

## MINUTES

### FIRST WALNUT CREEK MUTUAL REGULAR MEETING OF THE BOARD OF DIRECTORS FRIDAY, JANUARY 22, 2016 AT 11:00 A.M. DONNER ROOM – EVENT CENTER

PRESIDENT Ken Anderson called to order the regular meeting of the Board of Directors of First Walnut Creek Mutual on Friday, January 22, 2016 at 11:00 a.m. in the Donner Room, Event Center, Walnut Creek, California.

PRESENT: Ken Anderson, President, District 4  
Shanti Haydon, Second Vice President, District 5  
Sally Nordwall, Treasurer, District 1  
Gerald Priebat, Secretary, District 2

EXCUSED: Nancy Turnier, First Vice President, District 3

Staff was represented by Paul Donner, Mutual Operation Director; Rick Chakoff, Chief Financial Officer; Doug Hughs, Building Maintenance Manager and Anne Paone, Administrative Secretary.

Mr. Anderson welcomed the 14 residents in attendance.

#### APPROVAL OF THE MINUTES

Mr. Priebat moved to approve the minutes of the regular session Board meeting of November 20, 2015 as written and reviewed. Ms. Nordwall seconded and the motion carried without dissent.

Mr. Priebat moved to approve the minutes of the executive session Board meeting of November 20, 2015 as written and reviewed. Ms. Nordwall seconded and the motion carried without dissent.

#### RESIDENTS' FORUM

Suzanne Aldrich, Oakmont Dr., Entry 12 – Ms. Aldrich thanked everyone for putting the barriers around the main drain and fixing the drainage canal in the hill behind the building.

Susan Felthousen, Oakmont Dr., Entry 10 – Ms. Felthousen discussed parking issues such as contractors and caregivers parking in guest parking. Mr. Anderson stated that there is limited parking because when Rossmoor was build people generally only had ane car. This is a difficult problem to resolve because parking is so limited.

Judy Foley, Golden Rain Road, Entry 6 – Ms. Foley reported that cars were parked on both sides of the entry. She suggested that one side have a complete red zone.

#### LANDSCAPE REPORT

Mr. Donner reported the following report as provided by Mr. Perona:

**LAWN MAINTENANCE:** Mowing will be as needed throughout the winter. Irrigation will be suspended and will only be on for system checks or as needed for new plants. Turf will be fertilized next month with 16-6-8, Turf Supreme.

**ENTRY MAINTENANCE:** Crews are working on spraying for weeds in shrub areas and edging groundcover beds. Shrub pruning this month will include Oleanders and Hypericum. The main task for crews in the next couple of months will be leaf clean-up, at least once a week.

All landscape areas are being sprayed with a pre-emergent weed control for fall/winter annual weeds.

**TREE MAINTENANCE:** All work orders are taken care of monthly. Small trees are being pruned for structure and form, staking and deer caging will also be addressed. Selected Crape Myrtles are being pruned. Two Monterey Pines at Rockledge Lane entry 3 were removed because of storm damage on Monday, January 18<sup>th</sup>.

**LANDSCAPE REHAB:** The turf removal projects approved at the last board meeting were completed. Several drain installation projects are currently underway.

The next landscape meeting is scheduled on February 5<sup>th</sup>, 2016 at 11:00 a.m. in MPR #1.

### TREASURER'S REPORT

Ms. Nordwall reported that the preliminary financials for December show that the state of the Mutual is excellent. There is only one account that is over 90 days past due in the amount of \$4,000. There is \$32,000 outstanding for 30-60-90 days.

Ms. Nordwall has taken some calls about the coupon increase. The coupon was increased by \$4.00. Any additional increases on the coupon are due to personal property taxes.

There were 16 resales in December for a median price of \$317,500 and YTD 183 resales for a median price of \$320,000.

Mr. Chakoff reported that the December Preliminary Financials show a deficit of \$54,000. This translates to about a half of a percent, which when you are talking about ten million in revenue, this basically means the Mutual is on budget. The larger variances were in building maintenance and public works. Fire Safety was \$100,000 of \$161,000 deficit and plumbing was the rest. Utilities was \$133,000 over budget, due to water usage. Insurance is under budget. The 2016 budget includes a 5% increase for insurance, but it actually came in at a 5% decrease.

Mr. Priebat asked if the assessor automatically increases property taxes when home values go up. Mr. Chakoff replied that in a normal economy taxes will go up 2% across the board because of Proposition 13. In a recession, housing prices go down and taxes go down, but when the economy comes back, homes will be assessed as normal.

### BUDGET & FINANCE

Ms. Nordwall reported that the committee met on January 14<sup>th</sup> and reviewed two projects. One project was the replacement of water-cooled air conditioners. The Budget & Finance Committee has done an excellent job of monitoring the cost savings. The other issue was electric cars. It is the responsibility of the owner to pay for the electricity to charge the car. The owner must apply to the Alterations Department and it will require permits. The President of the Mutual is notified when an electric vehicle is registered and gets a barcode.

Mr. Anderson will write an article for the Rossmoor News regarding things to consider when purchasing an electric vehicle. The next Budget & Finance Committee meeting will be held on March 17<sup>th</sup> at 10 a.m.

### MUTUAL OPERATIONS REPORT

Mr. Hughs gave the following report:

Water-Cooled A/C Conversions – We are working with All Bay Heating and Air to get started on the water-cooled A/C conversions in G-11 buildings this year. The work will start on Rockledge Lane and involve Entries 2-7 before moving on to Entries 1 and 3 and Fairlawn Court entries 3 & 5 later in the year. We hope to get first phase of conversions done by spring time. Total number of conversions planned for the year is 174. Sixty-four of the 134 manors are metered on one meter on Rockledge, Entries 2-7. The total cost will be \$597,168.

Four units were done last year. They were considered a test case. The cost was \$3,432 each. The price should remain the same provided Walnut Creek doesn't raise its permit fees.

Mr. Hughs presented a request to the Board to approve the proposal from Gauthiers Construction for the manor inspections.

*Mr. Priebat moved to approve the proposal from Gauthiers Construction in the amount of \$52.95 per manor for the annual inspections. Ms. Haydon seconded and the motion carried without dissent.*

Mr. Priebat asked what is inspected. Mr. Hughs read from a list of items, some of which included the replacement of the HVAC filter, inspection of the water heater, testing appliances and replacing thermostat batteries as needed.

### PRESIDENT'S REPORT

Mr. Anderson reported that electric car policies and golf cart registration policies were discussed. The Boards would like GRF to create a uniform policy. There was also a discussion on solar panels. This is not anything that First Mutual is considering at this time. GRF was asked to look into installing EVC stations. CEO, Tim O'Keefe, has said they will look into it. The \$9,000 transfer fee was discussed. Non Rossmoor owners and people that inherit a property, other than a spouse, are required to pay it.

### ORIENTATION – Gerald Priebat

Mr. Priebat announced at the January meeting about 22 new residents attended. There were some complaints because it is difficult getting share-loans through National Co-Op Bank. Mr. Priebat called Jeremy Morgan. He is the head loan officer for the National Co-Op Bank. Mr. Morgan said that he had a change in staff in 2015 and a major learning curve. Things should get better this year. Some people couldn't get documents regarding alterations before they purchase the manor. Mr. Donner advised Jerry that they should ask the owner for those documents. The next meeting date is March 8, 2016 at 10:00 a.m. in

the Donner Room.

### UNFINISHED BUSINESS

Mr. Priebat commented that he would like to keep the meeting, where the new proposed budget is presented, on the schedule. Ms. Nordwall explained the process. The proposed budget is submitted to the Board. The Board can talk with staff and also get input from members because this is done at an open session meeting. The budget is presented at the annual membership meeting. The Board will then vote on the budget at the following Board meeting. Additionally, very few people attend the meeting that was scheduled as a town hall meeting, perhaps 3-4 members. Based on this information, Mr. Priebat agreed with Ms. Nordwall that this meeting is not necessary.

### NEW BUSINESS

None

### ANNOUNCEMENT

The next regular Board meeting: Friday, February 26, 2016 at 11:00 a.m. in the Donner Room at the Event Center. There is no December meeting.

### ADJOURNMENT

Having no further business, the meeting adjourned at 12:10 p.m.

/s/ \_\_\_\_\_  
Gerald Priebat, Secretary  
First Walnut Creek Mutual