

MINUTES

FIRST WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS FRIDAY, OCTOBER 25, 2019 AT 10:00 A.M. DONNER ROOM – EVENT CENTER

President Gerald Priebat called to order the regular meeting of the Board of Directors of First Walnut Creek Mutual on Friday, October 25, 2019 at 10:00 a.m. in the Donner Room, Event Center, Walnut Creek, California.

PRESENT: Gerald Priebat, President, District 2
Tom Hansen, 1st Vice President, District 1
John Moe, 2nd Vice President, District 3
Pat Donahue, Treasurer, District 4
Peggy Kaiser, Secretary, District 5

EXCUSED: None

Staff was represented by Paul Donner, Mutual Operations Director; Rick Chakoff, Chief Financial Officer; Rebecca Pollon, Landscape Manager and Anne Paone, Administrative Secretary. Jo Ann Cooper was also in attendance.
Doug Hughs, Building Maintenance Manager – Excused, on temporary leave.

Mr. Priebat welcomed the 20 residents in attendance.

GUEST SPEAKER

Mr. Priebat welcomed and introduced guest speaker, Minh N. Phan, Securitas Manager.

Mr. Phan replaces Molly Ayers in the position.

Mr. Phan reported that he was a police officer for 22 years. Seven of those years were in Los Gatos. He recently retired and decided to take the Securitas position. He has experience with natural disasters. He also did undercover work as a police officer. He is happy to be here at Rossmoor.

APPROVAL OF THE CONSENT CALENDAR

The consent calendar consisted of:

Regular Meeting Minutes – September 27, 2019

Ratifying of Compliance with Section 5500 of Davis-Stirling – Deferred to November meeting.

Ms. Donahue moved to approve the minutes as presented. Mr. Hansen seconded and the motion carried without dissent.

RESIDENTS' FORUM

The Residents' Forum was held. Topics included comments about the proposed 2020 budget increase. Residents were concerned about the large increase. Resident asked if

carports can be blown with leaf blower. Mr. Priebat explained that used to be done, but residents had various complaints, so it was stopped. It is the resident's responsibility to seep out their carport. A resident commended the Board for their work on the budget and understands why the increase is necessary.

LANDSCAPE REPORT

Ms. Pollon read her report as follows:

ANNUAL REPORT-2019

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

RESIDENT REQUESTS

If you have landscape *maintenance* requests (pruning or irrigation), please direct them to the MOD work order desk. If you have landscape *improvement* requests please contact your mutual landscape representative.

WORK ORDER DESK

By phone: 988-7650

By email: WORKORDER@ROSSMOOR.COM

Ms. Pollon read through the proposals she was presenting to the Board. Three are in district II and two are in district V.

Trees will be removed between entries 19 & 21 (Pines) for a cost of \$9,675. This will be done in January. Ms. Donahue didn't think this should wait until January.

Ms. Donahue moved to approve the removal and pruning of trees at the top of Golden Rain Road in the amount of \$9,675 to be done by Waraner. Mr. Moe seconded and the motion carried without dissent.

Ms. Pollon reported that the annual plantings for the color spots should be done soon. The cost will be \$5,230.00 on Golden Rain, Tice Creek and some other areas.

Mr. Moe moved to approve the color spots in the amount of \$5,230. Ms. Kaiser seconded and the motion carried without dissent.

The Board will wait for their November meeting to address the other proposals.

Landscape Committee Chair, Chris Folger reported that tree work is critical. She is happy the color spot proposal was approved. She recommends delaying the 6 projects regarding plantings. She asked for a sketch so it can be visualized. She would like the Board to walk the 3 areas for planting before deciding to approve the proposal.

Yvonne Provaznik and Robert Remington have been appointed to the Landscape Committee.

TREASURER'S REPORT

Ms. Donahue explained the budget process with the Board working with MOD staff and the Budget & Finance Committee. The Mutual still has an insurance budget deficit. There is also a deficit due to gutter cleanings and rain leaks. The Board has a fiduciary duty to make sure the Mutual has funds to maintain the assets. Unanticipated events cause deficits. Part of the increase is to build up the reserves. FWCM is 39 out of 41 budgets on the low end. The reserves must be at an adequate level required by law.

Ms. Donahue moved to approve the 2020 budget as presented with a \$64 increase for a total of \$745.00 per month per manor. Ms. Kaiser seconded and the motion carried without dissent.

Mr. Priebat commented that the Board tries to create a budget in a manner that means no special assessments will be required.

Mr. Donner reported that insurance is a big issue.

The insurance came in over the budgeted amount in 2019, so the Budget reflects last year and 2020 budgeted amounts. Working capital has a negative balance. When there is no

money there, the Mutual needs to borrow from the reserves. The reserves has an \$11.00 increase. The reserves need to be funded so that it meets the 30-year obligations.

Rick Chakoff reported that they are trying to make up for the budget deficit in insurance. Insurance has gone up due to events in Rossmoor and events in all of California. Most of the insurance is for fire with property insurance. Insurance is placed in December, so the number is an estimate when the budget is being done.

John Moe commented that residents are concerned about a large increase, but it can't be avoided due to insurance.

Ms. Donahue reported that this increase is also due to trying to keep the coupon low for the past 10 years.

BUDGET & FINANCE COMMITTEE

Ms. Autrey reported that she would like a note placed on proposals to indicate if the money is coming from the operating or reserve fund.

Paul Moderacki was elected as vice chair of the committee. The water project is on hold, but getting close. Deb Thomas is the liaison for the Budget & Finance Committee. Ms. Autrey suggested the Board look at solar, charging stations and earthquake insurance.

MUTUAL OPERATIONS REPORT

Mr. Donner read Doug Hughs report as follows:

CARPENTRY- Carpenters have completed the list of buildings to rehab this year and are now checking and replacing any back deck support beams on Sonoma/Sequoia buildings that are on the list for next year.

PAINT- Painters have completed the paint rehab work for this year.

ROOFING- The last two Durolast roofs to be replaced this year are located at 2132 Golden Rain Road, entry 13 and 3117 Golden Rain Road, entry 24. They will be complete by the end of November.

DRAIN LINE WORK-The French drain work has been completed at 2064 Golden Rain road, entry 8.

Mr. Donner reported that Eric Howard will fill in for Mr. Hughs while he is out on leave.

RECYCLE/COMPOSTING

Mr. Moe reported he read a New York Times article that stated only 50% of recyclables are actually recycled. He thought it would be nice if neighbors would help neighbors understand how to recycle. There will be no changes by Republic Services until after the end of the year.

WEBSITE

Mary England reported that the Board commissioned an Ad Hoc Committee to look at the feasibility of a FWCM website. The committee did a survey at the request of the Board. Of 51 surveys, 38 said yes to a website and 8 said no.

Mr. Moe asked Ms. England for her recommendation. She recommended proceeding and using a vendor for about \$650 for the first year. The Board would also need to get legal counsel regarding the website and information that can be posted. Mr. Priebat suggest expanding the size of the committee, do more research and then come back to the Board. Ms. Donahue suggested extending the Ad Hoc Committee for one more month. She will review the report with Mr. Priebat, while the other Board members review it, too. Ms. England agreed.

PRESIDENT'S REPORT

Mr. Priebat reported there was no Presidents Forum held. Mr. Hansen will attend Monday's meeting.

ORIENTATION – Gerald Priebat

Mr. Priebat reported the next meeting will be on November 12th at 10:00 a.m. in the Donner Room. Existing residents are invited to attend. Due to the Annual Meeting, there will not be an orientation in October.

UNFINISHED BUSINESS

None

NEW BUSINESS

Previously addressed in meeting.

ANNOUNCEMENTS

The next regular Board meeting: Friday, November 22, 2019 at 10:00 a.m. in the Donner Room at the Event Center.

ADJOURNMENT

Having no further business, the meeting adjourned at 11:25 a.m.



Anne Paone, Assistant Secretary
First Walnut Creek Mutual