

WALNUT CREEK MUTUAL SEVENTY
MINUTES
SEVENTH ANNUAL MEETING OF THE MEMBERSHIP
FRIDAY, JUNE 15, 2018
FIRESIDE ROOM – GATEWAY COMPLEX

OPENING

President Alley opened the meeting at 10:00 a.m. and welcomed everyone to the seventh annual meeting of the Membership.

She proceeded to introduce the individuals who support the effort to maintain the Mutual buildings and neighborhoods as volunteers and as GRF staff members.

The Board consists of Roger Svoboda, the Vice President, Dale Smith, the Treasurer, Dennis Johnsen, Secretary and President Jill Alley. Director Patricia Hart was excused. Members of the GRF staff are as follows: Paul Donner, the Director of Mutual Operations. Paul is our go-to guy for help with budgeting, historical perspectives and common sense. Rick West, is our Building Maintenance Supervisor, who in my mind should bear the title Superman for what he accomplishes for our Mutual and several others.

Anne Paone is the Assistant Secretary for our Board. Her expanded title could be Board Guardian Angel. She is always available to provide counsel and keep us honest in terms of rules governing a home owners association.

Steve Ormond, our Landscape Supervisor, is not here today, but Rebecca Pollen is the Landscape Manager that oversees the whole valley, keeping our neighborhoods and golf courses beautiful.

Ms. Alley welcomed the 45 residents present. Fifty-two owners were needed for a quorum (30% of the total number of 172 member owners); however, since there were no items to be voted upon at the meeting, a quorum was not required.

PROOF OF NOTICE OF MEETING

Ms. Paone certified that notice of the annual membership meeting appeared in the *Rossmoor News* on April 4, April 11 and April 18. A notice was mailed on June 4, 2018 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 Sixth Annual Membership Meeting and the Organizational Meeting held June 16, 2017. Hearing none, Ms. Alley declared the minutes approved as written and reviewed.

ELECTION RESULTS

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

a balloted election: Jeff Cheung and Melvin "Dale" Smith.

Ms. Alley reported that 113 of 172 Manor owners submitted ballots. (66%) She thanked the volunteers who participated in the ballot counting this week. Janet Dickinson and Helen Roosli, along with Mike Leinbach who acted as the Inspector of Elections, did the counting. On behalf of the Board, Ms. Alley extended a thank you to Pat Hart for the time she spent participating in Board activities. She then invited Jeff Cheung to come up and take his seat on the Board. She thanked him for volunteering to take part in the efforts to keep the Mutual moving forward.

REPORTS OF OFFICERS

President's Report – Ms. Alley reported this year has been one in which the Board focused on holding back on spending whenever possible in order to build up the Reserve Fund after rehabbing all six elevators.

Dale Smith will report more in his Finance Committee report.

Individual owners are not holding back. Lots of renovations are being done by existing and new owners.

During the time between June 1, 2017 and now, 49 alteration projects were approved and completed. These range from something as simple as installing a ceiling fan to a total manor renovation.

There are currently 16 projects underway.

We continue to find on re-sale inspections that owners have made changes to their units without permits. The guys in the Alterations Dept. do a great job of identifying those alterations and require issuance of permits and final inspections to ensure that work was done safely. Ms. Alley reminded everyone to check with the Alterations Dept. before undertaking any construction project.

A quick couple of statistics: Between June 1, 2017 and now, 12 manors were sold. The average sale price is \$790,000.

We will learn more about the accomplishments of the past year and anticipated projects and challenges for the coming year with reports from the various Mutual committees that report to the Board.

Vice President's Report – Mr. Svoboda did not have a report, but he acknowledged Ms. Alley and the incredible amount of time spent in her position as President.

Secretary's Report – Mr. Johnsen did not have a report.

Treasurer's Report – Mr. Smith will report under Budget & Finance.

BUILDING COMMITTEE REPORT

Mr. West gave an overview of 2018. In October of 2017, professional Gutter Services (PGS) cleaned the roof gutters and downspouts. The Mutual restored a lot of balconies due to a lot of dry rot. All balconies were inspected. We are prioritizing work. The elevators were completed in late 2017 and early 2018. The telephones in them are up to code. There are new panels with LED lights. New flooring was also installed.

At the end of 2018, we will address building dry rot rehab in preparation for painting in 2019. Additionally, at the end of 2018, we will begin replacing garage doors.

LANDSCAPE COMMITTEE REPORT

Mr. Drommond introduced his committee members. The committee meets on the first Tuesday of the month.

His committee processes requests from owners. The committee does a walk around the Mutual at least once per month. They turn their information over to Steve Ormond.

Mr. Drommond provided a list of entry landscape people and their contacts.

The Mutual gets free work days in November with no charge for labor. This is referred to as rehab projects.

Ms. Alley stated that the landscape Committee works year-round and thanked them for their service.

BUDGET & FINANCE

Mr. Smith reported the Finance Committee is composed of Roger Svoboda and himself. He acknowledged Mr. Svoboda's experience and thanked him for his work.

Mr. Smith reported that sometimes he hears, "There's not enough money!" He would like to clear that misconception up. There's not enough money *to do everything at once* is more accurate.

Helsing Group gives professional direction on the necessary work to be accomplished annually to keep the property and building assets in good condition. Helsing also recommends timing for performing certain work. It is up to the Mutual, through the Board of Directors, to determine a schedule of work. We do that with the very able assistance of MOD and specifically with the excellent help of Rick West.

Mr. Smith proceeded to report the average amount for a coupon for all of the Mutuals is \$886.00. Mutual Seventy's coupon is \$845.00. The mutual has a 10-year reserve flexible spending plan.

The total Mutual 70 annual income is \$1,744,000. This is comprised of the GRF annual fee of \$540,000, operating spending of \$600,000 and the reserve spending of 604,000.

MOD manages the money with some being placed in Money Market accounts. The operating fund is for everyday business such as broken windows, etc.

We are holding off on spending reserves for the next few months, so we can replenish the reserve accounts. Over the next 3 years, we anticipate spending \$1,576,760. There will be a balance of \$200,912 for 2021.

Ms. Alley thanked Mr. Smith for his report.

GOVERNING DOCUMENTS COMMITTEE REPORT

Mr. Svoboda acknowledged the members of the committee, Herb Salomon and Roseanne Cheung. He reported that they spent many hours on the solar policy that was recently adopted. Most of this year was spent in researching, drafting and finalizing the Mutual's solar policy. In the coming year, they will review and address, as necessary, the Mutual's rules on barbecues, electric vehicle charging stations, accounts receivable delinquencies, and the enforcement policies relative to the existing rules.

UNFINISHED BUSINESS

None

NEW BUSINESS

None

MEMBERS' FORUM

Residents asked questions about when paving will begin. There were some comments on the history of paving. Mr. Donner reported that it wasn't repaving, but a slurry coat that was done to prolong the life of the asphalt. The Board has since decided not to do slurry work, but to do actual paving work when the time comes.

A resident asked about replacing light bulbs by installing LED lights. Mr. West reported that LED lights are being replaced as they break.

A resident asked if the Board considered solar on the carports for the Mutual's benefit. It was reported that when installing solar, incentives are only for individual owners, not the Mutual.

Mr. West reminded the membership if they see an asphalt trip hazard, they should call MOD. It will be patched.

A resident had a question about composting. It was suggested that she speak to Carol Weed.

A resident wondered how loud the solar panels will be above someone's unit. Mr. Svoboda reported the noise is up to 50 decibels, which is about the sound of a refrigerator.

Ms. Alley thanked everyone for attending.

ADJOURNMENT

Having no further business, the Seventh Annual Membership Meeting adjourned at 11:05 a.m. to an Organizational Meeting to elect officers of the corporation.

/s/ _____
Anne Paone, Assistant Secretary
Walnut Creek Mutual Seventy