

WALNUT CREEK MUTUAL NO. TWENTY-NINE

QUARTERLY MEETING MINUTES OF THE BOARD
MONDAY, JUNE 17, 2019 AT 9:30 A.M.
MULTIPURPOSE ROOM NO. 3 (MPR3, GATEWAY)
1001 GOLDEN RAIN RD., WALNUT CREEK, CA 94595

Call to Order

President Gannon called the meeting to order at 10:43 am.

Roll Call

Directors Present: Beth Gannon, President
Mike McLaughlin, Vice President
Tanc Agius, Secretary
Barbara Crane, Director

Directors Absent: Sheila MacDonell, Treasurer

Also Present: Rick West, Building Maintenance Manager; Kelly Maki, Board Services Coordinator.

Approval of Meeting Minutes

President Gannon asked if there were any additions or corrections to the following minutes:

- a. Special Assessment Ballot Count held on February 28, 2019
- b. Director Elect Ballot Count minutes held on March 14, 2019
- c. Organizational Meeting held on March 18, 2019
- d. Quarterly Meeting held on March 18, 2019
- e. Executive Session Meeting held on May 24, 2019

The minutes of the aforementioned meetings were approved with a motion

Moved, Seconded, Carried 4-0

Guest Speaker: Carol Weed from Sustainable Rossmore

Carol gave a presentation on Recycling and Composting. A Recycling Extravaganza will be held on June 18, 2019 at 3PM in the Fireside Room. Carol talked about the financial benefits of right sizing the bins in the trash enclosures. She discussed what not to put in the recycling containers. Carol then held a Q&A.

Resident's Forum

Residents were afforded the opportunity to express their concerns, make comments, and have questions answered by the Board and M.O.D. staff representatives

President's Report: Beth Gannon

- a. Introduction of Members
- b. Transitions
 - 1) 5 rental units
 - 2) 3 units with Family Members

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3) New Resident – Ms. Ware

President Gannon reported that the Mutual's main goal is fiscal restraint. Roofs and soffits will be the main expenditures for the remainder of this year.

The Board will be discussing late payments of the Special Assessment in Executive Session.

A reminder was given to all residents that we all need to conserve water as much as we can.

Financial Report: Rick West and Mike McLaughlin

The May 31, 2019 Financial Report was presented as follows by Rick West:

- a) Operating: negative \$10,502
- b) Reserves: \$179, 771

Mike McLaughlin gave the following report:

Sheila McDonell and I reviewed the financial reports and the statements for February, March, and April. We believe the reports accurately reflect the finances of Mutual 29.

(These numbers are rounded)

Total Budget (Operating and Reserve)

The beginning total fund balance was \$133,000. Through April, the Mutual received total income of \$445,000, leaving a total of \$579,000. Year-to-date expenses are \$289,000, so our total fund balance was \$290,000. This is for both the operating and reserve funds.

The operating beginning balance was -\$15,000 and income was \$365,000, leaving an operating fund balance of \$350,000. Operating expenses through April are \$258,000, leaving an ending operating balance of \$92,000. Since this amount includes the \$106,000 special assessment, the actual operating fund balance is negative. I will say more about this later.

Reserve Funds

The beginning reserve balance was \$148,000, The reserve fund income through April was \$80,000, for a total of \$228,000. Expenses to date were \$31,000, leaving a balance of 197,000.

The operating fund includes \$85,000 that was previously borrowed from the reserve fund. This amount will be transferred back to the reserve fund, which will give us a reserve balance of \$282,000.

Reserve income through December will bring the reserve fund total to \$423,000. Total projected expenses for this year (roofs and soffits) are \$281,000. This would leave a year-end balance of \$142,000. So, there should be sufficient reserves to complete the roofing and canopy projects over the next two years.

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Operating fund

The operating fund expenses year-to date are over budget by \$11,000. Usually, we would be under budget through April, because the Mutual's water use is very low in the winter. This year, water is under budget by \$14,000.

Most other categories are in line, except for Building Maintenance and Public Works. This fund is overspent by \$23,065. In fact, the total spent through April of \$33,633 exceeds the entire year's budget of \$30,704.

The biggest single expenses in this category are for plumbing, with a total spent of \$15,118. This includes one leak inside a wall and a sewer line break.

Because we budgeted working capital in the budget, with the special assessment, these costs can be absorbed this year.

We believe the budget for plumbing repairs should be increased. In fact, since these costs are actually replacements, they would appropriately be budgeted in the reserve fund. There is no funding in the reserve budget for plumbing replacements, however. Therefore, Sheila and I recommend that the Board add a plumbing category to the reserves in this year's reserve study.

This has been done in other Mutuals. We believe it will save costs.

- a) **Compliance with Civil Code 5500:** A motion was made that the Mutual is compliance with Civil Code 5500 by review of the April and May 2019 Financial reports by two members of the Board.

Moved Seconded Carried 4-0

Building Maintenance Report: Rick West

INFORMATION ITEMS: Work scheduled, In Progress or Completed

1. 2019 Phase II Canopy Soffit Replacement - Contractor: Five Star Construction - @ \$9,000 each X 7 soffits = \$63,000.00. A total of 6 Buildings. - 2724 has 2 soffits. - Bldgs. To be completed in 2019 are: 2600 / 2664 / 2672/ 2724 / 2740 / 3112. - (Scheduled Start date June 24th).
2. 2019 Phase II - Tile to Comp Roofing Project - Contractor: Mendoza Roofing - 6 Buildings are scheduled to be completed in 2019. - 5 Buildings @ \$25,000.00 each = \$125,000.00. 1 Building at \$50,000.00. - for a Total of \$175,000.00 also building 2656 was completed in 2018 but billed in 2019 for \$25,0000. 2019 Roofing Budget is \$200,000.00. Buildings scheduled to be completed in 2019 are: 2600 / 2664 / 2672/ 2724 / 2740 / 3112. - (Scheduled Start date June 17th).

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3. Fire Hydrant Leak - Precision Leak Detection is schedule for June 17th to locate area to start digging. Cost for leak detection \$2,960.00.
4. Bertolami Engineering is going to conduct a preliminary inspection of the exterior of building 2748 PT.
5. 2717 PT 30 Feet of new Sewer line replaced - Contractor: Five Star Construction. Cost \$9,950.00 (Work has been Completed).

Landscape Report: Susan Dennis

Susan reported that there have been some minor landscape problems that the committee is keeping their eye on. The committee will be making a list of items to address when the budget will allow for it.

Social Committee Report: Jean Lee

Jean lee announced that the Annual Dinner will take place on August 4, 2019 at 5:00PM in the Creekside Clubroom.

Emergency Preparedness: Mike McLaughlin

Mike McLaughlin gave the following report:

- Emergency Team met to plan drills for this year
- Reminder there are five zones and eighteen manor monitors
- Roberta Lemons has taken Sheila Whipple's place
- Sheila McDonell has taken Hilde Old's place
- Two zones have completed drills, other three done soon
- Ruth and I call in on the CB and FRS radio Saturday mornings
- We will have another salute to manor monitors in September

A certificate of appreciation was given to Ron Ondrejka for his many years of service as the EP Chairperson.

New Business

- a. **Contract with Structural Engineer to assess Building 2748:** The Board made a motion to approve entering in a contract with Bertolomi, Structural Engineers, to assess building 2748 Ptarmigan Drive.

Moved, Seconded, Carried 4-0

Next Board Meeting

The next quarterly meeting is scheduled on Monday, September 16, 2019 at 9:30 a.m. in Multi-Purpose Room #3 of Gateway.

Adjournment

President Gannon adjourned the meeting at 10:51 am and the Board moved into Executive Session.

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Executive Session Summary

The Board met in Executive Session to discuss delinquencies and owner violations.

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the minutes of the Board of Director's meeting.

A handwritten signature in blue ink that reads "Kelly Maki". The signature is written in a cursive style.

Secretary