

## MINUTES

### FIRST WALNUT CREEK MUTUAL SPECIAL MEETING OF THE BOARD OF DIRECTORS WEDNESDAY, SEPTEMBER 9, 2020 AT 1:00 P.M. ZOOM

President Gerald Priebat called to order the special meeting of the Board of Directors of First Walnut Creek Mutual on Wednesday, September 9, 2020 at 1:03 p.m. via ZOOM.

PRESENT: Gerald Priebat, President, District 2  
John Moe, 2<sup>nd</sup> Vice President, District 3  
Pat Donahue, Treasurer, District 4  
Peggy Kaiser, Secretary, District 5

ABSENT: Tom Hansen, 1<sup>st</sup> Vice President, District 1  
John Moe, 2<sup>nd</sup> Vice President, District 3

STAFF: MOD: Paul Donner, Mutual Operations Director; Rick Chakoff, Chief Financial Officer; Tess Haskett, Assistant Controller; JoAnn Cooper, Financial Analyst; Doug Hughs, Building Maintenance Manager; and Rebecca Pollon, Landscape Manager

B&F COMMITTEE: Jean Autrey, Chair; Young Chung; Paul Moderacki, Vice-Chair and Secretary; Ann Prichard; Deborah Thomas

ABSENT: Sandra Crinnion [asked to be excused]; Andrea Szentirmai

Mr. Priebat welcomed the 2 residents in attendance.

### RESIDENT FORUM

No speakers

### 2021 DRAFT BUDGET

MOD staff gave explanations/reasoning behind the 2021 draft budget. The dramatic increase in insurance premiums, which has decimated working capital, is the driving force in the probable need for a large increase in 2021. As the budget was presented, board and committee asked many questions and explored several different budget scenarios.

Unfortunately, 2020 is the third year that insurance has exceeded the budgeted amount. It has put working capital in a negative position. The Mutual must pay back the funds, borrowed from property and reserve accounts, to keep Operation [aka working capital] Account funded, but must also rebuild the working capital. As insurance premiums have increased 50% year over year, the past two years, and western fires continue, the Mutual feels it financially prudent to consider budgeting for another 50% increase in 2021 insurance premiums. Other line items increased such as utilities, both water and trash collection.

In order to meet just the threshold funding number provided by Helsing in their Reserve Analysis Report, the Replacement Reserve Fund portion of budget will need to be increased. There was a discussion regarding components that are part of the Report including how the original GE A/C units were categorized and if there is a timeline for replacement?

The 2021 budget is not yet finalized. It will next be discussed at the Budget and Finance Committee meeting on September 17 at 10:30 a.m. Zoom login information will be on the agenda posted on Rossmoor website under First Mutual.

#### ADJOURNMENT

Meeting adjourned at 2:58 p.m.

Submitted by Peggy Kaiser, Secretary



---

Anne Paone, Assistant Secretary  
First Walnut Creek Mutual