

Palomar Reserve Council of Co-Owners

Board Of Directors Meeting

11/17/2025

The monthly meeting of the Palomar Reserve Council of Co-Owners Board of Directors was held after the annual meeting on 11/17/2025. The following personnel were in attendance:

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

Approval of Annual Meeting Minutes. The meeting minutes from the annual meeting on 10/20/2025, as well as the Board meeting that followed the annual meeting, were reviewed. Carrie moved for approval of the minutes, and Dexter seconded the motion. The motion was approved.

1. Financial Report. Ann presented the monthly HOA financial reports for October 2025.

a. Balance Sheet

- The total reserve account was approximately \$80.7 K at the end of October (\$26.4K in a higher interest CD and the rest in two lower interest accounts). In addition to the usual \$1890 transfer to the reserve fund, the buyers reserve fee for 4235#103 was transferred to this account in October.
- The operating account was around \$12.3 K at the end of October.
- The balance on the clubhouse loan was down to \$137.7 K at the end of October. The \$500 contribution from First Alliance Church received on 10/10/25 has not yet been applied to this principal.

b. Profit & Loss –

- The HOA income exceeded expenses by \$3.6K for the month of October. In addition to “expenses,” we paid \$984 in October for principal for our clubhouse mortgage. \$884 was part of our monthly mortgage payment and \$100 was from clubhouse rental income. So, total income of the HOA in October was \$2.6K more than expenditures.
- HOA income overall was \$1.4K above budget in October. General assessment HOA dues collected were \$300 over budget and late fees/other income was about \$1100 above budget. Other income included \$100 from CH rental in October as well as a \$500 contribution from First Alliance Church for the clubhouse mortgage principal reduction effort.
- Administrative expenses were \$800 over budget in October because of (1) \$420 charge for legal review of the Bylaws amendment and (2) various supplies for the annual meeting and Fall newsletter.
- Utilities were \$700 under budget in October primarily caused by lower electric bills.

- Repairs and Maintenance expenses were ~\$200 over budget in October due to a number of minor maintenance items on lighting and downspouts.
 - Landscaping expenses and Supplies were very close to budget in October.
- c. Profit & Loss Budget Vs Actual YTD. At the end of October 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	\$9.6K 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 and \$3.7K in buyers reserve fees.
Administrative	\$0.2K over	Very close to budget.
Utilities	\$0.2K over	Telephone charges for elevators are \$1.8K over while electrical costs are under by \$2.4K YTD. Water/ sewer/ garbage removal are \$800 over combined.
Repairs and Maintenance	\$11.6K 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, several smaller charges.
Supplies	\$0.1K over	Very close to budget.
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 seven past due accounts for Palomar Reserve HOA at the end of August, totaling ~\$2.0K. This is down by \$1.5K from last month.
- \$1.3K of this total is against a single account that has been delinquent since May 2023 (). The owners made one month's payment plus late fees in October. 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.
- One unit () is newly delinquent in October and owes one month dues plus late fees (~\$340). This unit had an ACH set up to pay the HOA dues but the ACH was rejected last month. Ann has been trying to contact the unit owner to let them know that the ACH account needs to be updated or other arrangements made for paying their monthly dues.
- Four units are past due a small amount each and owe less than \$150 total for all four.

- One unit () consistently pays slightly less than the amount associated with their unit's square footage and therefore, their past due amount increases slightly every month. It is currently at \$178. Efforts to have this unit owner pay the correct amount each month have not been successful.

2. Old Business

- 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. See related item under New Business below.
- Bylaws amendment (Audits). 51.4% (by percent of ownership) voted to approve the Bylaws amendment either at the annual meeting or shortly thereafter. Therefore, the amendment was approved, and Ann can have our attorney file it in the County Clerk's office. Then, Ann will upload the amendment to the Palomar Reserve website.
- Tuesday evening social trial period complete. During the July Board meeting, the Board approved having a social event in the Clubhouse every Tuesday evening on a trial basis through the end of October. Becky and Donna volunteered to oversee the event, ensuring the doors are locked and the clubhouse is in good shape after the event each week. The Board has received only positive feedback on these Tuesday evening events, so the Board approved continuing these events for the foreseeable future under the same conditions applied during trial period.
- First Alliance Church parking. Before the annual meeting, Dexter reintroduced the idea of allowing First Alliance Church members to park in front of the PR clubhouse (down to the dumpster) on Sunday, during services. This time, the proposal stipulated that the parking would be for FAC staff and not for all parishioners. We also stipulated that FAC must provide a shuttle bus to transport people between our parking lot and the church. Palomar Reserve HOA does not provide a safe walking path to and from the church. FAC was invited to make a contribution to our CH mortgage principal reduction effort in gratitude for this parking arrangement. The suggested contribution was \$250 per quarter which roughly equates to \$1 for each of the 20 parking spots for the 13 Sundays in a quarter. With these stipulations, the Board voted by email to approve a trial period through the end of October. Ann discussed this proposal with our insurance provider, who recommended that we have FAC designate Palomar Reserve as an additional insured party on their liability insurance to protect the HOA from liability. FAC did this and provided an insurance certificate showing this.
The Board discussed this at the annual meeting and received no negative feedback either at the meeting or otherwise. Therefore, the Board voted by email to allow this parking arrangement to continue going forward. The HOA received a \$500 contribution from FAC on October 10th.
Dexter asked whether it would be OK to extend the parking to choir members as well as church staff, provided that they only use the 20 parking spots designated. The Board agreed that this would be OK. Also, Dexter will try to find out whether the \$500 contribution in October was for two quarters, since it was twice the per-quarter suggestion we gave to them.

- e. Magnolia trees scraping in front of building 4205. At the annual meeting, a homeowner reported that the two magnolia trees in front of 4205 were scraping against the exterior walls during high winds. Two residents tried to trim these trees but found that they would require special tools due to their height. Ann will see if her maintenance staff can get this done.
- f. Elevator Dialer. Ann spoke to Bates Security recently and discovered that the security alarm panels in our buildings are already equipped with dialers. She will contact DC elevator and get an estimate for installation of dialers in the elevators to reduce the monthly \$445 charge for elevator phones/internet.
- g. Elevator upgrade costs. During the annual meeting, a homeowner asked what the biggest capital expense was likely to be in the future given that the HOA recently replaced the roofs. Ann responded that she felt that all five elevators would need to be upgraded at some point in the future and this was likely to be a significant cost. She did not have an accurate figure for how much this would cost for our elevators or when this would be needed. We told the homeowner that the Board would try to get more information on this topic in the next several months. Ann will contact DC Elevators and ask them to assess our elevators' condition and provide us with a description of what work would be needed and an estimate for completing this work and the time frame the work would be needed. Carrie also asked Ann to have DC Elevator quote us a price for an elevator maintenance package similar to what we had early in 2024 (nights and weekend trouble calls would be paid for separate from the maintenance package.)
- h. Transfer of a greater portion of the reserve fund into an interest bearing CD. Before the annual meeting, Ann suggested that the Board consider moving the \$15K in the business money market account (part of the reserve fund) into an interest-bearing CD. Ann contacted Republic Bank and obtained info on several CD options. The Board favored the 6 month, 3.74% interest option but also asked that we take \$10K out of the Republic Reserve Account (currently has ~\$39.1K) and combine this with the 15K mentioned above for the 6 month CD. This new CD would mature about the same time as our current 11-month \$26K CD and we could make a decision about what to do before both CDs mature in May. This would result in about \$51K of the reserve fund being in an interest-bearing account and \$29K being in an account that will be accessible with no penalty. It was also pointed out that accessible portion of the reserve fund grows at least \$1890 a month from the monthly transfer out of the operating account. This should leave enough funds to cover any anticipated expenses. Ann will contact Republic Bank and make the arrangements for this banking transaction and Carrie will go by and sign the paperwork.

3. Committee reports

- a. Future grant committee. Carrie reported that we had received the signed contract from the city for our 2026 NAMP grant application for \$8650. With this contract in hand, we could start spending the money, but more likely we will perform this work in the Spring to avoid weather conflicts. (See July meeting minutes for list of tasks.)
- b. Clubhouse promotion committee.

- An event was held in the CH on November 11th to honor veterans. Donna reported that the event was well attended and the veterans were very appreciative of the pies and the good wishes.
 - The Board agreed to sponsor a Christmas Sweepstakes to raise money for the effort to reduce principal on the clubhouse loan. The Board authorized Carrie to spend up to \$120 at Kentucky Chocolates. With her 50% employee discount, this would allow her to purchase up to \$240 of chocolate towers for the sweepstakes/raffle. She will get a large (\$80-\$100), medium (\$60-\$70) and small tower (\$40-50) as first, second and third prize for the raffle. Donna and Becky will go door to door like last year and ask for at least a \$5 contribution for each raffle ticket. The winners will be drawn at a Christmas social event on December 16th. The CH committee will meet separately from the Board meeting to work out the details. Our target is to exceed the \$600 raised last Spring from a similar raffle.
- c. Garden committee. There was no official report from the Gardening Committee, but Donna said she knew the committee had removed the plants from all the flowerpots except two and stored them in the CH storage room for the winter. They left two pots intact to look nice for the Veteran's Day event mentioned above. They will remove the plants from these two pots in the near future.
- d. Welcoming committee. Donna reported that the new owners of 4235#103 would be moving in soon and that the committee would go by and welcome them soon after. There are no other units for sale and no new rental units that the Board is aware of.

4. New Business.

- a. Refinancing the clubhouse loan. Prior to the meeting, Ann sent out information from Republic Bank related to refinancing the CH loan. The Westbanco loan is currently at 8.25% interest and the interest rate has changed twice already in 2025. Ann linked in Drew Pritchard of Republic Bank by phone during the meeting and he addressed the Board's questions. The Republic Bank proposed two options as described below.
- An Adjustable Rate Mortgage with a three year fixed rate of 6.75% and a ten-year term. The interest rate for the last 7 years of the loan would be prime plus 0.5% with one annual adjustment. (Prime is currently at 7.0%.)
 - An Adjustable Rate Mortgage with a five year fixed rate of 7.0% and a ten-year term. The interest rate for the last 5 years of the loan would be prime plus 0.5% with one annual adjustment.
 - Closing costs would be 1% of the loan amount plus attorney fees and appraisal fee - ~\$2K.
 - At the end of the fixed rate term, the interest rate increase is capped at 3%.
 - There is normally a prepayment penalty if the loan is paid off in less than two years, but Drew agreed to waive this.
 - Both ARMs would have the monthly payments for the loan calculated based on a 20-year amortization schedule. Therefore, our required monthly mortgage

payments would go down to about \$1100 a month (currently we pay \$1525 monthly). However, if the HOA pays only the required monthly payments, there would be a balance remaining at the end of the 10 year term. If the HOA pays about \$700/month additional principal, the balance at the end of the 10-year term would be zero. Most of the Board felt that the HOA should pay the currently budgeted amount each month and apply the extra \$425 (\$1525 minus \$1100) to principal. We would then need to raise \$275/month x 12 months = \$3300 a year through clubhouse rentals, FAC parking contributions and fund raisers to stay on track to have the loan paid off in ten years. As a point of reference, we project that we will have raised \$4075¹ from 2025 fund-raising efforts and rentals by the end of the year.

- b. Buddy System notices. Ann reported that a notice had been posted in building 4205 asking to collect information about emergency contacts for each unit. She was glad to see this initiative but hoped that the information would be provided to her after it was collected. She also hoped that similar efforts would be pursued in the other four buildings. Apparently, this arose from the annual meeting discussions on emergency contacts and discussions at Tuesday evening socials. Donna said she would ask at the social tomorrow for more details on this and report back to the Board.
 - c. Change to the Rules and Regulations concerning sprinkler inspections. Barry suggested that we initiate a change to the HOA Rules and Regulations to address units that do not provide access during the annual sprinkler inspections. Currently, the R&Rs say that these unit owners who do not provide access to their units for the scheduled sprinkler inspection are responsible for paying for the inspection company to come out again and inspect their units. This year there were ten such units, but Ann has not been able to arrange for such a new inspection because the inspection company is very busy. Barry proposed that we change the R&Rs to instead fine unit owners \$300 who do not provide access. This would provide a significant monetary incentive for unit owners to be present (or provide access by some other means) for these initial inspections. As long as we meet the insurance threshold for percentage of units inspected, our insurance rates would not increase. The Board agreed to review a proposed change to the R&Rs that would implement this concept.
5. Adjourn. The next Board meeting will be held at 4:00 on 1/19/26 in the clubhouse. We will skip the December meeting due to the holidays and the social event on December 16th. The meeting was adjourned at 5:40 PM.

Topics Tabled at Previous Board Meetings

Tabled Item Description	Date Tabled	Reason Tabled	When to Revisit
Options for renewal of two reserve fund CDs	November 2025	Both CDs will mature in May.	April 2026

¹ \$1500 from clubhouse rentals, \$600 from Spring chocolate basket sweepstakes, \$875 from June yard sale, \$500 from FAC parking contribution. Plus, we hope to raise another \$600+ for our winter chocolate raffle.