

MINUTES
WALNUT CREEK MUTUAL NO. FIFTY-SIX

TWENTY-SIXTH ANNUAL MEETING OF THE MEMBERS
WEDNESDAY, OCTOBER 21, 2015 AT 9:30 A.M.
VISTA ROOM AT HILLSIDE CLUBHOUSE

The Twenty-Sixth Annual Meeting of Members was convened by President Claudia Edwards, on Wednesday, October 21, 2015 at 9:30 a.m. in the Vista Room at Hillside Clubhouse, 3400 Golden Rain Road, Rossmoor, Walnut Creek, California.

ROLL CALL: PRESENT: Claudia Edwards – President
Bill Eames – Vice President
Susie Crist – Treasurer/Secretary

EXCUSED: None

Representing Mutual Operations Division were Paul Donner, Director of Mutual Operations; Rick West, Building Maintenance Supervisor; and Anne Paone Administrative Secretary.

Ms. Edwards introduced the Board, volunteers, and staff, and welcomed the 22 residents in attendance.

Assistant Secretary Anne Paone verified that a quorum was present with 22 of the 37 households represented in person. The presence of 13 households was required to establish a quorum.

CERTIFICATION OF NOTICE OF MEETING

Assistant Secretary Anne Paone certified that notice of the annual meeting was published in the *Rossmoor News* on, September 30, and October 7, and a copy of the attached notice was sent to all members of record on October 2, 2015, in accordance with Article 4, Section 4.3, of the Bylaws of said corporation.

Ms. Edwards advised that the minutes of the Twenty-Fifth Annual Meeting of Members held on October 15, 2014 were read and found to be accurate by the Board of Directors. Accordingly,

a motion was made, seconded, and carried to approve the minutes of the Twenty-Fifth Annual Meeting held October 15, 2014 as written and reviewed.

The regular quarterly meeting minutes were reviewed. Accordingly,

a motion was made, seconded, and carried to approve the minutes of the regular quarter meeting minutes of April 15, 2015 and July 15, 2015 as written and reviewed.

FINANCIAL REPORT

Mr. Eames reported that there will not be an increase in the monthly fees for 2016. The budget is based on the fact that there will be a special assessment for 2016.

PRESENTATION OF 2016 BUDGET

Mr. Donner reviewed the proposed budget for 2016. There is no increase in the budget, but there have been some changes in the numbers. To begin, there will be an increase in the MOD Management fee of \$2.15. This is because there is an additional staff member that will be added to resales and alterations. The Board presidents agreed that it was necessary because the workload has increased in that department and most Mutuals are requesting a meeting with new buyers prior to the close of escrow. The building maintenance and public works has an increase of \$4.58. Landscape is up \$6.44. Insurance is decreased by \$13.76. The insurance gets placed at the end of the year, so the amount is based on the best forecast. Utilities is decreased by \$1.27. Professional Services is increased by \$.15. Other general and Admin Expenses is decreased by \$6.29. This was accomplished by changing banks, as the new bank does not charge bank fees. In 2015, we had \$32.49 budgeted to increase working capital. That is not in the budget for 2016, so that shows a reduction of \$32.49 per manor per month. The total Mutual operating assessment is decreased by \$40.53. The Mutual Board has an ambitious plan to beef up the reserves. \$37.17 of the \$40.53 went back into the reserves. The total Mutual assessment is decreased by \$3.36. The total GRF Assessment is increased by \$3.36. We hope to end the year with a fund balance of \$42,000 on the operating side. On the reserve side, we will begin the year with \$146,818. The budgeted expenses for 2016 will reduce that by \$282,242. When we add back the special assessment of \$20,000 (shown in 1 year, but will be paid out in 2 years), it would generate \$740,000. The estimated ending balance would be \$604,576. The total Basic Assessment remains unchanged from 2015 at \$948.00.

Mr. Eames moved to approve the 2016 budget as presented with the coupon amount remaining at \$948.00 as it was in 2015. Ms. Crist seconded and the motion carried without dissent.

Mr. Donner reported that the Mutual plans on doing carpentry, painting, roof replacement and fence and trellis replacement on all 37 units over the next two years. In the third year, the Mutual plans on a major landscape rehabilitation project geared toward turf renovation and replacement. At the end of 2018, all work will be done.

The total cost for these projects spread out over three years is \$982,000. In order to fund these projects, the Mutual must approve a special assessment of \$20,000 per unit payable in two \$10,000 installments. The plan for 2016 is to spot repair dry rot for \$36,000, reroof seven buildings for \$254,000, and repair or replace fence trellises as needed for \$93,000, which is a total of \$383,000. In 2017, the plan is to paint all the Mutual buildings for \$116,000 with \$36,000 in dry rot repairs, reroof the remaining 7 roofs for \$254,000 and complete the fence and trellis work for \$93,000.

The total for the work in 2017 would be \$499,000 and everything will be done. In 2018, the contract for major turf and renovation project will be done for an estimated cost of \$100,000. The reserve fund balance will start at \$146,818 in 2016. In 2018, after all work has been completed and all money for the special assessment has been collected, the reserve fund balance would be \$240,000, which is an increase of \$100,000 over the three years. This leaves the Mutual in a positive position to move forward for the following years as the reserve fund continues to grow.

Mr. Eames reported that he and Keith Peedle looked at all of the fences. Some will not need to be replaced, some just need new posts. They have the cost and hours needed for every individual unit.

Roofing will be done in 2 phases. It cannot be done at one time because they do not have the manpower. Additionally, it would be too many vendors on the property at one time with limited space.

Mr. Donner commented that if the special assessment does not pass, the Board can raise the coupon by 20%, but that is not good for resales. The Board can defer work, but that is not a good option because the work will have to be done sooner rather than later.

There were some questions about landscaping. The Mutual will do some spot work and some reseeding on lawns.

A resident asked about mailboxes. Mr. Donner commented that they can be done as part of the budget.

Mr. Eames reported that the water conservation is down by 36% in the Mutual.

Ms. Edwards called for a motion to approve the budget.

Mr. Eames moved to approve the budget as presented for 2016 with no increase in the coupon. Ms. Crist seconded and the motion carried without dissent.

LANDSCAPE REPORT – Rich Perona

No report.

BUILDING REPORT – Rick West

No verbal report given.

REPORTS OF COMMITTEES

Building Maintenance – No report

Landscape – Mr. Crist reported that the landscape work for 2015 is complete.

Future work is being deferred for 2 years because of the projects planned. There will be some reseeding done. He reminded everyone that if they have some issues such as some trimming that they want done, it is best to email the work order desk at workorder@rossmoor.com.

Ponds – Ms. Edwards reported that the ponds are working beautifully. Workers come once-a-week and if anyone sees a problem with them, they should call her.

Emergency Preparedness – Ms. Edwards reported that the Mutual should be doing more. Most Mutuels have storage somewhere with emergency supplies. Mutual 56 should think about it. Members should remember that they would need water, flashlights, food and maybe some medicine for at least a week. The Mutual could also make use of a golf cart in an emergency. Merle Christianson has a radio.

Social – Shirley Bolton reported that the holiday social is scheduled for Monday, December 7 at the Stanley Dollar Clubhouse. Invitations will be sent out.

OFFICERS' REPORTS

Ms. Edwards thanked the Board for all of their work, time and efforts. They have done a great job all year.

Mr. Eames had no additional report.

Ms. Crist reported that she is putting a new roster together. She asked the members to give her any email address that they would like to use. She would like to send the newsletter out by email. She believes the Lakeshire News will be out in December. Articles should be submitted to her. She reminded residents not to feed squirrels and birds. A resident is finding droppings on her patio. Residents should also watch for standing water.

ELECTION OF DIRECTOR

Bill Eames was re-elected by acclamation to serve a three-year term, pursuant to Article 6, Section 6.3 of the Bylaws.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

RESIDENTS' FORUM

None

ANNOUNCEMENTS

The next regular meeting of the Board of Directors is scheduled for Wednesday, January 20, 2016 at 9:30 a.m. in the Board Room in Gateway complex.

Ms. Edwards thanked everyone for attending the annual meeting.

ADJOURNMENT

Having no further business, the Twenty-Sixth Annual Meeting of Members adjourned at 10:17 a.m. to an organizational meeting.

/s/ _____
Anne Paone, Assistant Secretary
Walnut Creek Mutual No. Fifty-Six