

Palomar Reserve Council of Co-Owners

Board Of Directors Meeting

1/19/2026

The monthly meeting of the Palomar Reserve Council of Co-Owners Board of Directors was held on 1/19/2026. 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)
- Becky Lesch (Gard/Welc committee)

Approval of Meeting Minutes. The meeting minutes from the November 2026 Board meeting on 11/17/2025 were approved by email after the meeting. The meeting minutes for the executive meeting held on 12/15/2025 were reviewed prior to the meeting. 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 November 2025 and December 2025.

a. Balance Sheet – November and December

- The total reserve account was approximately \$82.6 K at the end of November and \$84.6K at the end of December. (~\$26.6K in a higher interest CD and the rest in two lower interest accounts).
- The operating account was around \$12.7 at the end of November and \$11.6 at the end of December.
- The balance on the clubhouse loan was down to \$135.7 K at the end of December. The \$500 contribution from First Alliance Church received on 10/10/25 has not yet been applied to this principal, but Ann will ensure this payment is made in the next few days. Also, the \$865 earned through the December chocolate raffle was deposited into the operating account in early January and will also be applied to the CH loan principal.

b. Profit & Loss November –

- The HOA income exceeded expenses by \$3.4K for the month of November. In addition to “expenses,” we paid \$984 in November 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 \$2.4K more than expenditures.
- HOA income overall was ~\$200 above budget in November. General assessment HOA dues collected were ~\$200 under budget and late fees/other income was about \$400 above budget. Other income included \$100 from CH rental.
- Administrative expenses and Supplies were very close to budget in November.
- Utilities were \$800 under budget in November primarily caused by lower electric bills.

- Repairs and Maintenance expenses were ~\$600 over budget in November due to charges for support of the Spring sprinkler inspection as well as a number of minor maintenance items on lighting and downspouts.
- Landscaping and Grounds expenses were \$1K under budget in November because none of the \$1K budgeted for snow removal was used in November.

c. Profit & Loss December –

- The HOA expenses exceeded income by \$400 for the month of December. In addition to “expenses,” we paid \$1009 in December for principal for our clubhouse mortgage. \$884 was part of our monthly mortgage payment and \$125 was from clubhouse rental income. So, total expenses of the HOA in December were \$1.4K more than income.
- HOA income overall was ~\$800 above budget in December. General assessment HOA dues collected were ~\$550 above budget and late fees/other income was about \$250 above budget. Other income included \$125 from CH rental.
- Administrative expenses were \$2K over in December, caused by the \$800 tax preparation fee (budgeted earlier in the year but paid in December) and the \$1.2K fee for processing the bylaws amendment (not budgeted).
- Utilities were \$700 under budget in December primarily caused by lower electric bills.
- Repairs and Maintenance expenses and supplies were very close to budget in December.
- Landscaping and Grounds expenses were ~\$800 over budget in December because \$2.8K was spent on snow removal versus the \$2K budgeted in December.

d. Profit & Loss Budget Vs Actual YTD. At the end of December 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	\$10.7K 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	\$2.2K over	Mainly caused by \$420 charge in October and \$1K charge in December for Bylaws amendment review.
Utilities	\$1.4K under	Telephone charges for elevators are \$2.3K over while electrical costs are under by \$4.5K for the year. Water/ sewer/ garbage removal are \$1K over combined.
Repairs and Maintenance	\$12.3K 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	--	Very close to budget.

Expense Category	Amount Over Budget	Comment
Landscaping and Grounds	\$1.7K over	Due to higher snow removal costs in January, 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.

e. Open Invoices –

- The report shows that there are currently four past due accounts for Palomar Reserve HOA at the end of December, totaling ~\$1.9K. This has remained about the same since October.
- \$1.6K of this total is against a single account that has been delinquent since May 2023 (). The owners made one month’s payment plus some late fees in both November and December but did not pay down their overdue balance. 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 December and owes a late fee of around \$43.
- One unit () owes a fine of \$90.
- 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 ~\$194. Efforts to have this unit owner pay the correct amount each month have not been successful.

2. Old Business

- a. Bylaws amendment. Our lawyer advised that there were too many individual changes in our proposed amendment to use the amendment format. Instead, he recommended a full revision with the same changes included. After two iterations of review on the revised bylaws, Ann sent the final version to Barry for review. As of the time of the meeting, Barry had not completed his review but did so shortly after the meeting adjourned. Barry’s final review concluded that the revised version of the Bylaws includes all the changes approved at the October annual meeting and there were no inadvertent changes to other sections of the Bylaws. He recommended to Ann that this version of the Bylaws be filed in the County Clerk’s office and uploaded to the Palomar Reserve website.
- b. 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. Ann has spoken to Caudill and they will trim these trees in the near future.
- c. Elevator Dialer. Ann has contacted DC Elevator to get an estimate for installation of dialers in the elevators to reduce the monthly \$515 charge for elevator

phones/internet. So far, the contractor has not responded but Ann hopes to hear from them soon now that the holidays are over. The Board asked that this be given a high priority since it could result in significant monthly savings and our budget this year is very tight.

- d. Elevator upgrade costs. Carrie asked Ann to have a DC Elevator representative attend the March Board meeting and present the likely near-term costs to upgrade our elevators to current standards. We have heard that the control boards are becoming obsolete and it is getting difficult to obtain spare parts. The Board needs to understand what kind of cost would be associated with upgrading these control boards to new standards and whether there are any other obsolescence issues. Ann said she would try to set this up. The Board is also interested in looking at the cost savings that might be realized by switching to the lower-tier maintenance agreement. The current agreement covers trouble calls on a 24/7 basis at no extra cost except for parts. The lower tier agreement would cover trouble calls during normal business hours, but we would pay extra for trouble calls on nights and weekends.
- e. Transfer of a greater portion of the reserve fund into an interest-bearing CD. Carrie reported that the account referred to as the "Republic Business Money Market" (entire \$15.2K) was withdrawn about a week ago. \$About \$10K was also withdrawn from the "Republic Reserve Account" and this \$25K was deposited into a separate interest-bearing CD at Republic. The new CD will earn 3.5% interest and will mature in six months. After this transaction, the HOA Reserve fund now consists of the existing CD (\$26.6K), the new CD (\$25K) and the Republic Reserve account (\$42.9K - \$10K = \$32.9K). The first two CDs bear interest (about \$150/month combined) and will mature in May. The third account bears little interest, but we use this account to make our monthly transfer deposits and to withdraw funds when needed.
- f. Refinancing the clubhouse loan. At the November Board meeting, the Board considered a proposal to refinance our CH mortgage from its current 8.25% interest rate at West Banco to an Adjustable Rate Mortgage (ARM) with a three year fixed rate of 6.75% and a ten-year term. See the November meeting minutes for more details. Ann has been making progress with Republic Bank on this refinancing and is getting ready to finalize the paperwork. **At this Board meeting, Ann reaffirmed that the Board approves the following – (1) the Board approves the refinancing of the loan as described above and in the November meeting minutes, (2) the Board agrees to pay the closing costs on this loan (~\$2K) from the reserve fund, (3) that the Board President and Secretary (Carrie and Barry) would sign the new loan on behalf of the HOA.** The loan provisions should stipulate that the Board members' signature would be as a representative of the Board, as stated in the Bylaws Article III(P) shown below –

Every contract made by the Board of Directors ... on behalf of the condominium project shall provide that the Directors, ... are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners), and that each unit owner's liability thereunder, if any, shall be limited to such proportion of the total liability thereunder as such unit owner's interest in the common elements bears to the interests of all unit owners in the common elements.

- g. Change to the Rules and Regulations concerning sprinkler inspections. Prior to the meeting, Barry distributed a proposed change to the HOA Rules and Regulations

which affected four sections of the R&Rs as shown below. The main purpose behind this change would be for rule 4E but the other changes are also needed. After some discussion, the Board agreed to the proposed wording with one change – Rule 10 new sentence would be a “Single or Ongoing” violation similar to the noise rule.

- Rule 2 Trash and Litter. The change would make it a “Single” fine-able offense to not break down boxes prior to putting them in the dumpster. Currently this is “encouraged.” As with all “Single” rules, there would be a one-time written warning followed by a \$200 fine if the offense was repeated within 12 months.
- Rule 4E. As written, the R&Rs state that if a unit owner does not provide access to their unit for the annual sprinkler inspection, they may have to pay for a re-inspection. For the last two years, we have been unable to have the inspection company return to the HOA for this reinspection because they prioritize HOA’s initial sprinkler inspections. Therefore, there have been no consequences for units who fail to provide access, and the number of such units is trending upward. The changed rule would result in a \$300 fine for failing to provide access to a unit for these required inspections and repeat violations would increase the fine by \$50 each consecutive year that the inspection is missed.
- Rule 8 Clubhouse – added information about renting the CH using the Palomar Reserve website.
- Rule 10 Smoking – Add wording similar to rule 6 Noise, to make it a finable offense for reasonable complaints about smoke from one unit disturbing neighbors.

3. Committee reports

- a. Future grant committee. Carrie will speak to Andy to confirm that their quoted price for the CH drainage improvements was still valid. She would also discuss when would be a good time to start this work. Since the sidewalk work for 4218 is a higher priority than the drainage work, Ann will need to get an updated quote for this work and plan to start the work later this Spring.
- b. Clubhouse promotion committee.
 - The December chocolate raffle raised \$865 to be applied to reduce the principal on the CH loan.
 - Donna reported that the Tuesday social event is still well attended and they often discuss concerns with the HOA. Recently, they brought up the dumpster issue and noted that it is unacceptable for the dumpster to be overflowing so many times. They appreciate the volunteers who help clean up but wonder whether some preventative action could be taken. A general discussion ensued about renting a 2nd dumpster, increasing dumping frequency, etc. These options seemed too costly to the Board, especially considering our tight budget. Barry suggested developing (or purchasing) a raking tool to use to push the trash back in the dumpster freeing up space. He felt that this might help utilize more of the

space available in the dumpster with minimal cost. Barry will pursue this option this Spring.

- c. Garden committee. Carrie reported that she had obtained about 40 to 50 Cala lily bulbs at no cost and she would make them available to the gardening committee. These need full sun and only need watering once a week. They are annuals that would return each Spring if planted in a pot or in front of buildings.
- d. Welcoming committee. Becky reported that she had welcomed the new owners of 4235#103. There have been no other new owners or renters that she knows about. Barry agreed to produce a cost pie chart for 2025 and provide a copy to Becky.

4. New Business.

- a. Ann reported that she got a call from the county Sherrif trying to serve a felony warrant to a renter in one of our units (). The name on the warrant did not match the name of the renter Ann had for this particular unit, but the landlord has a history of not informing management when an old tenant moves out and a new tenant moves in. Ann has contacted the unit owner and pointed out their responsibility to provide a copy of the rental agreement to management whenever a new agreement is signed.
- b. Donna reminded the Board that it has been several years since our last push to clean out drier vents. In the Spring of 2023, several buildings received significant discounts (from Stanley Steamers) to clean multiple drier vents on the same day. They accessed each unit, disconnected the drier from the hose and cleaned out to the vent discharge at the edge of the building. The Board should discuss this during the next meeting. Donna also mentioned the deteriorating condition of several lower floor vent covers and that these should be replaced when the vents are cleaned out. [Note that after the meeting, it was discovered that the drier vents of the building referred to above had actually been cleaned out in the Spring of 2024, not 2023.]

- 5. Adjourn. The next Board meeting will be held at 4:00 on 2/16/26 in the clubhouse. The meeting was adjourned at 5:58 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