

MINUTES

FIRST WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS FRIDAY, FEBRUARY 26, 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, February 26, 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
Sally Nordwall, Treasurer, District 1
Barbara Brooks, 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.

Also present were Shannon Walpole, General Counsel/Risk Manager and Joan Petterson, Risk Analyst.

Mr. Fredlund welcomed the 30 residents in attendance.

APPROVAL OF MINUTES

Ms. Adams moved to approve the minutes of the January 22, 2010 regular meeting as written and reviewed. Ms. Brooks seconded, and the motion carried without dissent.

Approval of Minutes

INSURANCE PRESENTATION – Shannon Walpole, General Counsel, Director of Confidential Services and Risk Manager

Ms. Walpole reported that the switch to a new insurance broker resulted in significant savings for 2010 and that this past year was positive relative to insurance claims. The Workers Compensation Board presented new mandates this past year but the premium was less than anticipated due to a change in carriers. Overall, the insurance coverage is better than last year and the master policy premium costs were \$131,000 less than last year due to a new broker and extensive marketing. The assistance of the Insurance Advisory Committee was also invaluable in the research process. (A copy of Ms. Walpole's 2010 Renewal Report is attached.)

Insurance Presentation

PRESIDENT'S REPORT

Mr. Fredlund reported that the main discussion at the February Presidents' Forum centered on a focus group assisting the Long Range Planning Task Force.

President's Report

There were two resales in January at a median price of \$117,250. The Mutual currently owns one manor and will close escrow on that property soon. There was one share loan in the past month. The total share loans to date total \$19 million. Currently there are 38 leased manors representing 2% of the total manors in First Mutual.

Mr. Fredlund reported that a new key storage program is under discussion with the Golden Rain Foundation. Unless or until that program is established, members may give a key to a trusted neighbor or install a lockbox to store a key.

TREASURER'S REPORT – Sally Nordwall, Treasurer

Ms. Nordwall reported the Mutual is currently in good financial condition. There is one outstanding item due to rental of a manor owned by the Mutual. The manor has since been sold. The anticipated MOD dividend for year end 2009, subject to approval by the GRF, will be in excess of \$80,000.

Treasurer's
Report

BUDGET AND FINANCE COMMITTEE – Sheryl Almon, Chair

Ms. Almon reported the Mutual had a \$1.3 million budget in operations in 2009. The Mutual ended the year \$144,000 over budget in 2009, which is approximately 3% of the total budget. The insurance premium was over budget approximately \$35,000. Building maintenance was over budget \$25,000 due to new fire regulations, rain-related repairs, excessive carpentry, and manor inspections. In landscape maintenance, several trees were removed for safety and building security. Utilities were over \$26,000 due to rate increases in water and garbage collection. The 2010 budget was adjusted for these expenses.

Budget and
Finance
Committee

INVESTMENT OPTIONS – Rick Chakoff, Chief Financial Officer

Mr. Chakoff reported that approximately \$5 million is kept in the Mutual in operations and reserves. Market interest rates are currently extremely low. He cautioned that considerations for investments should always include, in order, safety of principal, liquidity, and return. The investments must be backed by the full faith and credit of the US government, such as FDIC insured accounts and US Treasuries. Another option is to purchase brokered certificates of deposit or place funds into a savings account of an "internet bank" that does not have a physical building. Mr. Chakoff will continue to review the investment options and report them to the Board.

Investment
Options

MUTUAL OPERATIONS REPORT – Doug Hughs

Mr. Hughs reported on bridge replacements; roofing; asphalt work; and carpentry. (A copy of Mr. Hughs' management report dated February 26, 2010 is attached.)

Mutual
Operations
Report

LANDSCAPE REPORT – Rich Perona

Mr. Perona reported on lawn, entry, and tree maintenance, as well as landscape rehabilitation. (A copy of Mr. Perona's February 26, 2010 report is attached.)

Landscape
Report

Mr. Perona reported that he received a request from seven residents to have several ginkgo trees removed due to the foul odor of the ginkgo fruit and the messiness created. He has petitioned the City of Walnut Creek for a tree removal permit if the Board decides to remove them.

Mr. Morgan reported that there had been a request for rock installation in a small area near the stairway at 2609 Golden Rain Road #2. Mr. Perona will check the area to determine what is appropriate.

LANDSCAPE COMMITTEE – Randall Morgan

Mr. Morgan reported the February meeting was productive. The next meeting will be held on Friday, April 2, 2010 at 11:00 a.m. in MPR #1. Mr. Morgan reminded residents to contact their district representative with landscape concerns. The bimonthly Landscape Committee meetings are working sessions for general matters and cannot include specific individual requests.

Landscape
Committee

NEW RESIDENT ORIENTATION – Jerry Priebat

Mr. Priebat reported the next orientation will be March 9, 2010 at 10:00 a.m. in the Delta Room at Del Valle Clubhouse.

New Residents
Orientation

POLICY COMMITTEE – Mel Fredlund

Mr. Fredlund led the second reading of the proposed revisions to the carport and parking policy and late payment penalties policies. (A copy of the proposed revisions is attached.) Copies of the proposed revisions will be available in the Mutuals' Board Office for any member wishing to review them. The Board will allow member comment at the March 26 board meeting prior to a vote to approve them. It was suggested that the parking policy include provisions for towing of vehicles in violation.

Policy Committee

UNFINISHED BUSINESS

The Board discussed an exception to the Mutual's Private Garden Policy (in Pine Knoll E-6). The area is not visible and not accessible from any other manor and an extensive landscape plan has been formulated for the area. Legal counsel has also reviewed the plan. It will serve as a benefit to both the Mutual and to the individual member. A draft agreement has been drawn between the Mutual and the individual member.

Unfinished
Business

Mr. Morgan moved to approve the exception to the Mutual's Private

Approval for

Garden Policy for 2432 Pine Knoll Drive #4 because the proposed private garden area is not visible or accessible from any other manor. Ms. Nordwall seconded and the motion carried without dissent.

Exception to the
Mutual's Private
Garden Policy

NEW BUSINESS

Ms. Adams reported that the Long Range Planning Task Force held a program this date for realtors who work in Rossmoor in order to solicit their input.

New Business

Ms. Almon commented that painting consultants from painting companies are available at no charge to recommend a color scheme. Suggestions will be forwarded to the Board for discussion and comment at an open meeting.

RESIDENTS' FORUM

Muriel Wyro, Golden Rain – Entry 6, asked for clarification of the policy revision procedure. Mr. Fredlund explained that proposed policy revisions are reported in the *Rossmoor News* and copies of the proposed revisions are available in the Mutuals' Board Office.

Residents' Forum

Bob Pedersen, Golden Rain – Entry 6, stated he represents two other residents as well as himself. He commented that he is very pleased with the condition of the landscaping overall but there are several messy camphor trees near his manor that continually drop berries and debris all year long. Mr. Morgan stated he would look into the matter to determine what options are available.

Warren Owens, Oakmont – Entry 3, complained about the droppings off the ginkgo trees, particularly the fruits that are malodorous. Some of the ginkgo tree roots are uplifting the sidewalk in various locations. The Board will follow up.

Nancy Grosward, Pine Knoll – Entry 5, reported a neighbor has installed a satellite dish on the roof. Mr. Fredlund reported that the Board is aware of the violation and has written to the resident. The Board is reviewing the matter.

ANNOUNCEMENT

The next regular meeting: Friday, March 26, 2010 at 1:00 p.m. in the Delta Room.

Announcement

ADJOURNMENT

Having no further business, the meeting adjourned at 2:55 p.m.

Adjournment

Dyann Paradise, Assistant Secretary
First Walnut Creek Mutual