

MINUTES

WALNUT CREEK MUTUAL SEVENTY REGULAR MEETING OF THE BOARD OF DIRECTORS THURSDAY, JANUARY 21, 2016 AT 2:00 P.M. BOARD ROOM – GATEWAY COMPLEX

President Eldon Rowe opened the meeting at 2:00 p.m. Directors Dale Smith, Jerry Cruson, Jill Alley and Ellen Dietschy were also present. Three resident members were also present.

Staff was represented by Paul Donner, Director of Mutual Operations; Rick West, Building Maintenance Manager; Steve Ormond, Landscape Supervisor and Anne Paone, Assistant Secretary.

APPROVAL OF THE MINUTES

Mr. Rowe asked for any additions or corrections to the minutes of the regular session Board meeting of December 17, 2015. Hearing none, he declared them approved as written and reviewed.

MEMBERS' FORUM

Sally Kirby thanked the Board for voting to finance the work on her decks.

SECRETARY'S REPORT

No report

TREASURER'S REPORT

Mr. Rowe reported that he has removed himself from the finance Committee. Dale Smith is now on the committee.

Mr. Cruson reported that as of December 31, 2015, the operating expenses YTD were \$604,359. They were over budget by \$15,103. Expenses exceeded revenue by \$1,088. The overage was due to carpentry, termites and gutter cleanings. The operating fund ending balance was \$86,420. This was \$502 per manor. The reserve expenses through December were \$97,174. The expenses exceeded revenue by \$198,682. This was due to carpentry, deck repairs, asphalt and drainage problems. The reserve funding balance was \$1,024,437. This represents \$5,956 per manor. The total fund balances was \$1,110,857. As of December 31, 2015, the Mutual has \$112,262 lower balance than it had on December 31, 2014. The Mutual is about \$115,000 short of the balance that was provided to Helsing.

PRESIDENTS' FORUM

Mr. Rowe reported that they didn't meet because of the holidays. The Mutual Seventy Board agreed to invite the new CEO, Tim O'Keefe, to the March 17th Board meeting. The Board agreed to join the other Mutuals if there is a Rossmoor-wide golf cart registration program created. Securitas will manage the program.

LANDSCAPE REPORT

Mr. Rowe reported that the landscape committee met and went over the rehab schedule. The committee has the report for the 2016 work schedule.

Mr. Ormond reported that 3288 Terra Granada is level and he can take bark out and put lodi in. Mr. Rowe said to just stay with what is there, since there is no need to do anything. Mr. Ormond reported that the dead pine tree at 3288 Terra Granada has been removed.

MUTUAL OPERATIONS REPORT

Mr. West reported that there is \$107,000 budgeted in 2016 for the roofs. It will cost about \$75,731 for 21 carport roofs. The Board discussed reducing to 2 carports, instead of all 21. The Board can defer the other roofs and then follow the report. The Board agreed to do 2 carport buildings this year. This will free up money for the elevators. The gutter cleaning has been completed by Perfect Paint in the amount of \$8,400. There is a 30-day warranty.

Mr. West presented his report as follows:

Work in Progress:

1. 3401 TG 2A Balcony - Water intrusion and dry rot around window and deck. AMAC Cost \$5,989. Perfect Painting cost \$7,825. Waiting on new window that resident bought. (work in progress).
2. 3425 TG 2B - Deck Coating. Perfect painting \$5,403, AR Construction \$3,000. (start date pending weather).
3. 3258 TG 1A – GWC Deck coating \$9,430/ All new plywood and new scupper additional GWC cost \$1,500. (work in progress).
4. 3443 TG 1B – Stucco and paper replacement due to bad paper. AR Construction \$1,200.00. (start date pending weather).
5. 2016 Roofing Project –21 carport build Ups Budget \$154,000. All Season Roofing, Ben's Roofing, Sorenson Roofing, Fiala Roofing (out to bid).
6. 3625 TG 1B Beam Replacement under back Balcony. (shoring completed) Received structural engineer report for bid scope. (Empire \$13,373.05, Toupin \$14,800.00, AMAC \$13,195.00)

Mr. Cruson moved to approve the proposal from AMAC in the amount of \$13,195.00. Mr. Smith seconded and the motion carried without dissent.

7. 105 new Mailbox's and 25 new posts (Five star estimate \$16,875).

Ms. Alley moved to adopt the proposal from Five Star in the amount of \$16,875. Mr. Cruson seconded and the motion carried 4-1. (Ms. Dietschy opposed)

Follow Up:

1. 3874 TG Building – Beam Dry Rot. (Completed).
2. Tower gutters painting / sliding tile. (lift available, start date pending weather).
3. 2016 Elevator Safety/Tech Upgrades and Cab Enhancement - #3330 start date Aug. 1st / #3288 start date Oct. 1st. (down payment sent Jan 6th \$29,000 Each Elevator).
4. Entry 5 New guest parking. (Completed) cost \$8,500.
5. Carports – 61 new LED Light Fixtures – (Completed). Cost \$7,628.50

Mr. Smith reported that the Mutual is spending more each month than is budgeted in the operating fund. The reserve fund is sorely taxed, too. He created a program to look at the numbers. He would like the Board to address this issue because it can be a problem for the future. Current and future projects are exceeding the money allotted. He would like to see a long-term planning schedule created.

Mr. West discussed the shoring up of the back balconies. The Board agreed to move forward with this project shoring up to 10 balconies at \$500 each for a total of \$5,000.

EMERGENCY PREPAREDNESS COMMITTEE

Ms. Dietschy reported that she has been presenting the Map Your Neighborhood program to different communities. It has been generating positive responses. The letter announcing the addition to the carport operating rules, along with the text, should be sent out as soon as the office can get it prepared. There will be a 30-day comment period for members. This mailing will be separate from the solar panel mailing.

ALTERATIONS

No report.

GOVERNING DOCUMENTS

Mr. Cruson gave an update on the status of the solar panels issue. He reinforced that the responsibility for the panels will remain with the owner. To insure continuity, the Board will select one installer that will work with any owner that wants to have panels installed. There will be 2 meetings on the same day-an afternoon meeting and an evening meeting. Mr. Kent Steele, a solar consultant will make a presentation at both meetings. There is an agenda that will be presented at the meeting, but will not be mailed to the membership prior to the meeting. Ms. Dietschy will write an article for the Rossmoor News. The article will include information about the ballot. Sixty-seven percent of the owners (116) must vote in favor of amending the CC&Rs to allow owners the use of the roofs.

The landscape committee can distribute flyers about the meeting to the residents.

Mr. Smith asked if there is enough space on the roofs to accommodate all owners. Mr. Cruson replied that there is room, but it will be implemented on a first come basis.

Ms. Dietschy commented that the boxes in the graph report that is included in the budget packet should be in color. It was decided that color would be too expensive and there is not enough interest to warrant that expense.

OLD BUSINESS

None

NEW BUSINESS

None.

ANNOUNCEMENT

The next regular board meeting: Thursday, February 18, 2016 at 2:00 p.m. in the Board Room in Gateway.

ADJOURNMENT

Having no further business, the meeting adjourned at 3:25 p.m.

/s/ _____
Ellen Dietschy, Secretary
Walnut Creek Mutual Seventy