

REDCLIFF TWO CONDOMINIUM OWNERS ASSOCIATION

3rd QUARTER BOARD OF DIRECTORS MEETING MINUTES

August 14, 2025, at 4:00 PM MDT

Via Zoom

1. Call to Order & Determination of Quorum

Board members present were Mark Dollard and Mike Wiggins. RaeAnne Hadley from Design HOA was also present. Homeowner John Gacek was also present. With two of the three Board members present the quorum requirement was met. Mark Dollard, President, called the meeting to order at 4:02 PM.

2. Approval of Minutes from July

The minutes of the prior meeting were distributed to Board members in advance of the meeting. Reading the minutes aloud was waived. Mike motioned to approve the meeting minutes. Mark moved to approve the minutes as presented. With all in agreement, the motion passed unanimously.

3. Financial Reports

Mark discussed the balance sheet that shows that there is one delinquency. RaeAnne explained she sent out a courtesy email reminding the homeowner they are late and is waiting for a response. Mark discussed the HOA does a small transfer to the reserves every year to plan when capital projects or repairs come up and the state encourages HOAs to have money in the reserve account. Mark explained the amount is typically \$1,000 and it was missed in 2024 but asked if the Board agreed to move the \$1,000 now. Mark motioned for Design HOA to transfer \$1,000 from the operating account into the reserve account. Mike seconded. All approved and the motion passed unanimously. John asked if any of the reserve money was added to Redcliff's CDs. Mark explained the CD had matured and Redcliff no longer had a CD. John asked whether owners should contribute more to reserves to make the property more appealing to banks. Mark explained that proper reserves should be at least \$200,000 and the HOA has not taken the time to hire an engineer to do a reserve study to look at all the common elements and give them a lifespan to assess how much the reserve account should be. Mark indicated that the upcoming painting project will require a significant special assessment, and he also mentioned that any necessary repairs to the roof will be addressed in a similar manner. John commented that it was good that the building was in good shape with a good foundation. Mark explained the roof is 15-18 years old and should last to 40 years, but that it is an item the Board needs to start discussing in the future. Mark asked RaeAnne what the Funds in Transit meant on the balance sheet. RaeAnne explained that it was a homeowner who paid through the Pay HOA software and was in the process of being deposited into the operating account. Mark asked RaeAnne what had been budgeted for insurance. RaeAnne explained she did not have the budget pulled up, but she could verify insurance had increased quite a bit for all HOAs. RaeAnne noted that she will be shopping for a new insurance policy, and many agents are warning of an additional 10-15% increase for 2026. Mark discussed that the HOA insurance had tripled just in a few years, and that they missed their budget numbers in 2024 due to insurance premiums and appeared they would miss the 2025 budget too. Mark discussed having luck with Safeco and usually shopped with State Farm, but that the HOA currently had a policy with State Farm. RaeAnne explained that American Family Insurance pulled out of the HOA industry completely and other insurance companies are taking advantage of the shrinking competition. RaeAnne explained she found a company called USLI and she had already reached out to them for a proposal for the HOA when the time comes. John asked if Harford Insurance company was a good company to go to. RaeAnne explained she had not heard of them covering HOAs. RaeAnne pulled up the budget and explained \$7,300 had been budgeted out for insurance. Mark explained there was \$8,762 under the P&L for insurance. Mark asked if that was the final bill for 2025. RaeAnne explained the HOA pays insurance quarterly and one more payment would come due in October. RaeAnne explained she had reached out to the agent to see if there was any way to lower the costs of the premium, but they were not open to having a conversation or taking the time to discuss the matter. Mark moved onto the legal fees and explained they had \$2,700 budgeted for legal and they did not have to use the funds. Mark explained they had budgeted enough for Design HOA and did not have any concerns there. Mark discussed that both landscape and snow removal were below the budget and some of those areas could help offset the insurance overages in the budget. John suggested asking if the insurance company would be willing to visit the HOA to see the condition of the

buildings and sidewalks. Mark said he would be willing to meet with the insurance agent or representative if they decided to do an on-site visit. Mark discussed that they had under budgeted for the electrical and water expenses and asked Mike when preparing the budget for next year to recognize those categories were off. Mark explained the water was budgeted at \$6,250 and the HOA had already spent \$5,900. Mark explained the financials were tight and explained they would have to write off the fraud expenses. RaeAnne explained she continued her investigation and found that the expenses originally thought were fraud were the water bills from the Town of Ridgway. She explained the Town of Ridgway uses a third-party processing company and the phone number given to her from the Alpine Bank Fraud Department and the number on the bank statement were not for the third-party company. RaeAnne explained she was able to contact the third-party vendor and verify they were legitimate charges. Mark discussed that the numbers would increase substantially by moving the charges from the fraud line to the water charges. Mark asked RaeAnne about the recent 40,000-gallon usage. RaeAnne confirmed that 43,000 gallons of water were used last month. Mark explained that water usage would be coming from the commercial water and recommended getting a note to all the commercial owners to check their toilets. Mark explained that Mike went down into the crawl space and verified everything was dry. Mark explained Mike Arrat checked the irrigation system and verified it had not been running and Christine confirmed everything is dry and the plants should be hand watered. Mike verified there was water in the control box but there was no evidence of any leaks. Mark explained Mike replaced the 9-volt battery, dried out the control box and installed the new battery and the system was operational again. Mike set the schedule for an additional 10 minutes to make sure the plants were watered. Mark explained Christine went by on Wednesday and found a leak in the irrigation system and shut it off, and he called Mike Arrat. Mike said he could get by on Friday to take a look. Mark expressed his desire to have all the commercial owners check their toilets and taps or anything that might possibly be dripping or running. He explained he has seen toilets use 65,000-75,000 gallons in a month. Mark explained he did not think it was going to be irrigation related. Mark explained he didn't think Mike was going to find a 20,000-irrigation leak and will wait to see what Mike finds on Friday. John suggested the Town of Ridgway come out to see if the meter was running, as they had a similar issue at their residence. John explained they had not been to their residence at Redcliff but would check over the weekend. Mike explained it had to be coming from the commercial units as all the residential units are individually metered. Mike explained he is always in his Unit and that Jay and Dave and their employees were always in Unit C, which left Units B and A unaccounted for. Mike explained he didn't know the new owner of Unit A so he wasn't sure how often she was there. Mark said he would try and catch them to make sure the toilets were checked and would send an email out to commercial owners. Mark asked RaeAnne how much the water bill was. RaeAnne explained it was \$659. Mark asked if the Town of Ridgway had a forgiveness policy if a leak was found. RaeAnne verified there was, but the leak, repairs and submittal had to be done within 30 days, or it is no longer an option. John commented that his water bill hadn't appeared to increase. Mark verified his payment did not change either and eliminated a water cost increase. Mark asked if there were any other questions. With no other questions, Mark made a motion to accept the financial reports as presented. Mike seconded. All approve and the motion passed unanimously.

4. Old Business

- a) **Maintenance & Repairs. Landscaping:** Mark discussed that the boiler was inspected this year, so the item will be removed from next year's budget. Mark verified there is a sprinkler leak and the vendor has been contacted. Mark discussed the window washer vendor came out and cleaned the windows and homeowners were pleased, and the cost was in line with the budget. Mark explained the vendor was going to leave as payment in the past was delayed, but Mark was able to convince him to stay on. Mark explained the windows were cleaned off schedule but next year they would attempt to schedule the cleaning for mid-June. Mark asked Mike if the tree maintenance had been discussed in May's meeting minutes. Mike verified they had been, but there had been discussion and a motion outside of the meeting. Mark explained they had the branches that block the driveway and needed to be trimmed as the Town had threatened with a fine. Mark explained they hired Climb! Tree Services and was pleased with Jonathan and his team so the HOA retained them as a vendor. Mike agreed the trees looked tremendously better. Mark acknowledged that it had not been budgeted but there was concern about the health and safety of the building, so the decision was made to trim the trees and there will not be a need to budget for a big pruning next year. Mark explained Climb! will keep the sidewalk clear and keep an eye on the tree health for \$350 per year. Mark explained the gutters will be cleaned out annually and

Harold will clean them out again after Mark turns on the heat tape. John asked what Harold charged, and Mark explained it was minimal. Mark asked RaeAnne what he charged and RaeAnne explained she didn't have the invoice on hand but agreed the charge was nominal. Mark explained that was all he had for maintenance and with the fraudulent charges addressed under financial reports, there was no need to discuss it again.

b) Fraudulent Bank Charges. Discussed under Financials.

5. New Business

- a) 2026 Budget. Mark explained the building needs some touch-up on the trim and is starting to fade. Mark explained if they had a painter come out for a bid, the painter will say the entire building needs to be painted. Mark asked Mike's opinion, as he thought the paint could wait another year and the HOA could start planning for something in 2027. Mike suggested finding a painter who would offer their advice on whether the building could wait another year. Mark agreed to reach out to a couple of vendors to get an estimate of when the building will need painted. John asked if it was the body of the building fading or the purple trim. Mark explained the trim is peeling and the exterior of the building is fading. Mark said that Tanya had mentioned the peeling and cracking paint on the trim. John mentioned that Dean Craft painted it the last time and Mark agreed to contact Dean. John suggested considering a different color that may not fade as fast. Mark said he would mention that to the painters. Mark explained he did not want to add any new landscaping and wanted to maintain and water the plants that are currently present. Mike said if money were no object, he would love to add to the landscaping and fill it out, but in light of the recent expenses and the capital expenses coming due, he agreed with keeping with what was there. Mark explained they didn't have any capital projects right now and John was going to look at the building and walk the roof to inspect the condition.
- b) 2026 Board Seats. Mark requested to scratch out Capital Planning and insert 2026 Board Seats. Mark explained that he will work on the budget, that the dues will go up again because of the insurance expenses and possible painting expenses and then he will send it over to Mike, Jay and RaeAnne for review. Mark explained the budget is not complicated and there were not a huge amount of expense items. Mark explained the HOA operates as a three-person Board and Mark is stepping down at the Annual meeting. He stated he was taking a break and stepping back from helping out on the board for a couple of years and was soliciting homeowners to volunteer as at least one seat would be open. Mark pointed out that the Board currently has two commercial owners and one residential owner. Mike thanked Mark for all the hard work he had put in and understood the desire to take a break. Mark thanked Mike and RaeAnne. Mark asked if there were any other questions. With none, Mark moved onto Owner Comments.

6. **Owner Comments.** John expressed his gratitude for the Board for all the hard work they do to keep Redcliff running smoothly. He also thanked RaeAnne. With no other comments and no executive Session needed, Mark moved onto the next meeting date.

7. Executive Session

8. Next Meeting Date

The next meeting will be the Annual Meeting Thursday, December 4th, 2025, at 4:00 pm via Zoom.

9. Adjourn

The meeting was adjourned at 4:55 pm by Mark Dollard.

RESPECTFULLY SUBMITTED by RaeAnne Hadley, Design HOA.