

MINUTES
WALNUT CREEK MUTUAL NO. FIFTY-SIX

THIRTY-THIRD ANNUAL MEETING OF THE MEMBERS
WEDNESDAY, OCTOBER 19, 2022 AT 9:30 A.M.
ZOOM

The Thirty-Third Annual Meeting of Members was convened by President Robert Ward, on Wednesday, October 19, 2022 at 9:30 a.m. via ZOOM.

ROLL CALL: PRESENT: Robert Ward – President
Karen Tarkoff – Vice President
Nancy McClellan – Treasurer/Secretary

EXCUSED: None

Representing Mutual Operations Division were Paul Donner, Director of Mutual Operations; Rick West, Building Maintenance Supervisor; Joel Lesser, Chief Operating Officer; and Anne Paone Administrative Secretary.
John Tawaststjerna, Landscape Manager-Excused.

Mr. Ward introduced the Board of Directors and staff.

CERTIFICATION OF NOTICE OF MEETING

Assistant Secretary Anne Paone certified that notice of the annual membership meeting was published in the *Rossmoor News* on October 5th and 12th, 2022 and a copy of the notice was sent to all members of record on October 5th, 2022, in accordance with Article 4, Section 4.3, of the Bylaws of said corporation.

OFFICERS' REPORTS

President: Mr. Ward reported on Mutual Fifty-Six as follows, elaborating on some topics:

1. In the past, the Annual Meeting President's Report included a summary of the year's accomplishments in Lakeshire. However, since we have almost completely recovered from the many years of deferred property maintenance and entered an era of primarily ensuring we properly maintain our buildings and grounds, we have nothing of significance to report.
2. A little further in this meeting you will hear the details supporting the proposed 2023 coupon, but I think you will find the following information provides a useful context for those details.

No Assessment Increase

3. Most importantly, budget planning for the last few years included Road replacement for ~\$160,000 in 2023 which meant we needed to start allocating for that replacement in 2022.

4. Don Jennings did more homework for us and determined resurfacing this year for ~\$26,000 should adequately maintain the roads for at least the next 5 years.
5. The result is a fairly large budget surplus and we have determined that at the very least no assessment increase will be necessary in 2023.
6. With all the increases in costs expected for 2023 (which you will hear about shortly), I don't believe any other mutual will hold their coupon increase to \$0 for 2023.

Near-Term Priorities

7. Our fences and arbors still reflect deferred maintenance and the state of the pond equipment is not accurately known so these components require us to continue substantial budget allocations.
8. In addition, we will need to continue monitoring the state of our roads to ensure we are adequately funded for repair/replacement.

Consider Repainting Buildings

9. Because so much building maintenance was deferred or neglected once the decision was made to paint the buildings, considerable added expense was encountered.
10. We plan to avoid this unnecessary added expense by inspecting, repairing, and repainting our buildings in 2028.

Reroof

11. Similarly deferred/neglected maintenance added considerably to the cost of roof repair/replacement which was paid for by two special assessments with no Reserves accumulation prior to the replacement.
12. This was unnecessarily expensive and traumatic and felt to be an unfairly distributed expense for the Residents who were saddled with the entire bill at the time the work was completed.

Reserve Account Balance

13. The Reserve account balance should never drop below \$100,000 has been a ground rule since we moved to Lakeshire in 2015.
14. It is an arbitrary number with no basis I have heard and if a good rule of thumb in 2015 should probably be raised to reflect inflation.
15. In any case, you will see that with the coupon held constant we still expect Reserves to exceed \$170,000.
16. The excess will be revisited when we work on the 2024 budget next year.

Vice President: Ms. Tarkoff will volunteer to watch what is being done with the ponds.

Treasurer: Ms. McClellan reported that at the end of August, the operating fund had a balance of \$108,881. The reserve fund had a balance of \$188,664.

REPORTS OF COMMITTEES

Building Maintenance

Mr. Jennings reported that 6 fences have been replaced. He discussed other items for 2023.

Landscape – Mr. Ward reported that Gene Voelkel is on vacation, but there is really

nothing to report. The landscaping is in good shape.

EPO – Mr. Ward reported that Harvey Samuels is not present, so there is no report.

Ponds – Need Pond Committee Chair – Mr. Ward gave the following report:

1. Bob Crist has asked to step down as chair of the Pond Committee. Bob and wife Susie have been Lakeshire residents for something like 15 years and have generously served the community in one capacity or another for most if not all those years. If Bob is asking for someone to step in and help out, he more than deserves our support for his decision.
2. Ideally, we would like someone committed and agile enough to enter the vaults if conditions dictate, but we will settle for (and greatly appreciate) anyone willing to step up and make sure the ponds are getting the attention they deserve.

Major Equipment Identity List

3. A major problem with informed budgeting for pond equipment is the lack of accurate history of replace/repair/status of the primary equipment (pumps/motors/valves). I have asked that all equipment be marked with an identification number and that a list of equipment with the best estimate of the status of each item be provided to us along with any existing warranties.

Ventilation Fans Installed

4. The current and previous pond contractors recommended ventilation fans for the vaults. In fact, we paid for such an installation in 2017 but there is no indication that installation took place. We now have a ventilation fan installed and running in each vault. This should help extend the life of equipment in the vaults.

Vegetation Trimming

5. Pond water maintenance has been very good since we switched to Waterworks as our pond contractor but the vegetation (reeds and lily pads) has been neglected. We are working out a plan and schedule for vegetation trimming to meet both plant health and aesthetic requirements.

Problems

6. Estimating equipment repair/replacement budgeting has been a perennial problem, and the lack of lighting on the upper half of Pond #3 has been a chronic problem. We are hoping the establishment of equipment lists per bullet 2 above will help with the repair/replacement budgeting and we continue to press for a diagnosis of the problem/development of a repair proposal for Pond #3.

Social – Ms. Ward reported the annual holiday party will be on December 5. An email has been sent out and a flyer will be placed in boxes in early November.

FINANCIALS – Mr. Lesser had nothing to report.

PRESENTATION OF 2023 BUDGET

Paul Donner reported there will be no coupon increase this year.

The MOD management fee will increase by \$7.53 due to the addition of staff. Staff added is/will be: H/R, Systems Analyst, Accountant, and a Board Services Coordinator.

Building Maintenance will decrease by \$2.36. Landscape Maintenance will increase by \$4.05. This is mostly related to contracts. The Pond Maintenance will increase by \$5.53. Insurance will increase by \$31.93. Utilities will decrease \$7.88. Professional Services will decrease by \$2.74. Working capital will decrease by \$4.81. The reserves assessment will decrease by \$57.02.

The insurance premium will be \$69,473.

RESIDENTS' FORUM

Resident stated that he is happy with the community. He asked if lights are allowed in the back patio area. Mr. Ward stated that some have lights on the back fences.

Resident asked what happened to the green waste bins. Mr. Ward stated that in the past they were used mostly for the larger Mutuels that have enclosures for them. There are no places for a community bin right now. He will ask Lisa Lankford if there are any plans to provide a bin.

Resident stated that she appreciates the Board and thanked Mr. Ward for getting the finances under control.

Resident asked when the gutters will be cleaned. Mr. Ward reported that they have to request it every year.

NEW BUSINESS

Election Results: Anne Paone reported the following:

I, Anne Paone, Assistant Secretary of WALNUT CREEK MUTUAL FIFTY-SIX (Lakeshire), do hereby declare that Robert Ward was the only candidate to come forward by the deadline of July 22, 2022. He was elected by acclamation and will serve for a three-year term.

ANNOUNCEMENTS

No announcements.

ADJOURNMENT

Having no further business, the Thirty-Third Annual Meeting of Members adjourned at 10:45 a.m. to an organizational meeting.



Anne Paone, Assistant Secretary
Walnut Creek Mutual Fifty-Six