



Walnut Creek Mutual Fifty-Five (Mutual 55)

MEETING MINUTES OF THE BOARD July 14, 2021, AT 1:00 P.M. (PACIFIC TIME)

Call to Order

President Kelly Boruszewski called the Meeting of the Board of Directors to order at 1:05 p.m.

Directors Present

Kelly Boruszewski, President
Bobbie Richards, Vice President
Jan Klein, Secretary
Rob Ingalls, Treasurer
Kris Carey, Director at Large

Also Present

Mutual Operations staff was represented by Paul Donner, Director of Mutual Operations; Joel Lessor, CFO of Golden Rain Foundation; Clayton Clark, Building Maintenance Manager for MOD; and Christine Conti, Board Services Coordinator

Approval of Minutes

Regular Meeting held on June 23, 2021: A motion was made to approve the regular meeting minutes. **Moved, Seconded, Carried 5-0**

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. No comments were made.

President's Report – Kelly Boruszewski

Notices: We formally recognize and welcome Christine Conti as current Assistant Secretary, and Joel Lessor as current Assistant Treasurer. It is regrettable to advise of the resignation of Kathé Cairns from Emergency Preparedness Committee. The Committee is looking for a volunteer to be Entry 19R's coordinator. Until then, Entry 19L's coordinator Jan Klein has volunteered to oversee Entry 19R as well.

Motion to Contract: A motion was made for the President to negotiate and enter into a contract with Fire Protection Management, Inc., who would inspect the Mutual's fire sprinkler systems, but needs to have two work orders to accommodate the Mutual's Fiscal Year cycle, 01/01/21-03/31/21 and 04/01/21-03/31/23. **Moved, Seconded, Carried 5-0**

Motion to Contract: A motion was made for the President to negotiate and enter into a contract with NiceCans, LLC, who would clean the five organic bins (aka compost bins) for the Mutual, and to have quarterly cleaning. **Moved, Seconded, Carried 5-0**

Explanation of Civil Code 5500 Motions every Meeting: The Board wanted to explain and clarify compliance with Section 5500 of the Civil Code. With the confirmation from Paul Donner, the following was provided: Typically, a Board needs to review the financial statements monthly. But Mutual 55 has quarterly, not monthly, board meetings. The civil code law allows the Board to meet this requirement when every member of the board or a subcommittee consisting of the treasurer and one other board member review the documents ... and the review is ratified that

at the next board meeting and that ratification is reflected in the minutes of that meeting. Here, every Director of the Board receives the monthly financials as the Managing Agent (GRF/MOD) provides (usually mid-month of the following month). Further, the Finance Committee, which consists of Director Ingalls and Member Beadle, receive the same, along with director Boruszewski. Last, at the subsequent board meetings, the directors acknowledge receiving the financial statements and the board moves to ratify compliance with Civil Code Section 5500.

Secretary's Report – Jan Klein

No report beyond approval of prior Board Minutes

Treasurer's (Finance Committee) Report and New Motions – Rob Ingalls

There is currently ~\$600,000 in the reserve accounts. Only \$250,000 is FDIC insured. Based on RI projections, we will be adding to our reserve funds every year until 2026. Therefore, the Finance Committee recommends placing \$240,000.00 in a two-year CD (estimated rate 0.2%, & insured up to \$250,000), and place balance over \$250,000 into a Sweep Account (estimated rate 0.03%, up to \$250K. Once the Sweep Account reaches \$250,000, the Board will need to review further options. Bases of the Recommendations: Joel Lesser advises that Civil Code §5502 allows the approval for large transfers: "Notwithstanding any other law, transfers of greater than ten thousand dollars (\$10,000) or 5 percent of an association's total combined reserve and operating account deposits, whichever is lower, shall not be authorized from the association's reserve or operating accounts without prior written board approval." Boards can approve a resolution or motion in the minutes giving written approval to the management company to make such transfers into the reserves. Careful planning for future repairs and replacement is not only in the best interests of the community association. Maintaining an adequate reserve fund not only meets the legal, fiduciary, and professional requirements of associations, but it also minimizes the need for special assessments and enhances resale home values in the community.

Motion that \$240,000 in reserves be used to purchase treasury bills/notes, \$240,000 be put in a sweep account, and the remainder be left in the checking account assuming all funds are either government securities or in FDIC insured investments. **Moved, Seconded, Carried 5-0**

Committee Report – Emergency Preparedness – Jane Blanchard

No Report

Committee Report – Governing Documents – Bobbie Richards

We continue to monitor two CA State legislative bills AB 1101 and SB 391. AB 1101 is pending in the Senate, and SB 391 was passed by the Assembly and Senate and awaits the governor's signature.

Committee Report – Landscaping – Kris Carey

Main status updates are that M55 shrub replantings have been delayed until late Sept-October time frame, to avoid summer heat and looming water restrictions. Also, that infilling plants in the Entry18 garden area will be delayed until 2023 for budgetary reasons.

Landscaping Budget was reviewed, and there was agreement to use additional future reserves, to cover projected 2021 shortfall: \$16,600 (Rehab) + \$1,275 (Trees).

Motion to approve budget and execute work orders & scheduling to plant prior year dead plants, and junipers removed in Mar 2020: Not to Exceed \$8,000. **Moved, Seconded, Carried 5-0**

Motion to approve budget and execute work orders & scheduling to trim Ponderosa Pine for building clearance: Not to Exceed \$650. **Moved, Seconded, Rejected 4-1**

Motion to approve budget and execute work orders & scheduling tree trimming (deadwood, shape): Not to Exceed \$750. **Moved, No Second, Motion not Considered**

Committee Report – Community

President Boruszewski announced that there are no volunteers for this Committee since inception, and asked for volunteers else the Committee may need to be dissolved until such time as volunteers present themselves, and the Board create an Ad Hoc Committee as needed.

Announcement of Next Board Meeting

The next regular meetings will be at 9:00 a.m. (PT) on September 7, 2021; and at 1:00 p.m. (PT) on December 13, 2001. The meetings are set to be at Gateway Multipurpose Room Number Three. However, these and further meetings may be in-person, virtually (e.g., Zoom) or both depending on endemic conditions. Look to the Notice for how to attend.

Adjournment to Executive Session

President adjourned the regular meeting. Executive Session convened.

Lucy Limon

Assistant Secretary
WALNUT CREEK MUTUAL FIFTY-FIVE