

WALNUT CREEK MUTUAL SEVENTY
MINUTES
NINTH ANNUAL MEETING OF THE MEMBERSHIP
FRIDAY, JUNE 19, 2020
ZOOM

OPENING

President Alley opened the meeting at 10:00 a.m. and welcomed everyone to the Ninth Annual Meeting of the Membership.

Ms. Alley reported that the Agenda included reports from Board members and GRF staff that would provide members with a review of what has been accomplished during the last year, where we are now and what we are looking at for the future.

For this portion of the meeting all, except Board Members and GRF staff, will be muted in order to minimize background noises and allow for an uninterrupted presentation.

We look forward to hearing from Residents with questions or comments later on the Agenda.

INTRODUCTIONS:

Ms. Alley made introductions as follows: Board members include Roger Svoboda, Jeff Cheung, Dennis Johnsen, Herb Salomon. You will hear from each of them during Committee reports. I am Jill Alley.

Paul Donner – Director of Mutual Operations

Rick West – Building Maintenance Manager

Steve Ormond – Landscape Supervisor

Rebecca Pollon – Landscape Manager

Anne Paone – Board Secretary

PROOF OF NOTICE OF MEETING

Ms. Paone certified that notice of the ninth annual membership meeting appeared in the *Rossmoor News* on June 10th and June 17th. A notice was mailed on June 4, 2020 by first class mail to each membership household in accordance with Section 4.4(a) of the Bylaws of Walnut Creek Mutual Seventy.

APPROVAL OF MINUTES

President Alley asked for any additions or corrections to the minutes of the Eighth Annual Membership Meeting and the Organizational Meeting held June 21, 2019. Hearing none, Ms. Alley declared the minutes approved as written and reviewed.

ELECTION RESULTS

Two candidates came forward by the April 10th deadline for the two open positions.

Ms. Paone, Assistant Secretary of WALNUT CREEK MUTUAL NO. SEVENTY, hereby declared that the foregoing results of the election for Directors of WALNUT CREEK MUTUAL NO. SEVENTY are in order and that the following persons have been elected by

acclamation: Jeff Cheung and Herb Salomon.

REPORTS OF OFFICERS

Ms. Alley stated that to avoid redundancies, Directors will combine their remarks with Committee reports.

President's Report

Ms. Alley reported as follows:

Zoom meetings are becoming more common, but this is a first for us for an annual meeting, so hopefully we will accomplish our goal to update you on the State of the Mutual.

We are all going through trying times in terms of worries about our physical health, monetary issues, social isolation, dramatic changes in our routines and concerns about the future. We cannot solve all those issues today, but we do have many positive things to report about the state of our Mutual.

1. Manors placed on the market are selling at asking price or above and remain on the market for a short period of time, excluding those listings placed on the market prior to the COVID outbreak.

2. Judging from the emails I get and the listings in the Rossmoor News, more units are coming on the market now.

Normally I would meet with buyers prior to escrow closing to welcome them and go over some Mutual issues of interest. We have not been having those meetings, but hopefully we will have the opportunity to meet new neighbors in the near future

3. The staff at GRF and Mutual Operations have been attending to Mutual business, many from their homes.

They have been very responsive to requests for action, assistance or to answer residents' questions via email, text or Zoom. This gives a whole new meaning to remote learning! We appreciate all you have done to provide service to our residents and to keep us informed about issues that require Board decisions to benefit the Mutual.

You will hear specifics from all the Directors during Committee reports, but an overview of the past year's activities includes:

1. We have been working to complete installation of new garage doors. There are three entries with a total of 36 doors left to be replaced. That project is expected to be completed this year.
2. We were hit with a couple of surprises that impacted budgets and forced a re-evaluation of project timing.

The State has mandated deck inspections which are continuing. A lot will be said about that given the high cost involved for the inspections and repairs.

The insurance premium increased dramatically this year. That unexpected cost involved a lot of juggling between the Reserve and Operating funds.

3. A line item for painting the buildings is included in the budget for each of the next six years, at \$209,000 per year. It has not been determined when this project will start.
4. We completed a major project recommended by the Contra Costa Fire Abatement Division that involved removal of many plants to protect our buildings from the threat of fire.
5. The Landscaping Department and our outside contractors have been involved in rehabbing those areas that were significantly impacted by these removals. This was a large expense, but we are safer from fire spread than we were before.
6. The updated Operating Rules that were sent to Owners in March for review will be approved later this morning at the Organizational meeting.
7. There are many smaller projects that impact us in a positive way. For instance, this week I noticed a worker changing out the fire extinguishers in our Entry. Another reminder that MOD does look out for us.
8. The organics recycling program is working to help reduce landfill waste.
9. Now that construction is cleared to start again, MOD and outside contractors will help to maintain our property values with projects budgeted for this year.

To conclude – As stated, we have had a couple of big surprises this year that impacted our fund balances.

The insurance premium increase and the State mandated deck inspection program may result in significant expenses above budget.

However, the financial position of the Mutual is good now, but it will require careful management of projects going forward, in terms of prioritization and cost.

Fortunately, your Board consists of capable, experienced managers that are facing our challenges with a careful approach and a steady hand.

COMMITTEE REPORTS

Ms. Alley stated that now we will hear from those Directors who will provide a more detailed report about the areas they help manage with GRF support.

BUILDING COMMITTEE REPORT

Mr. Salomon reported the following:

Water main line break:

Extensive and expensive search was made for a leaking pipe; finally found and repaired.

Balcony repair and recoating:

These items plus the trellis rebuilds always run into original cost overruns as more work(dry rot) is uncovered as the repairs are done.

Door replacement:

Several entry doors from a garage into a condo (fire-insulated doors) needed replacement.

These are expensive (\$2-\$3 K each).

Underground downspout drain line repair / replacement

Trellis rebuilds:

These were originally made of wood which rotted along with some adjacent unit support

beams (headers).

Rooftop Solar:

Seventeen (17) rooftop solar installations were approved, which is 10% of our M70 units. Rossmoor as a whole has about 2% rooftop solar units.

Mr. West reported the raised component inspections are for anything that is over 6 ft and holds people. A licensed architect or engineer must be used. He has asked for proposals. Four engineers have pulled out of submitting a proposal. He has 2 and is looking for a third. They will need to be re-inspected every nine years. A line item will be added to the reserve fund. Installation of garage doors is starting again.

GOVERNING DOCUMENTS COMMITTEE

Mr. Svoboda reported that it has taken 2 years for the entire process to revise the Operating Rules. EVC rules were created and financial assessments have been revised to comply with current laws. A closer look was taken at Private Gardens. This has been reaffirmed and this rule will be enforced.

LANDSCAPE COMMITTEE REPORT

Mr. Salomon reported that in addition to standard landscaping and tree removal, high-risk fire juniper bushes were removed.

Work due to the tree that fell at 3425 TG:

Emergency repair for tree damage. No personal injuries.
Underground downspout drain line repair / replacement

Mr. Johnsen reported the following:

Members of the committee: Jim Drommond, chairman; Claire Rosenzweig, secretary; Paula Krauss; Eldon Rowe; Carole Geogehagan; Steve Ormond, MOD rep; Herma Lichtenstein, member at large; Dennis Johnsen, M70 Board Rep; and Curtis Kaul, Brightview rep. Mr. Johnsen also thanked Pat Hart, who recently left the committee, for her contributions. He continued by saying we presently lack representation for entries 4 and 8 and would welcome residents who have an interest in landscaping and are willing to serve on the committee to volunteer as possible members.

The largest amount of the committee's attention has been on fire abatement and much has been done since last fall when a large project, about \$60,000 worth, was carried out to remove hazardous vegetation, mostly juniper, and comply with recommendations of the Contra Costa County Fire Protection District. That effort was completed in the late fall and followed by a rehab effort that is still continuing to restore the appearance of affected areas. Although the major goals of that effort were achieved in consultation with the fire protection authorities, attention is continuing to be given to be sure that these standards are maintained and that the Mutual and its residents are protected. Residents are encouraged to bring to the Board's or the committee's attention any of their concerns about fire safety. Finally, the committee and the Board are seeing, with increasing concern, the unauthorized

placement of plantings and flowerpots in the Mutual's common areas. The committee and the Board are giving increased attention to the identification and removal of such offending property and to assuring the safety and appearance of our mutual.

Steve Ormond reported that proposals are bien done for tree abatement. Fire abatement is ongoing. The in-house crew does rehab work in December.

Mr. Ormond reminded members to report any irrigation problems by calling the work order desk.

FINANCE COMMITTEE

Mr. Cheung introduced Frank Cost as a member of the Finance Committee. He advised the membership that his presentation will be on the Mutual website by Monday, the 22nd. 2019 ended the year better than projected.

The reserve fund was higher due to the timing and management of projects. We have put a 5-year plan in place. An operating fund goal is to build up Working Capital (cash on hand). We would like to have 2 month of working capital (operating and expenses) and cash on had to pay for the insurance premiums.

The operating fund for May 2020 has an excess in revenue. Our cash position is \$123,000 The 2020 budget was based on a 15% increase for insurance. The actual increase was 31.6%. We anticipate a 35% increase in insurance for 2021.

Mr. Cheung reported that he tracks trash fines. Some reasons that the Mutual can be fined are due to items in wrong bins or contamination of bins.

The reserve fund is in a strong position. The cash position in the operating and reserve funds is \$1,070,348.

Mr. Cheung displayed future projects and a comparison of coupons throughout Rossmoor. Challenges for the Mutual, due to insurance, will include stress on the operating fund, expenses, and the bottom line. There will be stress on having the cash to fund the 2021 insurance upfront.

The Board will address these challenges within the framework of the 5-year plan.

MEMBERS' FORUM

Ms. Alley stated this is an opportunity for all to ask questions or make comments. To do so, she advised that members need to click on video and the small hand icon (raise hand) and you will be recognized. In order for members to be heard, hold the space bar down for the entire time that you are speaking. Please limit your question or comments to two minutes.

Resident thanked the Board for their hard work and was very impressed.

Resident stated that this was an excellent meeting.

Resident asked landscaping questions regarding dead branches on trees. She was advised that landscaping is waiting for an estimate to do that work.

Mr. Ormond stated that he has an estimate for E6 that is over \$8,000.

Resident suggested that members check the Rossmoor website for information on trash bins and recycling.

Resident asked about hardwood floors regarding noise. She was advised that other Mutuuls have flooring policies. The Board is not aware of similar complaints.

Residents had comments about sections of the Operating Rules. Mr. Svoboda sked them to email them to him and he can respond.

Resident had question regarding the definition of garages.

Ms. Alley thanked everyone for their participation at today's unusual venue for the annual meeting.

APPOINTMENT

The Board moved to appoint Anne Paone as Chair Pro Tem for the Organizational Meeting to immediate follow the adjournment of the Annual Meeting.

ADJOURNMENT

Having no further business, the Ninth Annual Membership Meeting adjourned at 11:10 a.m. to an Organizational Meeting to elect officers of the corporation.



Anne Paone, Assistant Secretary
Walnut Creek Mutual Seventy