

WALNUT CREEK MUTUAL NO. SIXTY-EIGHT

REGULAR MEETING MINUTES OF THE BOARD
MONDAY, SEPTEMBER 26, 2016 AT 1 P.M.
BOARD ROOM, GATEWAY COMPLEX
1001 GOLDEN RAIN RD., WALNUT CREEK, CA 94595

Call to Order

Board President Blum called the meeting to order at 1:04 PM.

Roll Call

Directors Present: Barbara Blum, President
Diane Mader, Vice President
Bill Dorband, Treasurer
Brant Free, Secretary
Larry Cahn, Director (Conference Call)

Mutual Operations staff was represented by Paul Donner, Mutual Operations Director; Rick West, Building Maintenance Manager; Rebecca Pollon, Landscape Manager; Will Kim, Board Services Coordinators; Ten (10) additional Mutual members were present.

Board President Blum welcomed the membership, staff, and thanked everyone for their attendance.

Members' Forum

Residents were afforded the opportunity to express their concerns, make comments, and have questions answered by the Board and M.O.D. staff representatives. The following issues were discussed: earthquake insurance, subsurface soil movement disclosures, and geological conditions throughout the Mutual.

Approval of Meeting Minutes

Barbara Blum asked if there were any additions or corrections to the following minutes:

Regular Meeting of the Board held on Monday, August 22, 2016
Executive Session of the Board held on Monday, August 22, 2016

No requests were made for additions or corrections. Therefore, the minutes to the aforementioned meetings were approved.

Moved, seconded, carried 5-0

Financial Report: Bill Dorband, Treasurer

Operations: A review of the August, 2016 financial statement shows that the following:

- Expenses are running behind budget (spending less than budgeted year to date) in the areas of Carpentry (approx. \$13,595), Rain Leaks (\$11,225), Smoke Detectors (\$5,780), Property Insurance (\$7,337) and Water (\$35,954).
- Expenses are running ahead of budget (spending more than budgeted year to date) in the areas of Doors, Windows and Hardware (\$5,212) and Lighting (\$5,798).
- Projections made by the staff are that by year end, we will be approximately \$28,000

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favorable to budget in operations. This is due in part to the insurance refund and in part to the transfer of some Carpentry and Smoke Detector expenses to reserves. Other expenses will be in line by yearend.

- In January, we should expect that several annual expenses, primarily insurance premiums, will cause us to create a temporary shortfall in our operating cash balance, requiring a short term transfer of funds from reserves. This transfer, like a loan, is to be paid off within the year. This shortfall is due to the cyclical nature of the expenses when compared to the revenues for January.

Reserves: Our reserve balance has been increased during the year by the special assessment of \$587,500, and by coupon contributions of \$367,000. However, due to expenditures of over \$700,000, the staff projects that our reserve balance by the end of the year will be approximately \$758,000. This amount is substantially less than the reserve balance needed if we were to follow recommendations made in the Reserve Report generated by the Helsing Group. The Finance Task Force is concluding its investigations and recommendations on future reserve needs, and will provide a final report to the Mutual Board and residents at the October Board Meeting. That is the meeting that traditionally is attended by many residents and where the 2017 Budget and Coupon are discussed.

Landscape Report: Rebecca Pollon, Landscape Manager

Lawn Maintenance: Lawns are being mowed weekly. Turf is being irrigated as weather requires, typically every 2-3 days. As weather cools watering frequency will go down and mowing will become less frequent. Over-seeding will begin in October.

Entry Maintenance: Maintenance crews are on schedule pruning shrubs, spot spraying weeds and blowing sidewalks clear of debris. This month, crews are focusing on Coleonema (Sunset Gold), Society Garlic and Podocarpus.

Tree Maintenance and Removal: There are no current tree removal permits pending in Mutual 68. Tree maintenance must be approved by the landscape representative and performed by authorized contractors using guidelines specified by the city of Walnut Creek. Topping of trees is not permitted per city ordinance.

Landscape Rehab: There is no scheduled landscape rehab work at this time.

Building Maintenance: Rick West, Building Maintenance Manager

Work in Progress:

- Phase II Overflow Protection Devices: Four plex installation of secondary pop ups by Davis Plumbing is 80% complete.
- MOD dry rot rehab work on Phase II, in preparation for 2017 painting of 31-buildings is currently being worked on at Spotted Owl.
- 3014 GE: Front landing slurry coat estimates from Five Star for \$2,635 was presented. Tabled, pending a proposal from AMAC Construction.
- 2842 SI: Water intrusion at back door threshold. Approved change order containing new scope of work was presented to the Board, which includes replacing dry rotted door by AR Construction for total cost of \$2,425.

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The Board reviewed and discussed estimates for gutter cleaning services. A motion was made to approve All-Clear Window & Gutter Cleaning Company for gutter cleaning services with a total cost of \$6,250.

Moved, Seconded, Carried 5-0

The Board reviewed and discussed proposal for dry rot repairs in and around front landings at 556 Spotted Owl. A motion was made to approve Toupin Construction for dry rot repairs found in and around the front landing at 556 Spotted Owl with a total cost of \$19,400.

Moved, Seconded, Carried 5-0

Follow-up:

- 616 RW: Privacy lattice on side of rear deck completed by Joe Matta Construction.
- Pressure Regulators: Davis Plumbing completed installation of six (6) new regulators and adjustments to existing regulators.
- 578 HE Rear Deck: Completed by Toupin Construction for \$7,200.
- 2016 Phase I repainting of 21-Buildings: Completed by Mirt Painting, except punch list items.

President's Report: Barbara Blum

Comcast Presentation: Comcast representatives presented a full explanation of the new services commencing on January 1, 2017 for Rossmoor residents. One interesting feature which was explained is that the unlimited phone service which we currently have includes all of U.S.A., Mexico, Canada, China, Hong Kong, India, Singapore, South Korea and Guam. They are continually expanding that service to other countries.

Adequacy of Helsing Report: Many Mutual Presidents expressed their displeasure with the Helsing Report. Many Mutuals disregard it when developing their Budgets.

Nixle Emergency Notification System: The Nixle Emergency Notification System will be up and running as of the end of October, Dennis Bell reported.

MOD Management Fee: The MOD Management Fee which is a part of our Coupon will be increased, it is thought now, by 4.18% which is almost entirely due to the addition of one employee. That employee will work in the IT department and will be paid 50% by MOD and 50% by GRF. The increase works out to \$1.90 in the Coupon.

MOD Mutual Director's Guide: Paul distributed an updated Director's Guide for use by all Mutual Board Directors.

Building Committee: Jack Cassidy, Chair; Larry Cahn, Liaison

The Building Committee is in the process of identifying areas that require new black non-slip strips or white paint on the four-plex stairs.

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Community Information Committee: Vickie Hipkiss, Chair; Diane Mader, Liaison

Committee Chair Hipkiss indicate they are preparing the October 2016 edition of The Eagle Ridge News (TERN).

Emergency Preparedness Committee: Brant Free, Chair, Barbara Blum, Liaison

Committee Chair Free indicated two (2) CD radios were purchased and a centralized area to store emergency supplies will need to be located.

Landscape Committee: Barbara Blum, Chair; Brant Free, Liaison

During the quarterly walkthroughs, areas that are not blown will be identified. Quarterly committee walkthroughs will start in October. Following the walkthrough, the next Committee Meeting will be held on October 25th at the MOD Large Conference Room.

Database Committee: Jo Jones, Chair; Vicki Hipkiss, Vice Char.

Please forward new phone numbers and emails to Vicki Hipkiss at v.hipkiss@comcast.net

Color Palette Committee: Brant Free, Chair; Larry Cahn, Liaison

No report was provided by the Color Palette Committee. The Color Palette Committee will not appear on upcoming agendas until further notice.

Social Committee: Wendy Dorband, Chair, Bill Dorband, Liaison

The Holiday Party will be held at the Event Center on December 12th. The Mutual is expects approximately 140-residents and catering will be provided by Creekside.

Welcome Team Committee: Casey Dixon, Chair, Bill Dorband, Liaison

The Welcome Team Committee is continuing to welcome new Residents.

Finance Task Force for Budget Review: Doug Todoroff, Chair, Bill Dorband, Liaison

The Finance Task Force, which has been working over the past several months, will give its report to the Board and to the Residents at the October Board Meeting on October 24. Thereafter, the Task Force will be disbanded. Continuing its work will be a newly formed Mutual 68 Finance Committee, a standing committee, which will review all financial aspects of mutual operations, and advise the Board regularly.

Creation of Finance Committee

Enclosed herein as "attachment 1," a set of goals and objectives for the standing Finance Committee was presented. A motion was made to approve the creation of a standing Mutual Sixty-Eight Finance Committee.

Moved, Seconded, Carried 5-0

A motion was made to approve Dwight Walker as the Committee Chairman for the standing Mutual Sixty-Eight Finance Committee.

Moved, Seconded, Carried 5-0

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Disclosure for New Buyers

Provided by Hughes Gill Cochrane, a Disclosure to Realtors and Prospective Buyers regarding subsurface soil movement and geological conditions was mailed to the membership. A seller of real estate has both a common law and statutory duty of disclosure.

Smoking in Common Area

There have been reports of a heavy smoker in a fairly heavily wooded area at the end of High Eagle. Residents believe the smoking in the area has stopped. If smokers are identified, please contact the City of Walnut Creek at (925) 256-3535.

Archiving Board Communications to Residents

The Disclosure to Realtors and Prospective Buyers regarding subsurface soil movement and geological conditions will be uploaded to the Rossmoor & Mutual 68 websites.

Comcast Contract

The Mutual will keep their current bundle package with Comcast and pay \$2.75 a month less, which include two (2) DVRs. For residents who are new to the program, this will only cover one (1) cable TV and no DVRs. The Board will need to establish a decision on the phone service package at \$20 a month per manor and the DVR service package at \$9 a month per manor. Tabled, pending a review and investigation by the Finance Committee.

Next Board Meeting

The next meeting will be held on Monday, October 24, 2016 at 1:00 p.m.

Adjournment

President Blum adjourned the meeting at 2:57 PM.

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the approved minutes of the Board of Director's meeting.



Secretary

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Attachment 1

**MUTUAL SIXTY-EIGHT FINANCE COMMITTEE:
GOALS AND OBJECTIVES**

REVIEW THE MONTHLY AND ANNUAL FINANCIAL STATEMENTS AND RAISE ISSUES TO BE ADDRESSED BY THE BOARD OF DIRECTORS

ANALYZE BUDGET RECOMMENDATIONS FROM MOD AND OTHER SOURCES TO ADVISE THE BOARD OF DIRECTORS ON THE PROPER LEVEL OF RESERVES REQUIRED

PREPARE PROJECTIONS TO DETERMINE CAPITAL EXPENDITURES NEEDED IN THE FUTURE

ADVISE THE BOARD OF DIRECTORS ON THE MUTUAL'S PRACTICAL AND LEGAL REQUIREMENTS TO DISCLOSE FINANCIAL INFORMATION TO THE RESIDENTS

REVIEW COSTS FOR SERVICES AND ACQUISITIONS TO DETERMINE THE MOST FINANCIALLY ADVANTAGEOUS OPTIONS

INVESTIGATE FINANCING OPTIONS IN THE EVENT THAT LARGE RESERVE EXPENDITURES ARISE IN THE FUTURE