

M I N U T E S
SECOND WALNUT CREEK MUTUAL
FORTY-SEVENTH ANNUAL MEETING OF MEMBERS
TUESDAY, OCTOBER 16, 2018 AT 9:30 A.M.
FIRESIDE ROOM – GATEWAY CLUBHOUSE

President Sanford Skaggs called to order the Forty-Seventh Annual Meeting of Members of Second Walnut Creek Mutual at 9:30 a.m. on Tuesday, October 16, 2018 in the Fireside Room at the Gateway Clubhouse, 1001 Golden Rain Road, Walnut Creek, California.

ROLL CALL: Present: Sanford (Sandy) Skaggs, President
 Frank Mansfield, Vice President
 Mark Fehlig, Treasurer
 Michael Stotter, Secretary

Excused: Barbara El-Baroudi, Vice President

Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Mark Marlatte, Building Maintenance Manager; Rebecca Pollon, Landscape Manager; and Anne Paone, Administrative Secretary.

Mr. Skaggs welcomed the 100 members who were present.

Mr. Skaggs announced that Ms. El-Baroudi had shoulder surgery and is not out and about yet. He then introduced the other Board of Directors and the MOD staff. He stated that the Mutual is a non-profit Mutual Benefit Corporation under the law.

Mr. Skaggs gave the membership some general information.

The Mutual operates under Davis-Stirling. Each member is a shareholder. There is a 5-member Board. The Mutual hires the property manager. GRF has a Mutual Operations Division to serve the Mutuals. It is a non-profit. They are devoted to Rossmoor.

The proposed Bylaws were mailed to the members. Mr. Skaggs reminded everyone to cast their vote. A majority of the membership is required with 694 ballots needed to pass. To date, about 500 ballots have been received. The Bylaws have not been revised for 29 years. The law supersedes the Bylaws. Some laws are inconsistent with the current Bylaws. The Bylaws still say the Mutual needs to get approval of HUD. The loan has long-since been paid off. HUD's approval is no longer necessary. The Bylaws mostly deal with governance of the Mutual. Please remind neighbors to vote.

In December, members will receive a mailing. It includes the coupon amount for the coming year. Much of the information included is required by law.

CERTIFICATION OF NOTICE OF MEETING – Anne Paone, Assistant Secretary

Assistant Secretary Paone read the Certification of Notice of Members' Meeting certifying that proper announcements of the location, date, and time of the Annual Meeting were posted on the Second Mutual website and were published in the *Rossmoor News* on September 26th, and October 3rd and October 10th in accordance

with Article IV, Section 4(b) of the Bylaws of the Corporation.

APPROVAL OF MINUTES

Mr. Mansfield motioned to dispense with reading of the minutes of the Forty-Sixth Annual Meeting of Members of October 17, 2017 and that the minutes be approved as written and reviewed. The membership approved by a voice vote.

PRESIDENT'S REPORT

Mr. Skaggs reported the following: The Mutual is financially sound. The Board has a legal obligation to collect enough money to take care of the Mutual. There has been some damage to some buildings. We are a large co-op and can absorb expenses without too much difficulty. The Mutual had to spend \$1,000,000 to rehab buildings that we had some problems with. We will recoup the money over time. All Mutuals share in the insurance deductibles when there is an event in Rossmoor. Water has gone up 9% this year. The cost of garbage disposal is out of the Mutual's control. We have done some right-sizing of trash bins. There is no cost to have recycle bins emptied. Recycling bins are blue.

Mark Marlatte has put together a really good maintenance program. We are on an 8-10 year cycle to do carpentry, painting and dry rot repairs. Roof replacement is also on a schedule. We spend approximately \$500,000 per year. We replace a lot of concrete each year. We need to pay more attention to asphalt.

The Board needs to revise the Mutual's policies.

We are always looking for people to serve on the Board. Sometimes we have an unexpected vacancy. The person would be appointed until the next election. We keep a list of interested parties. Let us know if you would like to be on the list.

LANDSCAPE PRESENTATION

Mr. Skaggs introduced Rebecca Pollon. She is a landscape architect.

Ms. Pollon did a presentation. She spoke about the following:

- Building the health of landscaping
- Building the health of the soil
- Implementing a lawn improvement program to reduce water usage
- Reduce chemical use – it was reduced by 14% in 2017-2018
- Water conservation – 2013-2018 there has been a 57% reduction in usage- \$200,00 savings every year
- Closing the loop-take green waste and change it to a usable product for the soil

Long Term Vision and Goals:

- Create new parks with pathways, benches and destinations. Give residents the opportunity to have a relationship with nature and an informed appreciation of surroundings.

- Place seasonal articles in the Rossmoor News highlighting plants and landscapes

Open Space Management:

- Protect the Tice Valley setting
- Work closely with the Fire Department
- Budget for continued maintenance of the fire break
- Open space trail improvements- we have 6 miles of trails

Proactive Restoration Program:

- Will interplant younger species of trees (Most are 100 years old)

Ms. Pollon then addressed resident questions.

BUDGET 2019

Mr. Donner presented the 2019 budget. 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, etc.

The MOD management fee had an increase of \$1.86. This is partly due to COLA (cost-of-living-adjustment).

Insurance will increase by \$7.05. This is due to the events that took place this year in Rossmoor.

The monthly increase will be \$50.00 for a total monthly coupon amount of \$808.00 per manor.

ELECTION RESULTS

Anne Paone, Assistant Secretary of SECOND WALNUT CREEK MUTUAL, read the following: I do hereby declare that the foregoing individuals submitted their candidacy by the deadline of August 16th, 2018, were declared eligible to run for a directorship, and were elected by acclamation of the membership pursuant to California Civil Code § 1363.03:

FRANK MANSFIELD three-year term (2021)

MICHAEL STOTTER three-year term (2021)

COMPOSTING:

Mr. Fehlig brought pails to show the residents. He also brought liners and recycling tote bags. He encouraged everyone to use them.

RESIDENTS' FORUM

Resident asked if the Mutual had earthquake insurance. Mr. Skaggs reported not now

as it is quite expensive. They will review it again.

Mr. Donner reported that they are retrofitting the buildings and are adding fire sprinklers to the carports.

Resident asked if there are any underlying causes regarding electrical wiring that might cause a fire. Mr. Donner reported that most fires are caused by human error.

Mr. Chakoff reported that residents' insurance can't cover the buildings. Residents can get personal insurance.

Resident asked about cost overruns and financial documents. Mr. Chakoff reported that they close the books every month and the financials are reviewed at the Board meeting.

Resident stated that he would like to see the reserves funded even more. Mr. Skaggs stated that the Board set a goal of \$3,000,000. The problem at 1200 Canyonwood hit the reserves hard. As a co-op, they have the ability to borrow money if the Mutual really needed it.

Resident asked about the corner of Singingwood and Tice Creek and the issue with the building.

Mr. Donner reported that the issue was with water penetration behind a wall. It became a mold mitigation issue. The resident is back in the manor now.

Resident stated there is no solar policy in place for SWCM. Mr. Skaggs reported that the owner must file an application in the alterations department. The application must be approved within 45 days of submission. The Board has very limited control over solar installation.

Resident reported that a neighbor installed hardwood floors upstairs. Mr. Skaggs reported that people do alterations without approval. If you do so, you will have to tear it out and replace with approved material. It takes time to bring issues into compliance. Resident spoke about fluorescent tubes by the trash. This is hazardous waste. Mr. Skaggs reported that it is very difficult to police residents.

Resident asked how washing machine water affects all members. Mr. Skaggs reported that everyone shares in the cost of water.

Mr. Stotter reported that the machines are updated and water-efficient.

ANNOUNCEMENTS

Mr. Skaggs announced that due to the Annual Meeting, there will be no regular board meeting this month. He also announced that the Organizational Meeting would immediately follow adjournment of the Annual Meeting.

Next SWCM Regular Board Meeting Thursday, November 15, 2018
10:00 a.m. – Peacock Hall

Mr. Skaggs announced that having no further business, the Forty-Seventh Annual Membership Meeting was adjourned at 11:30 a.m. to an organizational meeting to elect officers.



Anne Paone, Assistant Secretary
Second Walnut Creek Mutual