

WALNUT CREEK MUTUAL NO. TWENTY-NINE

QUARTERLY MEETING MINUTES OF THE BOARD
MONDAY, DECEMBER 17, 2018 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 9:31 am.

Roll Call

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

Also Present: Paul Donner, Director of Operations; Rick West, Building Maintenance Manager; Kelly Mattison, Board Services Coordinator.

Approval of Meeting Minutes

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

- a. Quarterly Meeting of the Board held on September 17, 2018
- b. Executive Session Meeting of the Board held on September 17, 2018
- c. Special Budget Meeting of the Board held on October 11, 2018
- d. Executive Session Meeting of the Board held on October 11, 2018

The minutes to the aforementioned meetings were approved as submitted.

Moved, Seconded, Carried 5-0

President's Report: Beth Gannon

- a. **Introduction of Members:** All members in attendance stood up and introduced themselves to the room.
- b. **Transitions:** No units were sold this quarter.
- c. **Board Vacancies March 2019:** Toba Simon's term expires this March and she has been on the Board for 6 years making her ineligible to run again this election. Tanc Agius' term also expires this March and he is eligible to run again.
- d. **New Roster Form for 2019:** It was announced that a new roster form for 2019 has been mailed to all units. You can place the completed form in the basket at 2704 Ptarmigan #1 or return it by mail to the Mutual Board Office at 1001 Golden Rain Road. The forms are due back by January 4, 2019.

Residents' 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.

Financial Report: Paul Donner and Toba Simon

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The November 30, 2018 Financial Report was presented as follows:

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

The Mutual is over budget mostly due to utilities by \$19,399. No money has been spent out of petty cash. There is \$495 in the general fund. The annual party budget for 2019 will be \$2,074.

Building Maintenance Report: Rick West

ACTION ITEMS: Proposal Review and Approval

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. - (Board to Approve).

The Board made a motion to the Five Star Contract at \$63,000 for the 2019 Phase II Canopy Soffit Replacement.

Moved, Seconded, Carried 5-0

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 \$25,000. 2019 Roofing Budget is \$200,000.00. Buildings scheduled to be completed in 2019 are: 2600 / 2664 / 2672/ 2724 / 2740 / 3112. - (Board to Approve).

The Board made a motion to approve the Mendoza Roofing Contract at \$175,000 for the 2019 Phase II Tile to Comp Roofing Project.

Moved, Seconded, Carried 5-0

INFORMATION ITEMS: Work scheduled, In Progress or Completed

1. New bench - New Trex Bench was installed at the west side of the entry. Contractor: MOD (Work Completed).
2. November Gutter Cleaning - Contractor: PGS - Cost \$4,716.00. This included cleaning all of the building and carport gutters and downspouts. Next cleaning is scheduled for February.

Landscape Report: Wini Biehl and Susan Dennis

Wini Biehl asked that residents please report irrigation leaks to the work order desk. The committee has completed 3 projects this year and will meet with Rebecca Pollon in January to create a 5-year plan for future projects.

Social Committee Report: Jean Lee

No report was presented.

Emergency Preparedness: Mike McLaughlin and Ron Ondrejka

Mike McLaughlin projected the new Rossmoor EPO website to the audience and went over some of its key features. The website address is www.rossmoorepo.org. Mike highlighted that the most useful information is under the yellow Resident Resources tab on the left of the

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home page.

Mike also reported that the Emergency Team has a new Team Leader. Sheila MacDonell is taking the place of Hilde Olds. She will cover buildings 2724, 2740, 2748, and 3112. The manor monitors in those buildings are Jean Lee, Tanc Agius, Therese Atkinson, and Toba Simon.

The team will be meeting to plan this year's activities. In addition to the standard earthquake drill, they will be discussing whether to hold a fire drill.

New Business:

- a. **M29 Insurance Premium Increase and Reasoning:** The Board was made aware of the likelihood of an increase in our insurance premium for this year. The best estimate we were given was that rates would increase by up to twenty-seven percent. The projected increase was due to local factors such as building fires in Rossmoor, the massive fires in Santa Rosa and other communities, other losses by insurers such as hurricanes, and increased building costs. Because there have been three house fires in Rossmoor, and two buildings that were lost to land slippage in the past four years, with total losses of over ten million dollars (\$10,000,000.00), the risk rating for all of Rossmoor increased from a two rating to a four rating. The Board increased the 2019 budget by twenty-four-point eight percent (24.8%) in anticipation of such an increase.

When the insurance broker used by Mutual 29 and other Mutuals began receiving quotes from insurers, they found that the insurers were raising their quotes more sharply. Some insurers have gone out of business, and some are avoiding new business and did not give us a quote. The best bid the broker received was at an increase of fifty-five percent (55%) which amounted to an additional twenty-five thousand dollars (\$25,000.00) for Mutual 29. We are not alone in facing this steep premium. Other Mutuals in Rossmoor have received the same percentage increase and are considering similar assessments.

This increase comes at a difficult time for the Mutual. Because of the risk of failure of the Mutual's roofs and soffits, we have had to accelerate their replacement. This was one of the factors in the increase in the Mutual coupon for 2019. In addition, because the insurance premium is due in January, the Mutual has customarily borrowed from the reserve fund in January, since the insurance funds have not accrued sufficiently, and then reimburses the reserve fund later in the year.

A town hall meeting will be held in January to further discuss this increase and propose a possible special assessment to the membership.

- b. **Co-Occupancy Concerns:** It was discussed how there is a concern that many co-occupants are being registered to take advantage of the Rossmoor amenities. GRF will now request documentation from registered co-occupants to prove that this is their primary residence at least 60 months out of the year.

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- c. **Discuss Mailing Date of draft Solar Policy for 30-Day Comment Period:** The Board discussed that they will be sending out the draft policy to all members for comment in January 2019.
- d. **Motion to Borrow \$70k from Reserves to cover Insurance Premium:** A motion was made to borrow \$70,000 from the Reserve account to cover the cost of the insurance premium that is due in in one payment in January 2019, with a plan to pay it back within one year by either working capital or if approved, through a special assessment.
Moved, Seconded, Carried 5-0
- e. **Review of 2019 Meeting Calendar:** The Board reviewed and announced the following Meetings for 2019:
- | | | | |
|------------------------------------|----------------|--------|--------------------|
| Monday, March 18 th | Annual Meeting | 9:30am | MPR3 |
| Monday, June 17 th | Board meeting | 9:30am | MPR3 |
| Sunday, August 4 th | Annual Dinner | 5:00pm | Creekside Clubroom |
| Monday, September 16 th | Board Meeting | 9:30am | MPR3 |
| Monday, December 16 th | Board Meeting | 9:30am | MPR3 |

Next Board Meeting

The next scheduled quarterly meeting is scheduled on Monday, March 18, 2019, in Multi-Purpose Room #3 of Gateway directly following the Annual Meeting beginning at 9:30am and then the Organizational Meeting.

A town Hall meeting notice will be mailed out soon.

A special thank you was given to MOD staff, each board member, each committee, and the residents for all they did in 2018.

Adjournment

President Gannon adjourned the meeting at 11:08am.

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.



M29 Assistant Secretary