

ANNUAL MEMBER MEETING**Wednesday, May 31, 2023 at 1:00 p.m.****Creekside Clubhouse – Fairway Room
1010 Stanley Dollar Drive, Walnut Creek, CA 94595**

MINUTES**1. Call to Order**

The meeting was called to order at 1:05pm

2. Roll Call of Directors Present

Donna Landeros – President
Jim Bolinger – Vice President
Rich Johnstone – Treasurer
Herbert Roeper – Secretary
Vacant – Director-at-Large

3. MOD Staff

Paul Donner - Director of Mutual Operations
Clayton Clark – Building Maintenance Manager
Tom Hand – Chief Financial Officer
John Tawaststjerna – Landscape Manager
Lucy Limon – Board Services Coordinator
Victoria Thomas – Board Services Coordinator

4. Certification of Meeting

Thomas reported that a Call for Candidates was published in the January 18, 2023, January 25, 2023, and February 1, 2023 editions of the Rossmoor News. The Mutuals' Board Office did not receive any nominations from the membership. An acclamation notice was mailed to the membership on January 9, 2023.

In accordance with Corporations Code §7511(b), a notice of the Annual Meeting was mailed to the membership on May 23, 2023.

5. Reports of Officers & Committees**a. President's Report**

Landeros reported on topics discussed at the Presidents' Forum: GRF Manager and Managers relationships are flawed and there is a large staff turnover which is causing frustrations.

Landeros informed the Board that Roeper does not plan to run again once his term as Secretary expires. Landeros added that the Board has experienced difficulty with recruiting Board Members. The Board may be forced to revise the Bylaws to allow for a 3 member Board.

There was discussion on insurance: State Farm is leaving California, there are concerns with the insurance market and how it will affect the Mutual, is there enough insurance coverage to meet the CC&Rs.

b. Secretary's Report

There was no report.

c. Treasurer's ReportOperating Fund

1. Used for routine payments, such as building and landscape maintenance, insurance, utilities, and professional services.
2. As of March 31, Operating expenses were 23% of the 2023 budget.
3. Significant March financials:
 - a. M50 was overcharged for property insurance during January-March. The monthly charge should have been \$11,632 rather than \$14,386. M50 should receive a refund of \$8,263 in the April financial statement.
 - b. GRF explained why the Operating Fund balance on January 1 did not equal the December 31 balance: Some 2022 expenses were received after the December statement was published.
 - c. Rain leak expenses were \$2,420 for 13 work orders. The 2023 total for rain leaks is \$8,692.
 - d. M50 was charged \$688 to replace 10 exterior light bulbs. As a comparison, the monthly PG&E cost for exterior lighting (365 fixtures) is approximately \$512.
 - e. GRF reversed an erroneous PG&E charge of \$6,055 made in February.

Reserve Fund

1. Used mainly to pay for capital improvements in the current year and to fund capital improvements in future years.
2. As of March 31, Reserve expenses were .6% of the 2023 budget.
3. Significant March financials:
 - a. GRF explained why the Reserve Fund balance on January 1 did not equal the December 31 balance: Some 2022 expenses were received after the December statement was published.

Bank Accounts

1. M50 has two checking accounts at City National Bank (CNB): One for Operating funds and the other for Reserve funds.
2. As of March 31, the combined balance of the M50 checking accounts was \$164,411, which was below the \$250,000 limit for FDIC insurance coverage.
3. The remaining M50 balance was \$1,291,191 in Reserve funds deposited in CNB Deposit Sweep accounts, which were 100% covered by FDIC insurance.
 - a. The Finance Department is coordinating with City National Securities (CNS) to invest M50 Reserve funds in 6-month Treasury Bills according to the M50 2023 Reserve Investment Plan approved by the Board. However, the investment in Treasury Bills has not begun. CNS has paused the opening of new brokerage accounts while CFO Tom Hand is set up as a signer on all accounts.
 - b. In March, M50 earned approximately 3.9% on deposit sweep balances; interest income for March was \$4,157. Yields on 6-month Treasury Bills are currently above 5%.

d. Building and Facilities CommitteeUpdate on Manor Building Roof Tune-Ups

1. Three contractors submitted bids based on the Scope of Work document provided to them. The committee will review these bids at the June 2 meeting.

Walnut Creek Mutual Fifty

2. The committee wants to meet with the M50 roofing consultant, James Hogue, to analyze the tune-up cost vs. how many years the tune-ups would extend the life of M50 roofs.
3. If the committee recommends a contractor at the June 2 meeting, this recommendation would need to be approved by the Board before a contract could be signed and the work scheduled. The committee wants to complete tune-ups on all 19 manor buildings before the rainy season begins, possibly in November. The contractor most likely to be recommended has committed to completing the tune-ups in 8 weeks. This means the work would need to begin no later than early September. The next regular Board meeting is scheduled for July 18.

Update on Replacement of Exterior Lighting with LED Fixtures

1. At the Board meeting in April, Dellamar Electric was approved as the contractor to replace the 365 external light fixtures in 2023 at a cost of \$96,537.
2. M50 has approved the contract. The next step is for Dellamar to schedule the work.

Status of Condo Smoke Alarms

1. The committee discussed whether AC-powered hallway alarms should be considered a secondary line of defense to battery-powered bedroom alarms. If they are secondary, would they need battery backup? This discussion will be continued at the June 2 meeting.

Repaving of Entry 22 and Portion of Entry 23

1. At the Board meeting in April, Black Diamond Paving was approved as the contractor for this work at a cost of \$62,155.
2. M50 has approved the contract. The next step is for Black Diamond Paving to schedule the work.

e. **Landscape Committee**

There was no report.

f. **Governing Documents Committee**

There was no report.

g. **Finance Committee**

There was no report.

6. **Manager's Report**

Donner reported on: fire abatement and MOD has till June 4th to treat all of Rossmoor, his replacement, Jeroen Wright, starts on June 12th, Staff is currently working on the budget and reserve studies for 2024, and Staff will send out a draft budget in July-August.

7. **Residents' Forum**

There were no comments.

8. **Announcements:**

The Board of Directors Regular Board meeting is scheduled for July 18, 2023 at 1:00 p.m. at the Creekside Clubhouse in the Fairway Room.

9. **Adjournment**

The meeting adjourned at 2:27 p.m.