

SECOND WALNUT CREEK MUTUAL
SPECIAL MEETING
FRIDAY, MARCH 31, 2023
Immediately Following Annual Meeting ZOOM
and Board Room-Gateway

Clay Dunning called to order the special meeting of the Board of Directors of Second Walnut Creek Mutual at 2:03 p.m. on Friday, March 31, 2023 held via ZOOM and in the Board Room at Gateway.

ROLL CALL:

Present Clay Dunning, President
 Michael Stotter, Vice President (excused absence, arrived 2:30 p.m.)
 Liz Bradner, Treasurer (left 2:35 p.m., excused appointment)
 Marv Ryken, Secretary
 Loran Shlevin, Director
Absent: None

Mutual Operations staff was represented by: Joel Lesser, CFO, and Anne Paone, Administrative Secretary.

Mr. Dunning welcomed the 23 residents in attendance.

BORROWING FROM RESERVES

Mr. Dunning moved to borrow \$500,000 from reserves to pay for the second installment of the property taxes. This motion was withdrawn due to a heated discussion between Joel Lesser, CFO, Directors, and members. With residents demanding to speak and not allowing the board to do the business on the agenda, President Dunning allowed the Resident Forum to take place at the beginning of the meeting rather than at the end of the meeting.

RESIDENTS FORUM

There were many resident questions and comments regarding why money needed to be borrowed if the members pay the taxes through their coupons each month. Mr. Lesser explained that there had been a large outflow of cash for repairing fire damage to the Leisure Lane building. The Mutual repairs were over \$600,000 and the Mutual has not received the payment from the insurance company yet. Mr. Lesser explained that there is not any separate property tax account and all of the coupon monies is put into the general fund account. It was suggested that in the future it would probably be better to have a separate account for property tax. Residents continuously peppered Mr. Lesser with questions regarding payment of the property taxes and general lack of financial information. Members had concerns that money needed to be borrowed from the reserves. Mr. Lesser reassured the members that the insurance payment will cover the loan amount and once the insurance payment is received the loan from the reserves will be repaid back. A resident explained how insurance works in regards to reimbursing the Mutual for the money that was spent on repairing the fire damage done on the building. Residents continued to ask Mr. Lesser the same questions despite his giving the same explanation. Joel Lesser said that there was a big turn over in personnel in the GRF financial group and

the computer system did not provide the necessary information easily. Questions were asked about the timing of the financials and the problem of defining when the loan would be repaid. Mr. Lesser gave a timeline for expectations. With a constant barrage of the same questions, Mr. Lesser, on Zoom, felt he could no longer contribute anything to the meeting and exited Zoom at 3:30 p.m.

BORROWING FROM RESERVES

Mr. Dunning moved to borrow \$500,000 from reserves to pay for the second installment of the property and Mr. Stotter seconded and the motion. Discussion followed and it was determined that the repayment to the reserve fund must be part of the motion so that Mr. Ryken proposed an amendment to the original motion to repay the loan by the end of the year. The amendment was approved by a vote of 4 to 0. The amended motion passed by a vote of 3 to 1; Dunning, Stotter, Ryken – yes, Shlevin – no.

INVESTING RESERVE FUNDS

Mr. Dunning moved to invest \$1.9 M in a 6-month T-Bill subject to the availability of funds. Mr. Stotter seconded and the motion carried 3 to 1; Dunning, Stotter, Ryken – yes, Shlevin – no.

DISCUSSION - Tabled due to time limitations

CARPORTS AND PARKING POLICIES

SUBLEASING

The meeting was adjourned at 4:05 p.m.



Anne Paone, Assistant Secretary
Second Walnut Creek Mutual