

MINUTES
WALNUT CREEK MUTUAL NO. FIFTY-SIX
SPECIAL BUDGET WORK SESSION OF THE BOARD OF DIRECTORS
FRIDAY SEPTEMBER 14, 2018 AT 10 A.M.
DONNER ROOM - EVENT CENTER

ROLL CALL

Present: Robert Ward, President; Bill Eames, Vice President; Secretary/Treasurer, Vacant

Representing staff: Paul Donner, Director of Mutual Operations; Rick Chakoff, Chief Financial Officer; Rick West, Building Maintenance Manager; and Jo Ann Cooper, Financial Analyst

Five residents who were present were welcomed to the meeting.

OPENING REMARKS

Mr. Eames noted that no one had come forward to apply for his position on the board and he expects to remain on the board for the next three years.

Mr. Ward stated the purpose of the meeting was review of the Mutual 56, 2019 budget proposed by the MOD staff. Mr. Ward then asked Mr. Chakoff for a summary of the status of our termination of the LOC with Banco Popular and the procurement of term loans for the residents who desired them.

Mr. Chakoff stated we have received the required special assessment payment from 32 manors and the five who desired term loans have been provided documentation for term loans from Banco Popular. Mr. Chakoff is pursuing a term loan agreement with Mechanics Bank which will result in terminating all current loan activity with Banco Popular including return to us of the \$100,000 Banco Popular is currently holding as stipulated in our LOC agreement.

Mr. Eames requested we pursue as vigorously as possible an agreement with Mechanics Bank since we are losing the interest we could be accruing if the \$100,000 of non-interest bearing assets held by Banco Popular were returned and deposited in an interest bearing account with Mechanics Bank. Mr. Chakoff assured him he was pursuing the matter as vigorously as possible but declined to provide a date for completion of arrangements with Mechanics Bank.

RESIDENTS' FORUM

Phyllis Christopher has done some research into the possibility of using a section of our berm area for a solar array to power, at least in part, our ponds.

Rick Webster accepted the action to further explore the feasibility of this option and to provide a preliminary recommendation at the October Board Meeting.

BUDGET REVIEW

The MOD staff presented their recommended 2019 budget to the board. The Golden Rain Foundation 2019 budget has not been approved, but based on a thoroughly reviewed preliminary budget, it appears we could maintain our coupon in 2019 at the

same amount as currently assessed. However, it was recommended that the Reserve

