

WALNUT CREEK MUTUAL NO. EIGHT

ANNUAL MEETING MINUTES OF THE BOARD
TUESDAY, MAY 7, 2019 AT 9:30 A.M.
VISTA ROOM - HILLSIDE
3400 GOLDEN RAIN RD., WALNUT CREEK, CA 94595

Call to Order

The meeting was called to order at 9:34 a.m.

Introductions

Bob Viator – President
Luther Avery – Vice President
Bob Eisner – Secretary/Treasurer
Alfreda Bell – Director
Rod Weimer - Director

Mutual Operations staff:

Paul Donner, Mutual Operations Director
Rebecca Pollon, Landscape Manager
Kelly Maki, Board Services Coordinator
Lucy Limon, Administrative Assistant

Certification of Notice of Meeting

Notice of the Members' Meeting was published in the Rossmoor news on April 17th, April 24th, May 7th and mailed in accordance with Section 7.5.1, of the Bylaws of said Corporation to all members of record on April 22, 2019.

Election of Director by Acclamation (3-Year Term)

In accordance with Article 8.3 of the Mutual's Bylaws and Civil Code § 5100(a), a Call for Candidates was published in the February 13th, 20th, and 27th edition of the Rossmoor News. There were two (2) open board positions and two (2) candidates. Therefore, the Mutual was not required to proceed with a ballot. Alfreda Bell and Jim Ware were acclimated to the Board of Directors for a 3-year term that will end in 2022.

Jim Ware was sworn in by Secretary Eisner and will take a seat on the Board in the proceeding Organizational Meeting.

Approval of Minutes

a. May 1, 2018 Annual Minutes

The annual minutes of May 1, 2018 were approved.

Moved, Seconded, Carried

Welcome New Members

New members of Mutual Eight were welcomed to the community.

Staff Reports

a. Landscape Report by Rebecca Pollon:

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M8 2019 PLAN

	Operating	Reserves	Total
Landscape Budget	5,000	25,000	30,000
Tree Budget	12,000	10,000	22,000
Fire Abatement	2,000	15,700	17,700
Irrigation	0	3,900	3,900
TOTAL	19,000	54,600	73,600

MOD days	Spring	Summer	Fall	Total
	12	2	7	21
	6/13		12/5	

LANDSCAPE

-1256 Turf renovation	\$9,391
-1200 Turf renovation	\$3,085
-Mutual-wide Mulch (100 yards with MOD)	\$5,000
TOTAL	\$17,476

Some funds available for projects with MOD or contractors during second half of year

TREE

-Building clearance	\$2,812
-Safety pruning and removals	\$10,855
TOTAL	\$13,667

FIRE ABATEMENT

*Fire abatement work will begin in mid-May once all chance of rain has passed.

-Weed eating	\$TBD
Entry 2-4	\$7,200
Entry 4, 5, 6	\$8,500
TOTAL	\$15,700

IRRIGATION

During summer MOD days we will replace large spray stations with MP rotators.
All irrigation clocks are up to date.

In 2020 we will begin mutual-wide landscape updating per a 5-10-year plan.

b. Financial Report by Paul Donner:

As of March 31, 2019

Operating Fund Balance:	\$32,055
Property Fund Balance:	\$614,578
Reserve Fund Balance:	\$453,067

Reports of Officers and Committees

a. Finance Report by Bill Northlich:

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Cautionary notes:

* Insurance

The Finance Chair’s understanding is that the 2019 increased insurance over-budget cost of ~\$15,000 was paid from the Operating Fund. The Increase in insurance expense will be dealt with in the 2020 budget.

* Water damage at 1286 Skycrest Dr. #6 is on-going. Current estimate is that the mutual cost will be ~\$17,000

* Concrete/walkway items - New project; estimated cost \$6,500. If Operating Fund pays, Operating Fund will be reduced to \$25,555.

* **2019 Over Budget:** Insurance unbudgeted expense: \$15,000 (?); Op Fund Public Works unbudgeted expense ~\$18,000; New: proposed concrete repair (RF): \$6,500; 1286 #6 expense now \$17,000. **Total overage ~ \$57,000 visible as of 4/29/19**

* A finance Committee meeting was held Wednesday, 5/1/19. In light of the over-budget items encountered so far in 2019, the Finance Committee will recommend a higher coupon next year than previously planned

* The Operating Fund is dangerously low

Fund Balances	Operating Fund	Reserve Fund	
EOY 2017	\$45,018	\$350,659	
EOY 2018	\$36,058	\$446,023	
Jan 2019	\$35,779	\$453,963	
Feb 2019	\$38,499	\$448,895	
Mar 2019	\$32,055	\$453,067	
Notes	---	---	
Differences			
Current minus EOY 2018	-\$4,003	\$7,044	
	-11.10%	1.58%	
Current minus last month	-\$6,444	\$4,172	
	-16.74%	0.93%	

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Operating Fund Status	YTD Actual	YTD Budget	Fav/Unfav
Total Operating Revenue	\$184,854	\$178,428	\$6,426
Total Mutual Operating Expense	\$188,856	\$176,268	-\$12,588
Excess (Deficiency) Rev over Exp	-\$4,002	\$2,160	-\$6,162
<i>Factors - Mostly Building Maintenance and Public Works - over budget by \$18,655: Carpentry, Sheet Metal (gutters), Laundry room repair (over by \$3,623)</i>			
Reserve Fund Status	YTD Actual	YTD Budget	Remaining Budget
Total Reserve Revenue	\$61,183	\$237,361	\$176,178
Total Reserve Expenses	\$53,139	\$279,392	\$226,253
Excess (Deficiency) Revenues/Exp	\$8,044		

b. Building Maintenance Report written by Rick west, Presented by Luther Avery:

2018 COMPLETED PROJECTS

1. In 2018 Baker Roofing completed the (Flat portion) DuraLast re-roofing Project for 1284 SC.
2. Baker Roofing also completed the Tile to Composition re-roofing Project for 1324 SC in 2018.
3. Sang Electric completed the installation of 65 new LED Light fixtures in all of the entry foyers.
4. Also, in 2018 Sang Electric completed the exterior carport and building panel inspections. This included new wiring and replacement of some carport electrical outlets.

2019 PROJECTS COMPLETED / SCHEDULED OR IN PROGRESS

1. Work was completed by MOD on 1324 SC #3 -The Divider Fence installation included new posts with brackets as well as new fence boards.
2. Five Star Construction completed the work of grinding and epoxy injections on the Stairway between Entries 2 & 4. Five Star also completed the painting of all stair edges with new reflective 3-inch strips.
3. Five Star Construction completed the Concrete Patio Replacement at 1284 SC #6.
4. February 2019 Gutter Cleaning was completed by Professional Gutter Cleaners.
5. The 2019 Manor Lube was completed by Sang Electric - The normal yearly Manor Lube was completed along with an Interior Electrical Panel inspection. New Ten-year Smoke Detectors were also installed at the same time.
6. The 2019 DuraLast Re-roofing Project has started on 7 Carports by Baker Roofing - This project is scheduled to be completed on May 10th.

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7. The New replacement Entry signs for all 4 entries were completed by MOD last month.

c. Landscape Report by Alfreda Bell: Alfreda referred to the previous landscape report given by Rebecca Pollon in Staff Reports.

d. Membership Report by Sally Kennedy:
One new member who moved in two weeks ago:

Joe Cellucci
1268, Unit 3

Joe has moved from South Carolina to be near children.

e. Social Report by P.K. Baltrenas:

SOCIALS

SNACK AND CHATS:

- June 6 5:00-7:00
- September 5 5:00-7:00
- October 3 5:00-7:00

SUMMER SOCIAL:

JULY 21st

1. Dollar Clubhouse and Patio (reserved from 5:00 pm-10:00 pm)
2. To be determined: theme and menu. Any suggestions would be appreciated.

HOLIDAY PARTY:

Particulars yet to be determined.

ITEMS FOR CONSIDERATION:

1. Ideas and location for Holiday Party?
2. Any other suggestions for themes?

SOCIAL COMMITTEE:

We would welcome and appreciate volunteers to be on social committee.

f. Emergency Preparedness report by Cindy Ware: Cindy reported that all owners should have their own water and food in their manor or carport that will last at least 7 days. Make sure to have food for your pets as well. Remember SIP- shelter in place and YOYO – You're on Your Own. There is no "they" when it comes to who will have these supplies for you, you must have them for yourselves. There is a monthly EPO – Emergency Preparedness Committee meeting at 9:30am in Gateway the first Monday of the month. The committee needs a chairperson and entry coordinators to volunteer. If you are interested, please contact Cindy Ware.

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Other Reports

- a. **2019-2020 Phone Book:** The 2017-2018 M8 phone book is out of date. The Membership Committee will be gathering information to create and updated one for 2019-2020.
- b. **Laundry Rooms:** The laundry rooms have many old machines and currently the expenses are far greater than the revenue they produce. The machines are not being used enough to create revenue. In the event that a machine does break down, it is not likely that it will be replaced, it will be removed. Ideas are being considered to balance the expense versus revenues. Increase cost of use? Close down laundry rooms?
- c. **State of the mutual presented by President Bob Viator:**

Walnut Creek Mutual No. 8 was legally set up as a non-profit mutual benefit corporation in 1965, which began the planning process. Once the building plans were drawn up and approved, the land was terraced, and driveways and sewers laid out. There were a few hitches in the process. When the bulldozers went to excavate foundations for a couple of buildings that were supposed to be two stories with nine-up and nine-down stairways, they ran into sandstone ledge—1100 Skycrest where I live was supposed to be one of those, so they revised the plans and poured a slab for four Yosemite units instead. 1300 Skycrest was another, and they made those San Franciscans on a slab. The good news is, because Mutual 8 is built on bedrock, we're less vulnerable to earthquake damage.

The buildings were all erected in 1969, which allowed the first residents to move in. The first annual share-holders meeting was in May 1970. This is our fiftieth Annual Meeting, the fifth that I have chaired, and definitely my last. (I ran Mary Jean Parton's last Annual Meeting, I ran three more as president in my own right, and now this one, as a caretaker finishing up the presidency of Nancy Sorenson.) I am pleased to be able to say that things are in pretty good shape, and we definitely are not making a profit.

This corporation we call Mutual 8 has five co-equal Directors. Each has the same power—to make motions and vote on motions on behalf of you, our Member shareholders. The president is merely a Director—the first among equals—named by his or her peers to preside over meetings. (There will be an Organizational Meeting of the Board immediately following this Annual Meeting, where they will decide who is to be my successor.)

Besides “presiding” —sitting in front of the other four directors and calling on them to make and vote on motions—the president gets to fulfill the functions of CEO, chief operating officer. This brings out skills you didn't know you had. Cindy and Luther can vouch for this. You get to be policeman, cheerleader, and counselor, and you learn more than you ever wanted to know about plumbing, wiring, roofing, landscaping and accounting. Fortunately, you have backup from a very talented team from MOD and Accounting.

As I look around, I'm pleased to see an institution that is running pretty much as intended,

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thanks to the hard work of the paid staff of MOD, the voluntary contributions of a number of members sitting on committees, and the co-operation (and coupon payments) of all of you.

In short, the “best little co-op in Rossmoor” is getting along pretty well, thanks to the help and cooperation of all of you.

- d. **Recycling and Composting Presentation by Cindy Ware:** Cindy brought in many trash, recycling, and composting items to display as she gave a very thorough presentation on what items belong in what bins. Please refer to pages 18-22 of the Rossmoor phone book for diagrams and explanations that will assist you in proper recycling and composting. The Mutual has reduced their landfill bins to save about \$4,000 per year and could downsize 3 more bins in the future. There will be a Recycling Extravaganza held in the Fireside Room on Tuesday, June 17 at 3:00pm.

Members' Forum

Residents were afforded the opportunity to express their general concerns and make comments. Topics discussed included: insurable events, losses covered by insurance, and various maintenance items.

Next Board Meeting

The next board meeting will be held on Friday, August 16, 2019 at 1:00 p.m. in the Multi-Purpose Room #3 of the Gateway Complex.

Adjournment

The meeting adjourned at 11:12 a.m.

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the minutes of the Annual Members' Meeting.



Assistant Secretary Mutual No. Eight

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Attachment 1

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M8 Board Meeting 5.1.18

M8 Fincom Agenda 4.24.18 - modified for board meeting 5.1.18			
Operating Fund Revenues and Expenses - Highlights			
	Actual	Budget	Expense Variance
YTD Expense Total March (p 8)	\$79,774	\$83,961	\$4,187
Operating Fund Balance March 31	Beginning	End	Change
	\$45,018	\$55,711	\$10,693
Operating Fund items over budget YTD:			
	YTD Actual	YTD Budget	Favorable(Unfavorable)
Professional Services (mar)	\$5,060	\$2,010	-\$3,050
Insurance			
Property Damage	\$7,452	\$6,306	-\$1,146
Mutual Shared Deductible	\$1,634	\$0	-\$1,634
Total Insurance	\$10,316	\$7,626	-\$2,690
Fire Safety			
Fire Extinguisher Repair/Service	\$2,259	\$351	-\$1,908
Total Fire Safety	\$2,615	\$375	-\$2,240
			-7,980
Replacement Reserve Revenues and Expenses Highlights			
Reserve Fund Balance			
February, 2018	\$370,119		
March, 2018	\$384,639		
Reserve Fund Activity			
March			
YTD Expense Total	\$20,274		
YTD Excess/Deficit	\$33,991		
Total Year Budget	\$119,850		
Reserve Fund	Year-to-Date	Total Budget	Remaining Budget
Water Supply Maintenance	\$3,009	\$0	-\$3,009
Electrical	\$5,918	\$2,000	-\$3,918
	Estimate	Budget	Excess/Deficiency
Scheduled Roofing (1284, 1324)	\$56,519	\$50,000	-\$6,519
			-\$13,446

5/10/2018