: The monthly meetings of the Board are open to all homeowners as previously stated. In addition, there are four committees of the Board that meet separately for specific purposes and report to the Board. All homeowners and renters are encouraged to become active on one or more committees. These committees are described below -

- Grant committee. The city of Lexington offers several grants that fund up to 80% of HOA projects. This committee tries to uncover info on grants we may be eligible for, prepares the applications and follows through after the grant is awarded.
- Clubhouse committee - This committee promotes increased usage of the clubhouse as a source of income for paying down the principal on our clubhouse mortgage.
- Gardening committee - This committee seeks ways to improve the landscaping around the HOA property, minimizing cost whenever possible.
- Welcoming committee - This committee welcomes new homeowners and provides information to facilitate their transition into Palomar Reserve.

Q: How do I get the keypad code for my building and the clubhouse gym?

A: For security reasons, the outer doors of the five residence buildings are locked from about 6 PM to 6 AM. In addition, the clubhouse gym is locked 24 hours a day. To access these doors when they are locked, a resident can either use a fob if one was provided by the previous owner or use the access code. To obtain the access code to the buildings, contact the Property Manager.

Q: What are my responsibilities as a pet owner in the HOA?

A: The rules for pets are spelled out in the Rules and Regulations Article 1. Basically, you must pick up after your pet and deposit the waste in the dumpster. The HOA does not provide pet bags, but these can be purchased by the homeowner in the pet section of any grocery store. Pet owners who do not pick up after their pets will be given one warning and then fined according to the guidelines in the Rules and Regulations. The HOA does not want to exercise any of the rules related to fining. They just want the HOA common areas to be enjoyed by all residents without having to worry about pet refuse.

Q: As a homeowner landlord who rents my unit to tenants, what are my additional responsibilities?

A: Homeowners who rent their unit are responsible for ensuring their tenants are aware of the governing documents and the need to comply with these documents. If the tenants cause damage to an adjacent unit or to a common area, the owners are responsible for paying for that damage just as if the owner were the occupant of the unit. Similarly, if the tenant is fined according to the Rules and Regulations, the owner is responsible for paying the fine. The HOA is not involved in the owner/landlord recovering these costs from their tenant.