

MINUTES

FIRST WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS FRIDAY, OCTOBER 22, 2010 AT 1:00 P.M. DELTA ROOM, DEL VALLE CLUBHOUSE

President Mel Fredlund called to order the regular meeting of the Board of Directors of First Walnut Creek Mutual on Friday, October 22, 2010 at 1:00 p.m. in the Delta Room, Del Valle Clubhouse, Walnut Creek, California.

PRESENT: Mel Fredlund, President, District 5
Sue DiMaggio Adams, First Vice President, District 3
Randall Morgan, Second Vice President, District 4
(who arrived at 1:20 p.m.)
Sally Nordwall, Treasurer, District 1
Barbara Brooks-Gilbert, Secretary, District 2

Roll Call

Staff was represented by Paul Donner, Director of Mutual Operations; Rick Chakoff, Chief Financial Officer; Rich Perona, Landscape Manager; Doug Hughs, Building Maintenance Manager; and Dyann Paradise, Administrative Secretary.

Mr. Fredlund welcomed the 18 residents in attendance.

APPROVAL OF MINUTES

Ms. Brooks-Gilbert moved to approve the minutes of the September 24, 2010 regular meeting as written and reviewed. Ms. Adams seconded, and the motion carried without dissent.

Approval of Minutes

RESIDENTS' FORUM

Rita Fredlund thanked Sheryl Almon for her efforts in bringing in new color schemes for the buildings in the Mutual.

Residents' Forum

PRESIDENT'S REPORT

Issues discussed at the September Presidents' Forum: introduction of Jeff Matheson, New GRF Resident Services Director; presentation of the 2011 organizational chart and management fees; FHA loan certification.

Presidents' Report

There were 11 resales in September at a median price of \$103,000. Year to date sales total 101 with a median price of \$130,000. There are currently 33 leased manors. Share loans in September were placed in the amount of \$376,000, of which \$189,000 were purchase loans and \$187,000 was a refinance loan.

FWCM currently owns one manor that is about to be listed for sale.

TREASURER'S REPORT – Sally Nordwall

Ms. Nordwall reported revenues are ahead of budget nearly \$70,000 and operating expenses are just slightly over budget in the amount of \$3,139. The aging report shows only .004 per cent in delinquent payments. This is very minimal and shows that the optional automatic payment plan is being implemented by many members.

Treasurer's
Report

An executive session of the Mutual's Board of Directors was held on October 4, 2010 to confer with the Mutual's legal counsel and discuss litigation brought by a Mutual member against Director Melvin Fredlund related to Director Fredlund's actions as an Officer and Director of the Mutual. The Board made no decision at that time and continued the session in order to obtain and review additional information. The executive session was reconvened on October 14, 2010, at which time a majority of the Board voted to approve the Mutual's indemnification of Director Fredlund in the above described litigation up to the amount of the deductible if those funds were not awarded him by the complainant. The hearing has not yet been held and Mr. Fredlund did not attend either executive session.

The Board and staff are seeking alternate strategies for investments in order to secure better rates. Mr. Chakoff is working with Mechanics Bank in this matter and his efforts are appreciated. He will also research options outside of Mechanics Bank.

RESIDENT COMMENT

Resident Carol Austin commented that the Board should remember that investments must follow the requirements contained in the Mutual's Bylaws. Mr. Chakoff reiterated that the Mutual is simply at the investigation stage and will report findings to the Board as they become available.

BUDGET AND FINANCE COMMITTEE REPORT – Sheryl Almon

Ms. Almon reported that the Mutual is \$66,000 ahead of budget, of which \$58,000 was the MOD dividend.

Budget and
Finance
Committee
Report

The next Budget and Finance Committee meeting is scheduled for Wednesday, November 17, 2010 at 11:00 a.m. in the Board Room at Gateway.

(Mr. Morgan arrived at this point in the meeting.)

MUTUAL OPERATIONS REPORT – Doug Hughs

A resident recently ran his vehicle into a support post at a G-11 building. The post will be replaced with the last replacement post that is in the inventory. If another one is needed for replacement, it will have to be fabricated

Mutual
Operations
Report

Mr. Hughs reported the carpenters are working in Entries 1 and 2 on Pine Knoll Drive, to be followed by Entry 29 on Golden Rain Road. This should complete the carpentry reserve work for 2010. The 2010 painting program should also be completed by early November.

PG&E utility crews are working on Golden Rain Entries 23 and 25 installing a new underground electrical service between existing transformers. They will also be working in Entry 15 on Golden Rain. This will probably continue until the end of November.

The rain gutters will be cleaned once most of the leaves have fallen.

LANDSCAPE REPORT– Rich Perona

Mr. Perona reported in lawn, entry, and tree maintenance as well as landscape rehabilitation. (A copy of Mr. Perona's report is attached.)

Landscape
Report

LANDSCAPE COMMITTEE – Randall Morgan

The next meeting is scheduled for Friday, February 4, 2011 at 11:00 a.m. in Multipurpose Room #1 in Gateway complex.

Landscape
Committee

NEW RESIDENT ORIENTATION – Jerry Priebat

Mr. Priebat reported the last orientation was well attended. The next meeting will be held on Tuesday, November 16, 2010 at 10:00 a.m. in the Las Trampas Room at Hillside Clubhouse. (It was noted this is a different location from the usual one at Del Valle.)

New Residents
Orientation

POLICY COMMITTEE – Mel Fredlund

No report.

Policy Committee

UNFINISHED BUSINESS

The Board discussed the possibility of setting up a Safety/Disaster Response Committee. No one has expressed an interest so far, but Dennis Bell, Safety Coordinator, has stated that he would be available to help should a committee be established. Sheryl Almon suggested that the committee start the Map Your Neighborhood program in each entry. Ms. Brooks-Gilbert stated she would write an article for the Rossmoor News and would include herself as a contact person.

Unfinished
Business

Ms. Adams moved to formally approve a Safety Education and Disaster Response Committee for First Walnut Creek Mutual. Ms. Brooks-Gilbert seconded, and the Board unanimously approved the motion.

Approval to
Establish a Safety
Education and
Disaster
Response
Committee

Ms. Brook Gilbert will serve as the contact person to establish the committee.

The Board is continuing their research into rooftop solar panel systems.

NEW BUSINESS

Mr. Donner presented the proposed 2011 budget. Following a line item review of the proposed budget,

New Business

Ms. Brooks-Gilbert moved to approve the 2011 First Mutual operations budget in the amount of \$4,719,038 and the reserves budget in the amount of \$3,228,930 which, along with the GRF portion of \$4,989,696, translates to a total Mutual coupon amount of \$574.00 per manor per month excluding individual property taxes.

Approval of 2011
Budget

The staff is comfortable with the balance in the reserve fund to meet current needs.

ANNOUNCEMENTS

A copy of the resale report is attached.

Announcements

The next regular meeting of the Board is scheduled for Friday, November 19, 2010 at 1:00 p.m. in the Delta Room (Del Valle Clubhouse.)

A copy of the resale report is attached.

ADJOURNMENT

Having no further business, the meeting adjourned at 2:15 p.m. to an executive session to discuss a resident matter.

Adjournment

Barbara Brooks-Gilbert, Secretary
First Walnut Creek Mutual