

Palomar Reserve Council of Co-Owners

Board Of Directors Meeting

9/15/2025

The monthly meeting of the Palomar Reserve Council of Co-Owners Board of Directors was held at 4:00 PM on 9/15/2025. The following personnel were in attendance:

- Carrie Hoeller (President)
- Dexter Sprandling (Vice President)
- Baxter Napier (At-Large Member)
- Barry Tilden (Secretary)
- Ann Wesley (Property Manager)
- Donna Frazier (CH/Grnt/Wel committee)

Sue Vantrese was not present at the meeting due to health issues. At least three Board members present is sufficient for a quorum.

1. Approval of Minutes of Previous Board Meeting. The meeting minutes from the monthly Board meeting held on 8/18/2025 were reviewed. Carrie moved for approval of the minutes, and Dexter seconded the motion. The motion was approved.
2. Financial Report. Ann presented the monthly HOA financial reports for August 2025.

a. Balance Sheet

- The total reserve account was approximately \$75.8 K at the end of August (\$26.2 in a higher interest CD and the rest in two lower interest accounts). In addition to the normal transfer from the operating account, the buyers reserve fee from a recent sale (\$846) was also transferred into the reserve account last month.
- The operating account was around \$7.5K at the end of August.
- The balance on the clubhouse loan was down to \$139.7K at the end of August. The principal paid as part of the normal mortgage payment was \$540. During August, the \$985 earned in the June yard sale and the \$950 earned through clubhouse rentals (as of 7/31/25) was also applied to the CH loan principal thus lowering the principal by a total of \$2475 last month.

b. Profit & Loss –

- The HOA expenses exceeded income by \$3.5K for the month of August. In addition to “expenses,” we paid \$2475 in August for principal for our clubhouse mortgage. So, total expenditures of the HOA in August were \$6.0K more than income.
- HOA income overall was \$900 below budget in August. General assessment HOA dues collected were \$1.2K under budget and late fees/other income was about \$300 above budget. Other income included \$100 from CH rental in August.
- Administrative expenses were \$3.3K over budget in August because no insurance payment was recorded for July and the HOA was billed for two months in August.
- Utilities were \$600 under budget in August primarily caused by lower electric bills.

- Repairs and Maintenance expenses were about \$1.6K over budget in August, primarily because we paid for the annual sprinkler inspection completed in April.
 - Landscaping expenses and Supplies were very close to budget in August.
- c. Profit & Loss Budget Vs Actual YTD. At the end of August 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	\$7.3K over	Due to collection of past due HOA dues and late fees in January and May. This also includes \$1.3K from the 2024 city grant.
Administrative	\$0.8K under	Mainly due to the "Professional Fees" budget item not being charged against so far this year.
Utilities	\$1.5K over	\$1.4K of the overage is telephone charges for elevators. Electrical costs are under by \$400 YTD and water/sewer/garbage removal are \$500 over combined.
Repairs and Maintenance	\$9.7K over	This includes \$1.3K for gutter cleaning, \$1.8K for storm drain cleanout, \$1.1K for contractor support of the 4248 elevator sump pump replacement, \$1.6K for FP power supply replacement, \$1.7K for the annual sprinkler inspection, as well as a number of smaller charges.
Supplies	\$0.5K over	Due to the flowerpot replacement supplies and Spring cleanup supplies.
Landscaping and Grounds	\$2.0K over	Due to higher snow removal costs in January and several miscellaneous charges in June.
Capital Repairs	\$1.1 under	Budget was based on 2025 grant approval. The 2025 grant was not approved so the funds were spent on major repairs.

d. Open Invoices –

- The report shows that there are currently eight past due accounts for Palomar Reserve HOA at the end of August, totaling ~\$3.1K. This is up by \$1.3K from last month.
- \$1.5K of this total is against a single account that has been delinquent since May 2023 (). The owners made no payments in August. The HOA has placed a lien on this unit and Ann continues to put pressure on the owners to pay their past due HOA dues.
- The unit that was newly delinquent last month () paid one-month of dues and a late fee. This payment was applied to their past due account and they made no payment for August as of the date this report was generated so this unit is on the past due report owing ~\$330. However, the owners have brought the account up to date since the report was generated the end of August.

- Three other units showed as newly delinquent this month () and they owed one month plus a late fee (about \$1.0K combined). Since the report was generated, two of the three unit-owners have paid their past due and their current HOA dues. The third has paid the August past due amount but not yet paid September.
- One unit () was billed for a maintenance item that was their responsibility and has not yet paid the \$90 fee.
- The report shows two delinquent accounts that owe a small amount each from past issues. The Board voted to forgive the \$70.35 past due amount for one of these units () because the owner has consistently paid their dues on time in the correct amount since their initial issue. The second unit referred to above () consistently pays slightly less than the amount associated with their unit's square footage and therefore, their past due amount increases slightly every month. The Board decided not to forgive this past due amount because the unit owner intends to continue to pay less than the invoiced amount for their monthly dues. This unit is currently about \$163 past due.

3. Old Business

- a. 2025 sprinkler inspection. The 2025 sprinkler inspection was completed in April but the owners for 10 units did not provide access to their units for the inspection. Ann is still waiting for the sprinkler inspection company to provide a date for the reinspection as discussed in July's meeting minutes.
- b. Bylaws amendment (Audits). Ann provided some minor comments from the attorney who reviewed the Bylaws amendment. Barry understood the comments and will make the requested changes and send a new version to Ann for her to distribute along with the annual meeting announcement. To avoid lengthy discussion at the annual meeting, Ann will also send out a paper briefly explaining the purpose behind each change (to be provided to Ann by Barry). This amendment is on track to be voted on by unit owners at the annual meeting.
- c. Audit or financial review. The CPA colleague of Carrie is in the process of performing an independent review of the HOA's 2024 finances. Carrie stated that he should complete the review by the end of September. This will provide the opportunity to present the results at the annual meeting.
- d. 4205#104 crack in the ceiling. Ann signed the contract for work to repair the cracked ceiling in this unit that was caused by garage roof leakage.
- e. Summer newsletter. Ann provided a draft newsletter to the Board and asked for comments in the next few days.
- f. Dialers for elevators. Ann was asked to set up a meeting in September (Monday the 8th if possible) with Allied services to discuss installing dialers in our elevators to replace the current phone system that costs about \$450/month. Since last month's meeting, Ann has learned that Allied cannot perform this work because of the interface with our proprietary fire protection boxes. She will continue to look for opportunities to reduce elevator telephone costs.

4. Committee reports

- a. Future grant committee. Donna reported we have not heard from the city about approval of our 2026 NAMCP grant application. She expects to hear by the end of September. See July meeting minutes for the list of tasks included in this application.
- b. Clubhouse promotion committee. The committee is hoping to have an event in December and possibly sponsor another chocolate sweepstakes similar to the one last Spring.
- c. Garden committee. Becky sent in a written report from the Gardening Committee with the following items to report.
 - It has been challenging to keep plants watered during the current drought. Some plants have died despite the committee's best efforts. The water bill for 4248 is expected to be higher than normal for this month because of the watering.
 - Some residents reported Kudzu growing on the trees bordering Old Higbee Mill Road. The committee will investigate this and see what can be done when the weather gets cooler.
 - The committee asked whether our landscaping contractor will be planting pansies this fall. Ann reported that this would have cost extra (about \$600) and she asked them not to do this based on feedback from the Board last year.
 - The committee reported that they were approached by some residents about fixing the broken cable in the fitness center on one of the machines. Dexter agreed to investigate what it would take to fix this.
- d. Welcoming committee. Donna reported that they knew of no new residents and therefore have not made any visits since last month's meeting.

5. New Business.

- a. 4235 elevator issues. Ann reported that a sprinkler head in 4235 failed and set off the fire alarm, including disabling the elevator. The fire department reset the alarm but Bates (our fire protection contractor) could not replace the sprinkler head until the next day. Consequently, the elevator was out of service overnight. Ann tries very hard to make sure down time on the elevators is minimized but, in this case, an overnight outage was unavoidable.
- b. Window replacement. The Board voted 4 to 0 by email prior to the meeting (one abstaining due to health issues) to approve the owners replacing windows in various units as long as the replacement windows look substantially the same as those being replaced. Dexter recently replaced some windows in his unit, and it is difficult to tell any difference visually. He has provided the contractor's information to the other unit owners who want to do the same.
- c. Garage door replacement. One unit owner recently replaced their garage door and informed Ann after the work was completed. Ann told them that they should have

gotten Board approval for this work prior to performance because it affects the exterior appearance of the unit. Fortunately, the unit owner ensured that replacement door looked almost exactly like the door being replaced.

- d. Registration with emergency contact information. Ann reported that we have had another instance where a unit owner fell within their unit and could not get up. They called out for several days before neighbors heard them and got help. The Board felt like another reminder is needed for unit owners to either provide a key to Ann to use in emergencies or register emergency contact information with Ann if they do not wish to provide a key. Barry will include a slide in the annual meeting slide package emphasizing this point and describing how Ann's company keeps the keys secure.
 - e. 2026 Budget. Ann presented the proposed budget for 2026. She updated several line items with known or anticipated cost increases for 2026. She added funds for expenses that were not budgeted in 2025 (sprinkler inspection and elevator inspections). With updated expenses, and no increase in HOA dues, the HOA is projected to be about \$1.7K short for the year. The proposed budget did not include funds for covering the HOA portion of the city grant work (~\$10K) so this would have to be paid for by funds saved from other budget line items or from the reserve fund. Ann's recommendation was to keep the HOA dues the same for 2026 because of the substantial increase last year and to try to minimize costs as much as possible next year. The Board agreed with this approach. This is the budget that will be presented at the annual meeting.
6. Adjourn. The annual meeting of the Council of Co-Owners will be held at 6:30 on 10/20/25 in the clubhouse. A Board meeting to elect officers will be held immediately after this meeting. The meeting was adjourned at 6:05 PM.