

FIRST WALNUT CREEK MUTUAL
FIFTY-SECOND ANNUAL MEETING OF MEMBERS
TUESDAY, OCTOBER 8, 2019 AT 10:00 A.M.
FIRESIDE ROOM – GATEWAY CLUBHOUSE

President, Sally Nordwall, called to order the Fifty-Second Annual Meeting of Members at 10:00 a.m. on Tuesday, October 8, 2019 in the Fireside Room, Gateway Clubhouse, Walnut Creek, California.

PRESENT: Sally Nordwall, President, District 1
Gerald Priebat, 1st Vice President, District 2
John Moe, 2nd Vice President, District 3
Patricia Donahue, Treasurer, District 4
Shanti Haydon, Secretary, District 5

ABSENT: None

Mutual Operations was represented by Paul Donner, Director of Mutual Operations; Doug Hughs, Building Maintenance Manager; Rebecca Pollon, Landscape Manager; Jo Ann Cooper Financial Analyst; and Anne Paone, Administrative Secretary.

Ms. Nordwall welcomed the sixty-five residents who were present.

Ms. Nordwall introduced the Board of Directors, Mr. Donner and the MOD staff.

CERTIFICATION OF NOTICE – Anne Paone, Administrative Secretary

Administrative Secretary, Anne Paone, read the Certification of Notice for the Annual Meeting of October 8, 2019 certifying that, pursuant to Article 6, Section 6.6.1 of the Bylaws of First Walnut Creek Mutual, notices of the location, date and time of the Annual Meeting were published in the *Rossmoor News* on August 28th, September 18th, and October 2nd and the meeting was included on the calendar posted on the First Walnut Creek Mutual website.

APPROVAL OF MINUTES

Ms. Nordwall asked for any additions or corrections to the minutes of the Annual Board Meeting and the Organizational Meeting held on October 9, 2018. Hearing none, Ms. Nordwall declared them approved as written and reviewed.

GUEST SPEAKER

Mr. Donner introduced Sharon Fees. She was recently promoted to Mutual Services Administrative Manager. Ms. Fees did a presentation on the Alterations Department explaining the process required to complete a request for an alteration to their manor. It was well-received and very informative.

BUDGET

Ms. Nordwall introduced Mr. Donner to present the proposed 2020 budget and also

introduced Jo Ann Cooper. She reported that Ms. Cooper works hard all year compiling numbers for the budget.

Mr. Donner explained that they look at 2018 actual expenses through 2019 to create the 2020 budget. Mr. Donner gave a summary of the proposed budget for 2020. He advised the membership that there are 3 parts to consider. The operating fund is for day-to-day maintenance and repairs. The reserve fund is for repair and replacement of major components over 30 years, such as asphalt and painting. The GRF portion is to maintain Trust facilities such as pools, golf course, clubhouses, GRF streets, cable T.V., etc.

MOD's fee will go up \$2.04 due to a 4.1% COLA increase for employees.

Insurance is purchased in December, so a best estimate is figured into the budget. We will see an increase of \$19.28, which is up by 65.2%. This increase is due to a bigger increase than anticipated last year and to cover 2020 insurance costs. Events that happened this year in Rossmoor and throughout California have affected the rates.

Landscape Maintenance has gone down by \$.42, which is a .07% decrease.

The total increase for Utilities is \$1.71, which is an increase of 2.7%.

The increase in Working Capital is \$15.52, which is an increase of 596.9%. This money could be used to pay the insurance premium without having to borrow from reserves.

The Mutual Reserves Assessment is \$11.19 for an increase of 7.6%.

The GRF increase for the Trust operations and Cable TV Service is \$12.68.

The total Mutual Assessment is \$51.32.

The total Basic Assessment is \$64.00.

The monthly per manor total is \$745.00.

Residents were encouraged to ask any questions pertaining to the budget.

TREASURER'S REPORT

Ms. Nordwall commented that Pat Donahue, Treasurer, is hopefully enjoying time on the Camino Trail in Spain. Ms. Donahue asked Ms. Nordwall to give her treasurer's report. Pat says, FWCM is in good financial condition. The budget overages are primarily due to the Insurance Premium increase. The budget is prepared and circulated in November and the Insurance premium is not received until year end. Then it must be paid in full at the beginning of the new year. We had budgeted a 32.8% increase and the increase came out at 57%. Our accounting procedures show it spread out monthly, so we have been showing a monthly overage. Other contributors to the budget overages were water usage and rate increases. There were also gutter and other repairs from the wind and rain. Remember, those were budget overages and not cash shortages. Our cash flow position is fine.

It is incredible that there are only three delinquent accounts requiring board action. Two are due to death and being managed with the attorneys involved. These excellent results are due to the performance of Mireya Cruz our accounts receivable representative, the accounting department so well managed by Tess Haskett, and the diligence of our members. There are several accounts with small amounts past due. These could be cleared by using Automatic Deductions from checking accounts. We will waive one late fee when you sign up for automatic deduction. It makes good sense as to free yourself from repetitive tasks while trying to enjoy or prepare for

retirement.

LANDSCAPE

Ms. Nordwall had the landscape committee stand and acknowledged them for their work.

Ms. Nordwall introduced Rebecca Pollon, Landscape Manager. Ms. Pollon's report was as follows:

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TREE

The lion's share of our funds had to be used for tree work this year, including but not limited to the following:

- The removal of 49 dead, dying or dangerous trees (mostly Monterey Pines)
- Building clearance mutual-wide
- The preventative treatment for 50 Canary Island Pines

2020

- We will be updating our tree inventory and creating multi-year plans for structural pruning and preventative health treatments to improve the appearance and prolong the life of high-value trees

LANDSCAPE REHAB

So far this year we have accomplished the following:

- Completed our three-year mulching application by installing nearly 500 yards of compost and mulch
- Replaced approximately 350 plants in the landscape
- Completed 12 mid-sized building/landscape rehabs
- Completed 5 roadside 'capital improvement projects'

2020

- We will be catching up with many landscape rehab projects that had to be delayed this year
- We will 'start over' on our mulching project
- Complete remaining roadside 'capital improvement projects'
- We will continue with entry/building rehabs once all the pending requests have

been addressed.

- Look into developing a 'Master Plan' for FWCM

MUTUAL'S OPERATION REPORT

Mr. Hughs gave the following report.

Major carpentry and paint work has been completed for 28 buildings. Roofers are currently working on 2301 Pine Knoll. We will do 2 more buildings. We are catching up on asphalt work. Due to trip hazards, Entry 14 has some concrete work being done.

COMPOSTING

John Moe reported that the largest item in the landfill is food waste. The Mutual started composting in April. Neighbors should help neighbors. Residents should try to keep enclosures clean. Trash is just plain smelly.

PRESIDENT'S REPORT TO THE MEMBERSHIP

Ms. Nordwall gave the following report.

As a Board, our job is to monitor the work being done to provide a safe, productive and attractive community in FWCM. We are also charged with helping residents remember the rules and abide by them.

Working as a team, this Board was able update policies to comply with Davis Stirling's constant revisions. The largest project was to create and get approved a Solar Energy Policy. That was not the largest project because we had so many clamoring for it, but rather because there was a demand date in California law. Moving to the issue of Safety, by working closely with Dennis Bell, we took some aggressive action in several cases that added greatly to the safety of our members.

We set up an ad hoc committee chaired by Mary England to investigate the need for an exclusive website for FWCM. Please remember to fill out and leave your completed surveys here.

Much of our work requires patience as we deal with those members who need special attention with their repair needs, or personal relations. John Moe handles most of the recycle and composting issues that arise, and he does it with panache. Jerry Priebat adds his calm and compassion to difficult cases. Pat Donahue brings a legal background to keep us on the straight path. Shanti Haydon answers all complaints and problems quickly and efficiently. As their leader, I see myself as a problem solver and I must learn that not all problems can be solved.

We didn't cure cancer; we didn't create world peace; but we did continue to guide this portion of Rossmoor, defined as First Walnut Creek Mutual, in a mostly calm manner. We continued the work of our previous leaders who should be acknowledged. When I first came on the Board Mel Fredlund as President always made sure that we had some humor as we dealt with tough issues. Under his direction HUD Loans were paid off and Share Loans were approved. Now residents can finance their manor purchases rather than coming up with full purchase price. Under Sue DiMaggio Adams, the policies and bylaws were revised. Major undertaking. Ken Anderson led us through adjusting to those and countless other changes skillfully making it feel like calm seas. I have asked

these folks to stand and be acknowledged. We need to acknowledge the past contributions of Jerry Priebe as president of GRF and FWCM. I have tried to lead this team in a manner that honored their contributions.

RESIDENTS' FORUM

Resident commented that expenses are so high and water leaks all over our sidewalks.

Resident suggested increasing the number of directors for FWCM.

Resident asked that fire hazards be considered when thinking of trees to be planted.

RESULTS OF ELECTION and ANNOUNCEMENT OF ELECTED DIRECTORS

We are now at the point where I announce the newly elected directors:

In order to do this, I must retire two directors. Shanti Haydon has served FWCM as Director of District 5 for 6 years. Her strength as a director is the speed with which she dealt with issues. If she was unsure, she always asked for another opinion, but she did it quickly. She saw needs and got the board to address them. Examples are the Vets Move Junk cleanup, the Carport cleanup, and getting a second lender for share loans. She says her primary concern is having an attractive community. She has been successful at that. Shanti we hate to say goodbye to you. Ms. Nordwall gave her a small gift.

Ms. Nordwall stated that the other director to be retired is herself.

The results of the election for 2019 is as follows:

I, Anne Paone, Assistant Secretary of FIRST WALNUT CREEK MUTUAL, hereby declare that the results of the election for Directors of FIRST WALNUT CREEK MUTUAL are in order and that the following persons have been elected by acclamation:

Peggy Kaiser
Tom Hansen

They are hereby seated on the Board to serve a three-year term.

Ms. Nordwall reported that she would like to introduce the new director for District One, Tom Hansen. Tom and his wife have lived here for the past five years. He brings a corporate background of Materials Manager for Techtronic's (which became part of Fisher Products.) and time on the HOA Board of the smaller community where they lived. He has enjoyed living in Rossmoor and wants to give back to the community. He told me that in his first six months here he met more people than he knew in his previous residence.

She also introduced Peggy Kaiser, the new director for district 5. Peggy moved here in April of 2016. She has retired from USPS and still serves on some of their union boards. She told me she is anxious to serve on the board so she can learn more about the governance of FWCM. She has served on the Budget and Finance Committee and attended meetings of the GRF Budget and Finance Committee.

Now as Tom and Peggy take their seats at the head table, I would like to remind you to turn in your Website Surveys and stay in your seats for the three minute Board Organizational Meeting.

Mr. Priebat thanked Ms. Nordwall and Ms. Haydon for their dedication and thoroughness in serving the community.

ANNOUNCEMENTS

Mr. Priebat announced there would be an Organizational Meeting immediately following adjournment of the Annual Meeting.

ADJOURNMENT

Having no further business, the meeting adjourned at 11:30 a.m. to an organizational meeting to elect officers.



Anne Paone, Assistant Secretary
First Walnut Creek Mutual