

WALNUT CREEK MUTUAL FIFTY**BOARD OF DIRECTORS REGULAR MEETING**

Tuesday, September 16, 2025 at 1:00 p.m.

Meeting was Conducted In-Person and Virtually

**Creekside Clubhouse – Fairway Room
1010 Stanley Dollar Drive, Walnut Creek, CA 94595**

MINUTES

1. **Call to Order**

President Bolinger called the meeting to order at 1:02 p.m.

2. **Roll Call**
Directors

Jim Bolinger – President
George Condon – Vice President
Rich Johnstone – Treasurer
Steve Vartabedian – Secretary
Peter Jones – Director – Absent

Rossmoor Property Management

Jeroen Wright – Director
Todd Arterburn – Chief Financial Officer
Rick West – Sr. Building Maintenance Manager
John Tawaststjerna – Landscape Manager – Absent
Victoria Thomas – Bd. Services Coordinator

3. **Approval of Minutes** – *Bolinger*

a. Board of Directors Regular Meeting – August 19, 2025

Motion made by Johnstone, seconded by Condon, to approve minutes. Approved by unanimous vote (4-0).

4. **Treasurer's Report**—*Johnstone*
Operating Fund

- a. Used for routine payments, such as building and landscape maintenance, insurance, utilities, and professional services.
- b. As of July 31, Operating expenses were 44% of the 2025 budget.
- c. Significant financials: None

Reserve Fund

- a. Used mainly to pay for capital improvements in the current year and to fund capital improvements in future years.
- b. As of July 31, Reserve expenses were 28% of the 2025 budget.

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- c. The remaining major 2025 expenses will be for the exterior rehabilitation (carpentry, deck recoating, and painting) of the 5313, 5325, 5333, and 5349 buildings on entry 23. The Board approved expenses up to \$464,415 for the rehabilitation of these 4 buildings (22 units)
- d. As of July 31, the Reserve Fund balance was approximately \$1,415,609, compared to \$1,215,000 on December 31, 2024.
- e. Significant financials: None

Bank Accounts

- a. M50 has two checking accounts at City National Bank (CNB): One for Operating funds and the other for Reserve funds.
- b. As of July 31, the combined balance of the M50 checking accounts was \$343,729, which was above the \$250,000 limit for FDIC insurance coverage. Sweep accounts are employed to ensure these funds were 100% covered by FDIC insurance.
- c. As of July 31, \$791,152 of Reserve funds were deposited in CNB Deposit Sweep accounts, which were 100% covered by FDIC insurance. These deposits earned
- d. \$2,335 at a rate of 3.54% for June. \$14,683 has been earned during 2025.
- e. As of July 31, \$406,457 of Reserve funds were deposited in with City National Securities (CNS) Deposit Sweep accounts, which were 100% covered by FDIC insurance. The interest rate for these funds was 4.02%.
- f. A US Treasury Bill was on deposit with CNS: \$193,000 with a maturity date of 8/21/25.

*Motion made by Johnstone, seconded by Bolinger, to certify compliance with Civil Code §5500.
Approved by unanimous vote. (4-0)*

- 5. **Director's Report**—None.
 - Rossmoor Walnut Creek Management Agreement is close to being finalized. The agreement is for one year.
 - Wright and Johnstone will review the proposed 2026 budget.
- 6. **Chief Financial Officer's Report**--Arterburn
 - New hire in the department, Jason Lopez, is the new Financial and Planning Analyst.
 - RWC and RPM budgets are complete and posted on the Rossmoor's website under the administration tab.
- 7. **Landscape Report**
 - RPM prepaid workdays were completed with doing plant replacements.
 - Two small trees near driveways may need to be removed and replaced.
- 8. **Building Mangers Maintenance Report**
 - Received estimates for the two trash enclosure gates on Entry 24 and awaiting the Board's direction before proceeding with the contract.
 - Getting estimates for electric panels.

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- Rehab on 5313 Terra Granada
- 24/7 Builders will start the foundation repairs at Entries 20 and 25 on October 6th. Cost is \$23,000.
- 24/7 Builders will install one wire mesh to determine the true cost and will report back with an estimate for all installations.
- Water faucets and the racks are planned to be installed at 12 garages with a cost of \$2,600.

9. **President's Report**--*Bolinger*

Private gardens have been allowed, but only with the approval of the Board. It was proposed to grandfather existing private gardens while prohibiting new ones. Existing private gardens will be eliminated when there is a complete change of condo ownership. All landscaping will be solely the Mutual's responsibility.

10. **Secretary's Report**—*Vartabedian*--None. No Report

11. **Committee Reports**

a. **Finance Committee**--*Johnstone*

Long-Term Forecast Update for 2025

Background

1. The purpose is to estimate reserve expenses over the long-term and the reserve portion of the coupon to pay for these expenses.
2. The first forecast for 2022-2035 was created in 2021. The forecast has been updated annually. The 2024 update expanded the forecast to 2040.

Summary of forecast steps

1. 2025: Estimate expenses for future projects and their tentative dates.
2. 2025: For each year, increase the expense total by the estimated amount of inflation.
3. 2025: Calculate an annual increase in the reserve portion of the coupon to pay the inflation-adjusted expenses and maintain a sufficient Reserve Fund balance to prepare for future expenses not yet in the forecast.
4. 2026-2040: Update the forecast annually.

Step 1: Estimate expenses for future projects and their tentative dates

1. Manor building and garage rehabilitations - 2025-2029 and 2034-2039
2. Manor building, garage, and carport roof replacements - 2029-2035 & 2040
3. Repair and/or replacement of electrical panels - 2025-2029
4. Landscape rehabilitation, tree removal, and other landscape projects - ongoing
5. Other projects (e.g., Firewise) - ongoing

Step 2: For each year, increase the expense total by the estimated amount of inflation

1. Each year, the expense total is increased by the cumulative annual inflation estimate.
2. The 2026-2040 estimate for annual inflation is 3.0%.
3. The 2026 expense forecast is increased by .03 (i.e., 3.0%). The 2027 expense forecast is increased by .061: $(1.030 * 1.030) - 1$. This process continues for each year in the forecast.

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Step 3: Calculate an annual increase in the reserve portion of the coupon to pay the inflation-adjusted expenses and maintain a sufficient Reserve Fund balance to prepare for future expenses not yet in the forecast

1. For this update, the annual increase in the reserve portion of the coupon is forecast at 4.5%, up from 3.5% in the 2024 update. This increase would change as needed during each annual update.
2. If a 4.5% increase is approved by the Board, the reserve portion of the monthly coupon would increase by \$15.83/unit from \$351.83 in 2025 to \$367.66 in 2026.
3. For the 2025 forecast update, the Reserve Fund balance is \$1.215 million as of end-of-year 2024 and is estimated to be \$1.492 million as of end-of-year 2040.
4. The lowest forecast end-of-year Reserve Fund balance is \$372 thousand for 2034.

Significant changes in the 2025 forecast update

1. Estimates have been added to the forecast for the repair or replacement of 22 main electrical panels in exterior utility closets and 110 sub panels, one per unit. Panels were probably installed in 1988 or 1989 and have a useful life of 40 years. Inspection of a sample of panels by an electrician is being arranged to assess the condition of panels, when they should be repaired or replaced, and estimated costs. The current forecast estimates are placeholders until the inspection report is received.
2. A 4.5% annual increase in the reserve portion of the coupon would generate sufficient end-of-year balances to fund roof replacements using composition shingles based on a cost of \$1,500 per square (or 100 square feet), which includes new gutters and downspouts. To fund roof replacements using concrete tiles (the current roof material) based on a cost of \$2,000 per square, at least a 7.0% annual increase starting in 2026 would be required to generate sufficient end-of-year balances.
3. The installation of wire mesh inside the lattice panels under the decks of lower-level units is the only Firewise project specifically included in the forecast. The forecast does not include estimates for other Firewise projects as M50 has not received additional project requirements. If the recommended \$46,900 annual reserve landscape budget is approved by the Board, it is possible a portion of this budget could be used for new Firewise projects.

Mutual 50 -- Forecast A of Reserve Expenses and Revenue for 2025-2040 as of 9/11/2025

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Manor Rehabilitations: 2024-29, 2034-39																	
# MANORS to Rehab	16	22	18	22	22	10					10	24	22	22	16	16	
Roofing Replacements: 2029-35																	
# SQUARES to Re-Roof (@ \$1,500 sq)						141	312	307	255	314	227						92
Total Reserve Expenses	788K	541K	497K	565K	619K	660K	541K	608K	468K	640K	613K	524K	521K	549K	359K	451K	191K
Total Reserve Expenses (w/ inflation adjustment)	788K	556K	525K	615K	694K	763K	644K	745K	591K	832K	821K	723K	740K	803K	541K	700K	305K
Reserve Revenue/Year from Coupon (escalated 4.5% YoY)	449K	464K	485K	507K	530K	554K	579K	605K	632K	660K	690K	721K	754K	788K	823K	860K	899K
Reserve Revenue/Year from Net Interest	23K	29K	32K	32K	30K	26K	21K	20K	16K	18K	13K	10K	11K	11K	11K	19K	24K
BEGIN-YEAR RESERVE BALANCE	1,467K	1,215K	1,154K	1,146K	1,070K	935K	752K	707K	587K	644K	490K	372K	381K	405K	401K	694K	874K
END-YEAR RESERVE BALANCE	1,151K	1,154K	1,146K	1,070K	935K	752K	707K	587K	644K	490K	372K	381K	405K	401K	694K	874K	1,492K

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b. **Building & Facilities Committee—Johnstone**

Rehabilitation of 5313, 5325, 5333, and 5349 buildings

1. The Board approved the contractors: 24/7 Builders for carpentry, Spectrum for painting, and Mt. Diablo Flooring Systems for deck coating.
2. Carpentry repairs started at the 5313 building on September 10. Deck coating and then painting will follow.
3. The Board approved expenses up to \$464,415 for this rehabilitation project.
4. The Board approved expenses up to \$23,000 for 24/7 Builders to plug gaps near foundation grade beams throughout M50.

Electrical panels in units

1. RPM advised the useful life of the 22 main electrical panels (in exterior utility closets) and 110 sub electrical panels (one in each unit) is 40 years. The original electrical panels were probably installed in 1988 and 1989. Other mutuals that are currently replacing or planning to replace electrical panels are 40-50 years old.
2. An electrician will be hired to inspect a sample of 3 main panels and 3 sub panels. The goal is to assess the condition of the main and sub panels, when they should be replaced or repaired, and the estimated cost of replacement and repair.
3. RPM will contact Dellamar Electric to obtain their bid. RPM is authorized to proceed with the inspection if Dellamar is available soon and their bid is below \$2,000.
4. A placeholder estimate of electrical panel repair and replacement costs has been included in the September update of the M50 long-term forecast.

Wire mesh installation and deck lattice replacements

1. The purpose of 1/8" wire mesh installed inside the lattice panels below the decks of each lower-level unit is to prevent the accumulation of flammable material.
2. The committee agreed the wire mesh installations should generally occur during rehabilitations at manor buildings.
3. Wire mesh cannot be installed until after it is confirmed the existing lattice panel can support wire mesh or a new panel is installed. Also, it is important for lattice panels to be extended as close to the ground as possible, as the attached wire mesh must be close to the ground to prevent flammable material from blowing under the decks.
4. In 2024, RPM installed wire mesh at 4 units for an average cost of \$1,700/unit. An estimate of \$1,700/unit has been included in the updated M50 long-term forecast.

Dryer Vent Cleaning

1. Rich Johnstone is coordinating with Bay Air Flow to schedule an appointment for the remaining two units that have not had their dryer vents cleaned.
2. After vent cleaning has been completed, RPM will check the roof vent caps of 10 upper-level units to confirm they have been cleaned.

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Residents are using their garage for storage and/or workshops and parking their cars in guest parking spots. This is not permitted. If a resident has a second car it may be parked in one of the 51 unrestricted spaces or in the driveway as long as the car does not impeded onto the street. Vartabedian will review the Policies and Procedures with the Committee for possible amendments and will report back to the Board.

Vartabedian and the Committee will review the governing documents for any possible amendments and report back to the Board.

Motion made by Vartabedian, seconded by Bolinger, to amend the policy language in 20.19.1. Approved by unanimous vote. (4-0)

d. Landscaping Committee—Carol Johnstone

Bolinger and C. Johnstone completed another assessment of tree and plant needs after inspecting all entries with Terra Landscape.

e. Social Committee Report—Buller

Post holiday event will be held in the Fireside Room February 2026.

12. New Business--Bolinger

- a. Policies and Procedures
Topic Deferred

13. Members Forum

All residents are invited to address the Board with questions, comments, and suggestions. Comments were:

- Cost to remove private garden when manor is sold.
- Reserve Report will be shown in the annual disclosure that is mailed to the membership in December.
- Olives dropping from the trees is leaving a mess on the ground.

14. Announcements: Next regular meeting is scheduled for Tuesday, October 21, 2025, at 1:00 p.m. in the Board Room at the Gateway Clubhouse and virtually.**15. Adjournment**

There being no further business, the meeting was adjourned at 2:46p.m.

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the minutes.

Victoria Thomas