Palomar Reserve Council of Co-Owners

Board Of Directors Meeting

9/21/2026

The monthly meeting of the Palomar Reserve Council of Co-Owners Board of Directors was held on 9/21/2026. The following personnel were in attendance:

- Carrie Hoeller (President)
- Dexter Sprandling (Vice President)
- Baxter Napier (At-Large Member)
- Barry Tilden (Secretary)
- Ima Lane (At-Large Member)
- Ann Wesley (Property Manager)
- Donna Frazier (multiple committees)
- Rosemary Martin (Grdn committee)
- Barbara Bray (Grdn committee)
- Becky Lesch (multiple committees)
- Sandy Chinn (Grdn committee)

Approval of Minutes of Previous Board Meeting. The meeting minutes from the monthly Board meeting held on 8/17/2026 were reviewed at this Board meeting. Baxter 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 August 2026 and this report is summarized in Attachment 1.

2. Old Business.

   a. Lex Rooter cleaning of drains behind 4248. Ann is still working with Lex Rooter to get an updated estimate for clearing the storm drains behind 4248. Ann wants to see an estimate that includes credit for the damage done by Lex Rooter to a smoke alarm in 4235 as discussed in previous meeting minutes. [Action – Ann]

   b. Sprinkler inspection follow-up. Ann has not been able to schedule the work items that resulted from the sprinkler inspection on May 21st. Landmark Sprinklers has been very busy and will not be free to work on these items until later this year. [Action – Ann]

   c. Reducing electric costs in 4205 and 4235. Ann had an electrical services contractor walkdown the 4205 and 4235 buildings to look for insulation problems or other problems that might be causing the unusually high power usage in these buildings. The contractor sent pictures showing that the insulation in the ceiling in these buildings is adequate and this is probably not the cause of the higher electric bills. The Board asked Ann to research the cost of replacing the thermostat in one building (4205) to a digital model that requires a code to change the setting. She will also investigate the cost to install locks on the knobs of the four baseboard heaters in the garage concrete hallways and to disconnect the baseboard heater at the building entranceway. [Action – Ann]

   d. 2027 NAMP Grant Submittal. Donna reported that we have not gotten word yet on whether our grant application was approved.

   e. Remove ash trees at either end of 4218. In July, the Board approved $900 to remove three ash trees that are dying at either end of 4218. This covers both cutting down the trees and removal of stumps. Ann reported that the contractor will perform this work in the near future. [Action – Ann]
   She also confirmed that Spring is the correct season for injecting the remaining 13 ash trees with a treatment chemical. The Board will need to decide before then whether to try to

save these trees at an annual cost of $100/tree or to let them die and replace them with a hardier tree. This issue was tabled until March 2027.
The Gardening Committee asked whether it was Ok to move the lily bulbs close to the three trees that will be removed so they will not be damaged during stump removal. The Board agreed that this was a good idea. [Action – Gardening committee]

f. Replacing the wall behind 4235 with 2026 grant. The contractor brought the brick to the work site on the day of the Board meeting and will start rebuilding the wall behind 4235 the next day. Ann said that the contractor had worked hard to find a brick color that matched the other bricks as much as possible. [Action – Ann]

g. Clubhouse painting. The Board was requested by email to allow homeowner volunteers to paint one additional wall (adjacent to the fireplace) with the same accent color. After some email exchanges, the Board voted to approve this request with four in favor and one opposed. The wall has now been painted and the Board said that it looked good.

h. Cleaning of the carpet in the clubhouse. Carrie and some of her family cleaned the carpet in the CH and spot cleaned the carpet in the gym to remove some stains. She used a professional cleaning system that she owns. The Board thanked her for her work on this.

i. 4248 HVAC. The HVAC in this building is now working fine after a good deal of effort last month.

j. 4235 request for printed documents. See discussion in Attachment 1 under Open Invoices.

k. Fall newsletter. Ann has all the inputs for a Fall newsletter and should be distributing a draft very soon. [Action – Ann]

l. Elevator plan to be presented at annual meeting. Barry noted that he was working on some slides to include in the annual meeting package to discussion the elevator capital improvement plan discussed in the March meeting minutes. [Action – Barry]

m. Budget include repairs to 4205 hallway ceiling. During the May Board meeting, we discussed some cosmetic repairs to the ceiling in the 4205 concrete hallway (west side). The topic was tabled with the intent to see if we could include these repairs in the 2027 budget. Based on similar work that was done to repair the ceiling of a 4205 garage in September 2025, the Board estimated that this would cost around $1200. Ann will obtain a real estimate to perform this work, and we will try to fit this into the general repairs budget for 2027. [Action – Ann]

n. 2027 budget version D. Ann handed out a new version of the budget that included –
   - A 5% increase in the contribution to the reserve fund (as required by the new regulations).
   - An extra $2K for snow removal costs based on experience.
   - A monthly mortgage payment of $1304 (i.e. the compromise mortgage payment discussed in last month's minutes). This is down from the $1526 monthly payment budgeted in 2026.
   - Two cleanings per month in the common areas instead of only one. This, along with the elimination of the entrance mat contract, increased the cleaning costs to about $810/mo.
   - a 5% increase in HOA dues versus last year.

The budget was developed assuming all CH rental income, raffle income and FA church contributions would be applied directly to principal on the CH loan. The budget includes landscaping costs that would cover Spring mulching. The Board asked for some time to review the budget in detail after the meeting with the intent of approving it (or amending it) prior to the annual meeting. [Action – Board members]

3. Committee reports

a. Future grant committee. See discussion of the 2027 grant application under Old Business.

b. Clubhouse promotion committee.

- Dexter noted that the Board should formalize the guidance contained in the May 2026 meeting minutes about what distinguishes a Board sponsored event in the CH from a homeowner personal event (with a rental fee). Barry agreed that the guidance needed to be added to the HOA Rules and Regulations but felt that we should gain some more experience to see if additional rules are needed. He proposed revising the R&R document early next year. This item was tabled until January 2027.

c. Garden committee. Nothing new to report.

d. Welcoming committee. The committee has welcomed new residents in 4218 and 4219 and will visit new residents in 4235 soon.

4. New Business.

a. Fire alarm damage in 4235. 4235 recently experienced a power surge which damaged the fire alarm system in that building and damaged two electrical outlets. The alarm system has been repaired by our fire services contractor but the internal clock that controls the door lock was set incorrectly. Homeowners had to use the code (or fob) to enter the building during the day instead of after hours. The fire services contractor will be out in the next few days to reset this clock.
The Board asked Ann to investigate the cost of installing surge suppressors in all six buildings to prevent similar damage in the future. [Action – Ann]

b. Electric Logs for CH fireplace. Carrie suggested that we remove the current gas fireplace insert in the CH since there is no installed gas source. She offered to purchase an electric insert to replace the gas one and install it in the fireplace. It would not produce any heat but would be attractive in the CH. The Board agreed that, if the total cost to the HOA consisted of a few hours of Ann's maintenance staff's time to remove the old gas insert, we were in favor of this this suggestion. [Action – Ann and Carrie]

c. Damage to CH bathrooms. Ann reported that the showers in both the men's and women's bathrooms had been damaged from someone ripping the seats out of the walls. She did not know if this was a pure act of vandalism. She thought that maybe someone was not aware that the showers had been permanently shut off and were trying to figure out how to get the shower to work. She will have her maintenance staff repair the walls in a cost-effective manner given that we have no intention of using these as showers in the future. [Action – Ann]

d. Entrance rugs. Last month, Ann proposed that we terminate our contract with the company that periodically replaces our entrance rugs. This contract costs us about $115 per month. Instead, we could purchase new entrance rugs at a cost of about $40 each. Our cleaning

contractor would vacuum the rugs during their periodic cleaning, and we could replace rugs when they get damaged. This would be a more cost-effective approach to entrance rugs. The Board agreed with the approach. [Action – Ann]

5. Adjourn. The next official Board meeting will be held after the annual meeting on 10/13/2026 to elect Board officers. An informal Board meeting (no minutes) will be held at 3:30 on 9/28/26 in the clubhouse to prepare for the annual meeting. The meeting was adjourned at 6:30 PM.

Topics Tabled at Previous Board Meetings

Tabled Item Description	Date Tabled	Reason Tabled	When to Revisit
Decide on whether to treat the 13 ash trees or replace them as they die.	September 2026	Treatment occurs in Spring.	March 2027
Revise the Rules and Regulations to include more guidance on events in the CH.	September 2026	Gain experience to see if guidance needs more clarification before adding to R/R.	January 2027

Attachment 1

Financial Report

1. Balance Sheet

- The total reserve account was approximately $81.6K at the end of August. (~$27.2K and $25.7K in higher interest CDs and $28.6K in a lower interest savings account.) This balance does not reflect the $6.85K that we expect to be reimbursed by the city under the 2026 NAMP Grant.
- The operating account was around $13.1K at the end of August.
- The balance on the clubhouse loan was $127.8K at the end of August. The August monthly payment totaled $1526 versus the required minimum payment of $1082.46.
  - $725.97 interest
  - $800.03 principal ($356.49 was part of the minimum mortgage payment, $443.54 was "additional principal.")

  In addition, the following amounts were transferred from checking to CH Loan principal –

  - $100 in CH rental income
  - $400 from the July 4th wreath raffle

2. Profit & Loss

- The HOA income exceeded expenses by $2.6K during the month of August. In addition to "expenses," we paid $1.3K in August for principal for our clubhouse mortgage. So, total income of the HOA in August was $1.3K more than total expenditures.
- HOA income overall was ~$1000 over budget in August. General assessment HOA dues collected were right on budget and late fees/other income was $1000 above budget due to a large payment of late fees and penalties for one of the past due accounts and the raffle income.
- Utilities were $200 over budget in August. Electric expenses were about $600 under budget due to seasonal variations. Garbage collection was $150 under budget because of the new contract with Rumpke. Telephone/ internet expenses were $700 over because we were billed for the entire quarter (August-October). We should see no telephone/internet expenses for the next two months. Sewer and water were also a combined $250 over budget due to higher usage.
- Repairs/Maintenance costs were about $500 above budget primarily because of HVAC repairs in 4248.
- Administrative expenses were very close to budget in August.
- There were no supplies purchased In August but $370 was budgeted.

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

Expense Category	Versus Budget	Comment
Income	$8.6K over	Caused by collection of parking contribution from FA church in January/April/July, the three raffle earnings and a large payment for a delinquent account in July and August.
Administrative	--	Very close to budget.
Utilities	$2.1K Over	Higher electric bills earlier in the year.
Repairs and Maintenance	$0.6K Under	Mainly savings in plumbing repairs.
Supplies	$0.8K Under	Timing of supply purchases
Landscaping and Grounds	$2.3K over	January/February snow removal higher than budget – gaining $125/month due to lower landscaping costs.

4. Open Invoices –

- The report shows that there are six past due accounts for Palomar Reserve HOA at the end of August, totaling ~$2.4K. This has increased by ~ $200 since last month. This report was printed on September 15 and reflects payments made before that date.
- The account that has been delinquent since May 2023 () has been paid in full and is no longer delinquent. The homeowners and our lawyer are still discussing the payment of legal fees incurred to collect the delinquent HOA dues. According to the HOA governing documents, any expenses for collecting dues are billed to the delinquent homeowners. Ann is following these discussions carefully to see whether the HOA needs to get involved.
- Three units () are still delinquent for their $300 fine for not providing access to their units for the May sprinkler inspection. One of these homeowners has hired a lawyer who wrote a letter to the HOA on their behalf challenging the fine. This homeowner claims they were at home on the day of the inspection and nobody knocked on their door. Ann will have our attorney respond to this letter and attach the letter that was mailed to each homeowner announcing the date of the sprinkler inspection and the check list that she used to mark off each unit that was inspected or not inspected on that day. [Action – Ann]
  Some members of the Board felt that the HOA should be charging interest and late payment fees on these accounts, but no firm decision was made on this subject at this Board meeting.
- Past meeting minutes noted that a unit () was fined $90 to recover the HOA's expense for removing a washing machine from the unit's patio. This was the homeowner who requested that the HOA send printed copies of the HOA governing documents as discussed in last month's minutes. Because there was some question about whether adequate notification had been given to the homeowner to remove the washing machine from their patio, this fine was forgiven and this unit is no longer on the Open Invoices report.
- One unit (4218#104) is delinquent for ~$850. This is the buyer reserve fee for a recent unit sale. Normally this fee is included in the closing settlement, but it was not done for this unit. Ann has been trying to get in touch with the new homeowner but has not received any response. [Action – Ann]
- 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. This unit was also one of the ones fined $300 for failure to provide access to all areas of their unit for the sprinkler inspection. Therefore, their delinquent amount is up to ~$554.

Action Item Summary

Paragraph	Action	Responsible
2.a	Follow up with Lex Rooter and ensure the $770 cost for repair of 4235 detector is deducted from the 4248 drain cleanout bill.	Ann
2.b	Coordinate the sprinkler repairs with Landmark and homeowners.	Ann
2.c	Look into installing an alternate thermostat in 4205, locking the knobs on baseboard heaters in garage hallways and disconnecting baseboard heater at main entrance.	Ann
2.e	• Follow up with contractor to perform the work to remove the three ash trees and stumps. Pay from the reserve fund. • Relocate the lily bulbs near the trees that will be removed.	Ann Gardening Comm
2.f	Follow up with contractor that is building wall behind 4235 to ensure work gets done.	Ann
2.k	Issue the Fall newsletter containing notes about CH fire alarms, annual meeting date and cleaning after pets inside too)	Ann
2.l	Prepare presentation slides to outline the elevator capital improvement plan discussed at the March Board meeting.	Barry
2.m	Get an estimate to repair the damaged ceiling in the 4205 garage concrete hallway.	Ann
2.n	Review the proposed Version D of the budget and email Ann with any changes.	Board
4.a	Investigate the cost of installing surge suppressors in all buildings to protect fire alarm panels.	Ann
4.b	Have maintenance staff remove fireplace gas insert. Purchase and install electric fireplace insert	Ann Carrie
4.c	Have maintenance staff repair damage to shower walls.	Ann
4.d	Purchase entrance rugs and ensure that cleaning crew knows they should vacuum these each time they clean the common areas.	Ann
Att 1 Para 4, bullet 3	Have our attorney respond to letter from homeowner's attorney (i.e. homeowner who failed to allow access to their unit for sprinkler inspection.)	Ann