

Palomar Reserve Council of Co-Owners

Board Of Directors Meeting

5/18/2026

The monthly meeting of the Palomar Reserve Council of Co-Owners Board of Directors was held on 5/18/2026. The following personnel were in attendance:

- Carrie Hoeller (President)
- Baxter Napier (At-Large Member)
- Barry Tilden (Secretary)
- Ima Lane (At-Large Member)
- Ann Wesley (Property Manager)
- Donna Frazier (CH/Grnt/Wel committee)
- Joan Stewart (homeowner guest)
- Tom Senff (homeowner guest)(partial)

Dexter Sprandling was not present at the meeting but a quorum of four Board members was present.

Approval of Minutes of Previous Board Meeting. The meeting minutes from the monthly Board meeting held on 4/20/2026 were reviewed. Carrie moved for approval of the minutes, and Dexter seconded the motion (by text). The motion was approved.

1. Financial Report. Ann presented the monthly HOA financial reports for April 2026.

a. Balance Sheet

- The total reserve account was approximately \$92.3K at the end of April. (~\$26.9K and \$25.4K in higher interest CDs and \$40K in a lower interest savings account.)
- The operating account was around \$5.5K at the end of April.
- The balance on the clubhouse loan was at \$137.8K at the end of April. The April monthly payment was \$1459.26 versus the required minimum payment of \$1082.46.
 - \$863.46 interest
 - \$595.82 in principal (\$219 was part of the minimum mortgage payment, \$376.80 was considered to be additional principal.)

In addition, the \$1055 from the chocolate raffle, \$150 from CH rental and \$500 contribution from First Alliance church for parking were all applied to the principal of the loan during April. (Total of \$2300.80 applied to principal in April).

The Board had asked that the full amount budgeted for the CH mortgage each month be paid instead of the minimum amount of \$1082.46. This amount is \$1526 rather than \$1459.26. Ann will talk to her finance person and ensure this amount is paid each month going forward. Also, the \$147.40 received from WesBanco to balance the loan payoff (see last month's meeting minutes) was not applied to the loan principal and Ann will see that this is corrected as well.

- In previous discussions about refinancing the CH loan, the Board decided to pay the closing costs from the HOA reserve fund. At closing, circumstances resulted in \$5200 of the total closing costs being financed as part of the loan at 6.5% interest. The reserve savings account is only earning 0.05% interest, so the Board felt that it makes good financial sense to transfer \$5.2K from the reserve savings account and apply this amount to the loan principal. Carrie made a motion and Baxter seconded the motion and it was approved with four positive votes and one Board member abstaining (not present at the meeting).

b. Profit & Loss –

- The HOA income exceeded expenses by \$2.8K during the month of April. In addition to “expenses,” we paid \$2.3K in April for principal for our clubhouse mortgage. So, total income of the HOA in April was \$0.5K more than total expenditures.
- HOA income overall was ~\$1.7K above budget in April. General assessment HOA dues collected were \$100 under budget and late fees/other income was \$1.8K above budget. Other income included \$150 in CH rentals, \$1055 from chocolate raffle, and \$500 from First Alliance church.
- Utilities were \$0.5K over budget in April with electric being the largest contributor to the overage. Ima noted that the electric bills from two buildings are always substantially higher than the others. She suggested that we check with KU or a private contractor and see whether we could do something to bring the cost down in these buildings. Ann will contact KU and Window Genie to see if they have any suggestions for reducing our electric costs.
- The charge for garbage removal (Rumke dumpster rental) for April was \$170.85. Previous discussions stated that their charge would be about \$65 per month. Ann explained that they charged us a one-time fee of \$75 for delivering the new dumpster and this was included in the bill for April. They also added taxes and fees which drove the April bill up over \$170. She expected the normal monthly bill from them to be closer to \$90.
- Repairs and Maintenance expenses were \$0.3K over budget in April. We had an emergent, unbudgeted expenditure of \$0.8K for replacement of a smoke detector. This was partially offset by being under budget in plumbing and HVAC repairs. The smoke detector that had to be replaced in 4235 was damaged by the plumbing repairs described in last month’s meeting minutes and so Ann has asked Lex Rooter to reimburse us for this charge. The reimbursement will be reflected in future financial reports.
- Administrative and Landscaping/Grounds expenses were very close to budget in April.

c. Profit & Loss Budget Vs Actual YTD. At the end of April 2026, several Year-To-Date expense categories were over or under budget as shown in the table below -

Expense Category	Amount Over Budget	Comment
Income	\$2800 over	Caused by collection of parking contribution from FA church in January/April and the December and Spring chocolate raffles.
Administrative	--	Very close to budget.
Utilities	\$3100 Over	Primarily higher electric bills.
Repairs and Maintenance	\$1100 Under	Mostly caused by the \$900 extermination fee budgeted for March but not spent yet.
Supplies	\$150 under	Timing of supplies purchases.
Landscaping and Grounds	\$ 2800 over	January/February snow removal higher than budget.

d. Open Invoices –

- The report shows that there are 4 past due accounts for Palomar Reserve HOA at the end of April, totaling ~\$3.5K. This has increased by ~ \$300 since last month.
- \$3.15K of this total is against a single account that has been delinquent since May 2023 (). The owners paid one month of dues and some late fees in April but still fell \$300 further behind. Our attorney is preparing foreclosure proceedings against these owners.
- One unit () still has not paid their 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 ~\$224.
- One unit () was added to the report this month for owing \$34.

2. Old Business.

- a. Elevator capital improvement plan. The Original Equipment Manufacturer (OEM) for our elevators has informed customers that they no longer support parts for our elevators. This has made it impossible to obtain parts. To correct this issue, the OEM is recommending an elevator modernization program that would replace major portions of the elevators with parts that are supported by the OEM. Unfortunately, this option costs about \$90K per elevator.

Since the last Board meeting, Barry reviewed two proposals from DC Elevator. The first was to modernize all five elevators so that the obsolete parts would be replaced with readily available parts. This option was priced at about \$450K from DC elevator and an unknown (but much smaller) amount of “work by others.” The second proposal was to purchase the parts needed to modernize one elevator with the intent to store the parts until the first elevator failed and needed modernization. This option would avoid the 12-to-14-month lead time needed to order parts for modernization. Unfortunately, the parts would only be warranted for 1 year after receipt. This proposal was priced at \$41K and did not include the cost to install the parts if needed. Barry had asked for a cost to purchase a supply of the obsolete parts now and store these in case of elevator failure down the road. DC Elevator communicated that this option is not feasible since they already cannot find any of these key parts available for purchase.

Barry recommended the following course of action -

- Designate the \$25K reserve CD as the “Elevator Reserve Fund.¹”
- Starting in 2027, transfer 15% of HOA dues collected monthly to the reserve fund with 10% going to general reserve and 5% going to the elevator reserve fund.
- Every six months when the CD is renewed, transfer the 5% collected into the elevator reserve CD, about \$12K annually
- If no elevator fails before the elevator reserve fund reaches enough to modernize one elevator, decide at that time whether to proactively modernize or to continue to monitor.

¹ This is largely a symbolic gesture to emphasize that we need to save for elevator repairs/modernization. The Board has the authority to spend this reserve CD on other emergent problems if needed.

If proactive modernization is chosen, cannibalize the key parts from the modernized elevator for use in other elevators that fail.

- If an elevator fails before sufficient funds are collected, use a special assessment to augment the elevator reserve fund and modernize the failed elevator. Evaluate installing a stair lift on both stairways (1st to 2nd and 2nd to 3rd) to substitute for the elevator while parts are being ordered. Cost of stair lift is about \$10 to \$15K extra, but stair lift can be moved to another building when no longer needed. Modernization work will result in about 5 to 7 weeks of elevator down time while the work is being performed.

Barry said that the next steps would be to present this recommendation at the annual meeting in October and obtain feedback. The Board members present were in general agreement with this approach.

- b. Elevator Dialers. Kings III is in the process of purchasing the equipment needed to install the dialers in our elevators to save about \$145 per month versus the analog phone lines we are now using.
- c. Elevator maintenance plan. As discussed at last several Board meetings, Ann has switched us over to the 2nd tier maintenance plan which will save the HOA about \$325 per month. The savings should start to be seen in next month's financials. Under the new plan, if a trouble call occurs at night or on a weekend, the HOA will need to pay for this separate from the maintenance plan.
- d. Magnolia trees scraping in front of building 4205 and 4218. The trees were trimmed soon after the last Board meeting. Some homeowners felt that they were not trimmed enough but members of the Board felt that they were no longer touching the building and this was sufficient.
- e. Drier vent cleaning update. The drier vent cleaning for 23 units occurred on April 27th and 28th. The cost to clean the vents was \$75/unit with additional charges for replacement of vent cover or hose if needed.
One homeowner experienced a problem during the work. The vent cleaning company told her that the duct connecting to her drier was detached inside her wall and her drier was venting into the void space (chase) between her walls. This homeowner asked whether the HOA would pay for repairing this issue since they had paid for a similar issue back in 2024. The Board informed the homeowner that the circumstances had been different in 2024 and that the responsibility for repair of drier vent ducts was a homeowner responsibility. See the Board meeting notes from March 2024 for a more complete discussion of the 2024 circumstances. Ann did agree to contact the vent duct cleaning company (Joeys Carpet Cleaning) to get more information about exactly where the duct is detached. Ann will also provide the homeowner with the name of a general contractor who is capable of fixing this issue.
- f. Sprinkler inspection. The sprinkler inspection is scheduled for May 21st. It will start with 4205 and proceed in order of building number to 4248. The inspection team will need access to units and garages to perform this required annual inspection.
- g. Fire extinguisher inspection. Ann reported that her staff would pick up the fire extinguishers when they are here for the sprinkler inspection and have them serviced and returned.

- h. Reinvestment of reserve fund CDs. Carrie reported that the bank has not yet contacted her about renewing the \$26.5K CD even though it matured on May 11. She will follow up with the bank.
- i. Last month, Carrie asked Ann to send a note to a unit owner in 4235 who violates the Rules and Regs by parking more than two vehicles in front of their building and having a vehicle without a valid license parked as well. Ann tagged this vehicle right after the meeting. The tag asks the owner of the vehicle to contact Ann before a certain date or the vehicle will be towed.

3. Committee reports

- b. Future grant committee. Ann obtained an updated quote from Kodiak Construction and Engineering to repair the sidewalk outside and north of 4218. The new estimate was \$7200 to replace the entire ramp and its 3 gutter drains, not including the concrete adjacent to the main building entrance and stairs. The city grant will reimburse the HOA for half of this cost (i.e. \$3600). Ima moved that the Board approve this bid and Carrie seconded the motion. The motion passed with a vote of four in favor and one abstention (absent from meeting). Ann will get the contract signed and schedule the work, including informing residents.

Carrie contacted Andy from Cutting Edge and was told that they have fallen behind schedule this Spring and that is why they have not been able to do our CH drainage improvement work. They will be ready to start work very soon. Carrie reiterated the need to turn on the water spigots behind the CH to allow proper watering of the newly planted grass. This will require frequent watering for about six weeks after the work is done. Baxter will lend the HOA a sprinkler to use during this time when lawn watering behind the CH is needed. Barry will investigate how to get water to one or both of the outside spigots on the Harrodsburg Road side of the CH.

- c. Clubhouse promotion committee. The Spring Cleanup event and pot luck was held on April 25th. It was well attended and many improvements were made to the PR common areas. The derby party was also held on May 2nd and was well attended. The Board approved (by email) a Preakness party on May the 16th, which was also well attended. It was proposed that we complete the triple crown and have a social event on June 6th for the Belmont Stakes. The Board also approved this event. Donna will take the lead for the party and ensure fliers are posted to advertise the event and that cleanup is performed afterward.

A brief discussion was held about what distinguishes a Board sponsored event in the CH (no rental charge) from an individual CH event (fee of \$50 for an owner). The Board agreed that a Board sponsored event must be approved in advance by the Board of Directors, it must be advertised as being open to all residents and owners and it must have a name assigned as responsible for ensuring the facility is left in good shape afterward.

- d. Garden committee. Donna (reporting for Becky)
 - Eight flower pots have been planted with newly purchased perennials and annuals and some plants that were retrieved from last year's pots and saved over the winter. Also some new potting soil was added to the pots. Pots have been added in front of buildings 4205 and 4218. The expenditure for this effort was \$326.99, well under the budget. The reimbursement process for individuals who spent personal funds to buy

the materials has been initiated. Some individuals donated potting soil and two flowerpots.

- All canna bulbs (donated) have been planted in vacant spots around the property.

e. Welcoming committee. No report this month.

4. New Business.

a. Tom Senff from building 4235 attended the beginning of the Board meeting in order to bring a few items to the attention of the Board. These were presented at the very beginning of the meeting but are included in the minutes here under New Business.

- Tom said that the HOA should be doing something about the large hole at the intersection of Reserve Road and Old Higbee Mill Road. He realized that a petition had been circulated at the Spring potluck dinner and this had been sent to Councilwoman Whitney Baexter. However, he had not seen any results yet. Donna reported that a homeowner in building 4205 had personally contacted the Councilwoman and was told by the Councilwoman that she was aware of the issue and that we should see results very soon. [The day after the Board meeting, the city workers plugged the hole with black top.]
- Tom asked about rules related to noise. He said that lately there was a loud buzzing noise heard by himself and other residents of 4235, starting at 6 AM and sometimes continuing until 11 PM. He said that the HOA should have a rule limiting this type of noise. Tom was informed that the HOA Rules and Regulations (rule 6) prohibit activities that result in noise being heard outside of the units between 6 PM and 8 AM the following morning. Ann will contact the owners who are suspected of being responsible for this noise and ask them to adhere to this rule.
- Tom felt that the HOA dues are excessive. He said that he has friends who live in similar condo complexes and pay only about \$100 per month for dues. The Board responded by stating that we only collect dues so that we can pay the bills. We do everything we can to keep costs down. Some recent examples of cost cutting initiatives include the dumpster change out (\$100/month savings), the elevator maintenance plan change (potential \$325 month savings), the elevator dialers installation (potential \$145/month savings) and the cancellation of Spring mulching (about \$120/month savings). Even with these savings, we struggle to keep up with increases in other expenses such as insurance and electricity/water. Barry offered to go over the budget and expenses with Tom to show him how we spend our dues. The Board does not see any potential for reduction in dues and actually anticipates a slight increase for 2027 since there was no increase in 2026.

b. Hallway doors hydraulic closers in 4248. A unit owner reported that she was having difficulty opening the doors in the hallway leading to the garage on the 03/04 end of the building. She asked Ann to have the hydraulic devices adjusted to reduce the closing tension and make the doors easier to open. Ann's maintenance staff attempted to make adjustments and also lubricated the closers. This led to some improvement but did not solve the issue for the homeowner who was having difficulty. The option of propping the difficult door open with a doorstop was then evaluated. Ann called the fire department and learned that these doors must remain shut since they are in the egress path for the building.

The next logical step is to replace the one hydraulic door closer with a brand new one and see if that allows adjustment to make the door easier to open. Ann will have her maintenance staff do this work on Thursday when they are here for the sprinkler inspection,

- c. Bulge in wall in 4205 garage hallway. An owner reported that the wall between the 201 garage and the hallway has a bulge and some of the lower trim is also pushed out. It looks like someone ran into this wall from their garage. The Board discussed this issue and decided that this damage was done by a homeowner and should be the responsibility of the homeowner to repair.

Donna reported that there is also damage to the ceiling in the same hallway. Ann will take a look at this during the sprinkler inspection on Thursday and see what she thinks.

- 5. Adjourn. The next Board meeting will be held at 4:00 on 6/15/26 in the clubhouse. The meeting was adjourned at 5:50 PM.