ROSSMOOR
WALNUT CREEK

RWC ENTERPRISE RISK MANAGEMENT PLAN

Updated: 6-2-25

Enterprise Risk Management (ERM) Overview

What is Enterprise Risk Management (ERM)? Enterprise Risk Management (ERM) is a systematic approach for identifying, assessing, managing, and mitigating risks that may affect the operations, finances, and overall health of an organization. The goal is to ensure that the organization can manage and respond to potential risks in a proactive manner. The ERM plan is a critical tool for maintaining the organization's resilience, especially in unpredictable and potentially disruptive situations.

The ERM Plan should be reviewed and updated annually to reflect new and evolving risks, progress made in mitigating current risks, and any strategic shifts within the organization. Specifically, the ERM plan will be formally presented to the Rossmoor Walnut Creek (RWC) Board during the June Board Retreat. An annual report format of the ERM will also be reviewed by the staff, Audit, Finance, and Planning Committees, the following month. For public publication, sensitive information, such as cyber-attack vulnerabilities and Mutual-related risks, will be removed to protect confidentiality and ensure the security of the organization.

Each committee will review their respective risks and related mitigation efforts to ensure that the organization is adequately prepared for both known and emerging risks.

The format of each risk identified in the ERM Plan follows a standard structure to ensure consistency and clarity across risk categories. The key elements of each risk are as follows:

1. Risk Category: Broad area under which the risk falls (e.g., Financial, Facilities, Human Resources).
2. Risk Name: Specific identification of the risk (e.g., Capital Availability, Business Continuity).
3. Risk Description: A detailed explanation of the risk and its potential impact on the organization.
4. Proposed Solutions and Actions: Steps and measures that can be implemented to mitigate or eliminate the risk.
5. Current Status/Progress: The current state of risk mitigation efforts and any ongoing projects or changes related to the risk.
6. Potential Impacts: Future consequences or risks if the issue is not adequately addressed.

The ERM Plan is a living document and is subject to continuous updates based on evolving conditions. Risks such as financial disruptions, infrastructure issues, natural disasters, or changes in market conditions are regularly monitored. The responsibility for updating and maintaining this plan lies with the senior management team, in consultation with appropriate department heads and the Board.

By adhering to this ERM plan, the organization ensures a robust framework for identifying risks, enabling effective decision-making and planning to ensure continued stability and success.

Risk Category: Deadly Pathogen	
Risk Name: Plant Pathogens/ Plant Blights	
Risk Description: Diseases that could kill large species at once.	
Proposed Solutions	**Proposed Actions**
• Reforestation; arborist evaluation.	• Recommend monitoring trees and plants as necessary and promptly addressing issues.
Current Status/Progress Made	**Potential Impacts**
•	• Pollen: pathogens are becoming more common with several plant species. • Lack of water can be a cause, specifically to trees as they become susceptible to blights.

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Risk Category: Deadly Pathogen	
Risk Name: Contagious Disease/Epidemic/ H1N1/ the Plague	
Risk Description: Travels fast and nothing is in place to mitigate the spread of an infectious disease in Rossmoor.	
Proposed Solutions	**Proposed Actions**
• Shelter in place. • Improve cleanliness. • Follow what the CDC recommends. • Implement past practice from COVID. • RWC has experience with the last COVID pandemic to help plan and implement guidelines.	• Generally, this is the responsibility of public health officials at fed/state/local levels. • RWC could create its own protocols including evaluating offsite places to work or ordering employees to stay home.
Current Status/Progress Made	**Potential Impacts**

Risk Category: Facilities	
Risk Name: Catastrophic Event	
Risk Description: Catastrophic fire, earthquake or flood causes significant damage to facilities.	
Proposed Solutions	**Proposed Actions**
• Maintain sufficient insurance coverage to cover possible projected losses. • Maintain sufficient fund balance and debt capacity to ensure comprehensive financial readiness for unforeseen expenses, including but not limited to insurance deductibles. As part of our mitigation strategy, this includes the $6.5M reserve allocated to the shared retention layer, enhancing resilience against potential financial impacts. Initiate wildfire mitigation measures.	• Maintain Fire Wise Community certification. • Must continue to work with Mutuals and broker on solutions/options.
Current Status/Progress Made	**Potential Impacts**
• Done - EQ reduced in 2024. • Currently Building up in the Trust Fund. • Due to recent weather events - we have initiated several programs to lower overall risk. • Shaded Fuel Break Grant to create a fire break around most of Rossmoor.	• Insurance crisis has impacted coverage levels for EQ and property.

Risk Category: Facilities	
Risk Name: Business Continuity	
Risk Description: Unable to resume business activities with minimal downtime after a major event.	
Proposed Solutions	**Proposed Actions**
• Create Business Resumption Plan (BRP) to include capability to work offsite.	• With significant turnover in the CFO position, this plan needs to be reviewed and updated.
Current Status/Progress Made	**Potential Impacts**
• Done and continually updating as required.	

Risk Category: Financial	
Risk Name: Capital Availability	
Risk Description: Lack of affordable capital to fund non-discretionary projects.	
Proposed Solutions	**Proposed Actions**
• Consider raising the RWC coupon to fund required projects.	• Debt capacity needs updating based on medical center discussions. • Revisiting and updating the Facilities Master Plan, which is currently outdated, as it is essential for planning and leveraging assets like the Medical Center as collateral.
Current Status/Progress Made	**Potential Impacts**
• Long term fund projection model has been created that includes a minimum fund balance. • Debt capacity discussions have been held with the bank. • Created a Facilities Master Plan. • Discussion about capital is ongoing at the Finance Committee. • Analysis of the sale of the Medical Center continues.	

Risk Category: Financial	
Risk Name: RWC Coupon Payments	
Risk Description: Material disruption in coupon payments from Mutuals due to a catastrophic event.	
Proposed Solutions	**Proposed Actions**
• Increase Business Interruption Insurance from $5M to $30M for possible loss of revenue.	
Current Status/Progress Made	**Potential Impacts**
• The increase in Business Interruption Insurance has been completed.	

Risk Category: Financial	
Risk Name: Membership Transfer Fees	
Risk Description: Significant reduction in Membership Transfer Fees due to market conditions.	
Proposed Solutions	**Proposed Actions**
• Maintain a minimum fund balance in the Trust Estate.	• Curtail discretionary spending at the Board's discretion. • Evaluate marketing options to attract new residents.
Current Status/Progress Made	**Potential Impacts**
• A minimum fund balance in the Trust Estate has been implemented. • The discussion of branding and marketing are ongoing to help boost interest in Rossmoor.	

Risk Category: Financial	
Risk Name: Medical Center	
Risk Description: Uncertainty with property future.	
Proposed Solutions	**Proposed Actions**
• Complete study.	
Current Status/Progress Made	**Potential Impacts**
• The property has been taken off the market and is now being studied to potentially house RWC and MOD admin offices with the potential of revenue generating opportunities.	• This RWC/Trust asset supports bank loan collateral.

Risk Category: Financial	
Risk Name: Internal Controls	
Risk Description: RWC's existing financial and internal operational controls fail to achieve desired results; may not currently exist and need to be created; or may be unnecessary and should be eliminated. Internal control vulnerability due to system changes (e.g., NetSuite transition, manual processes not yet automated).	
Proposed Solutions	Proposed Actions
• Obtain a comprehensive internal audit of RWC financial and operational internal controls from a competent independent source. • Analyze audit results and take action to modify and improve existing controls as appropriate, add new controls where needed, and eliminate unnecessary and inefficient controls.	• Identify and contract with a competent independent firm to carry out an internal audit of the RWC's financial and operational controls. • Budget necessary amounts to pay for the internal audit. • Evaluate the audit results and implement recommendations as appropriate. • Collaborate with the Audit Committee to identify system-based control points within NetSuite and improve automated checks and balances.
Current Status/Progress Made	Potential Impacts
• In 2021, the Board approved an Audit Committee recommendation to procure an internal audit of the RWC by CBIZ-SLD to be performed in 2023. • The internal audit was indefinitely postponed due to the NetSuite transition. • The Audit Committee and the RWC CFO are redefining audit objectives, developing a new RFP, and identifying potential auditor firms to perform the internal audit during 2026.	• Implementation of recommended control improvements could reduce costs and improve the efficiency and effectiveness of RWC financial and operational activities.

Risk Category: Financial	
Risk Name: Lack of reserves in Trust Fund	
Risk Description: RWC maintains significant insurance. However, with the insurance crisis and reductions in EQ coverage there may be a need for increased reserves.	
Proposed Solutions	Proposed Actions
• Complete and maintain long-term capital plan and funding projections. • Evaluate modeling for probable loss and estimate adequate reserves.	
Current Status/Progress Made	Potential Impacts
• Capital plan and funding model created. • Evaluation ongoing at Finance and Board. • Modeling with Broker underway.	

Risk Category: Finance/Risk	
Risk Name: Insurance/Mortgage	
Risk Description: Rising cost and availability of insurance coverage. Inability for new buyers or existing owners to secure a mortgage or reverse mortgage.	
Proposed Solutions	**Proposed Actions**
• Form task force with Mutuals. • Evaluate coverage options based on modeling. • Investigate captives and retain risk options. • Build partnerships and lobbying efforts with elected officials.	
Current Status/Progress Made	**Potential Impacts**
• Mutual Insurance Task force was created in 2023. • Retained risk layer created in 2023 Coverage reduced based on modeling and market availability. • Lobbying efforts led by RWC Board and task force.	

Risk Category: Technology/Finance	
Risk Name: Governance, Risk, and Compliance Technology Tools	
Risk Description: Lack of automation in RWC's risk identification and control monitoring processes may lead to inefficiency and oversight gaps. Manual processes are more susceptible to human error and often lack real-time monitoring capabilities.	
Proposed Solutions	**Proposed Actions**
• Evaluate and pilot a GRC software solution, such as Workiva, for improved documentation, automation, and centralized reporting across Finance, Audit, and IT.	• Leverage workflow automation tools to standardize ERM reporting and escalation procedures. • Implement data analytics and exception alerting for fraud detection and anomaly monitoring.
Current Status/Progress Made	**Potential Impacts**
• Not yet initiated; recommended for Finance and IT review in 2025.	• Delays in identifying critical risks • Missed compliance deadlines • Higher operational costs due to manual processes

Risk Category: Technology	
Risk Name: Missed Opportunities in AI and Automation	
Risk Description: Failure to explore and implement AI/ML applications may hinder RWC's ability to stay ahead in risk detection, operational efficiency, and decision support.	
Proposed Solutions	Proposed Actions
• Assess the use of generative AI for creating risk control review templates and summarizing audit findings. • Explore machine learning to evaluate historical data for trend-based risk prediction.	• Use Microsoft Copilot or similar tools to support documentation of internal control walkthroughs.
Current Status/Progress Made	Potential Impacts
• No current AI applications in use.	• Reduced capacity to proactively manage emerging risks • Inefficiency in documentation and analysis

Risk Category: IT	
Risk Name: Computer Vulnerabilities and Obsolescence	
Risk Description: Virus, malware, ransomware, or other cyberattacks may compromise systems or data. Additionally, outdated or insufficient cybersecurity tools increase the risk of undetected breaches and delayed response times.	
Proposed Solutions	Proposed Actions
• Increase cyber security and maintain IT infrastructure.	• NetSuite implementation. • Evaluate cybersecurity tools and implement network monitoring and threat detection. • Integrate exception alerting systems and automated penetration testing tools.
Current Status/Progress Made	Potential Impacts
•	

Risk Category: Geological	
Risk Name: Landslide	
Risk Description: This has happened during adverse weather in 2023.	
Proposed Solutions	Proposed Actions
• Create a Geologic Hazard Abatement District. • Create a Geologic Hazard Reserve Fund. • Further examine the stability of the hillsides in Rossmoor.	
Current Status/Progress Made	Potential Impacts
• Retained soil engineer specialists to review hazard areas. Bring in experts to review drainage solutions (RWC only).	• The board could establish a Reserve Fund at any time, however, there is no assurance that future boards will respect the fund.

Risk Category: Golf	
Risk Name: Water Reduction	
Risk Description: Future droughts or rationing could affect the availability of water. Loss of access to creek water.	
Proposed Solutions	Proposed Actions
• Water reclamation. • New plants and new hybrid grasses that use less water. • Water conservation. • Lobby for regional solutions.	• Study SWRF option
Current Status/Progress Made	Potential Impacts
• Regional coordination/lobbying • Drought projects	

Risk Category: Golf Course Bridges	
Risk Name: Creek, Golf Bridges are currently in poor condition	
Risk Description: There are 2 bridges in disrepair, with all bridges requiring some attention/investment/replacement.	
Proposed Solutions	Proposed Actions
• Updated evaluation of creeks, bridges and develop a replacement plan that is approved by regulatory agencies.	
Current Status/Progress Made	Potential Impacts
• Initial assessment of project is underway to evaluate full scope, potential options, and cost. • The bridges are in the long-range plan from 2024 to 2037.	

Risk Category: Governance	
Risk Name: Challenges in Board Communication	
Risk Description: Communication gaps may hinder the dissemination of critical information to the community.	
Proposed Solutions	Proposed Actions
• Focus on addressing communication gaps and enhancing community engagement to foster a stronger connection between the Board and residents. • Celebrate and build upon volunteerism as a means to increase community involvement. • Encourage resident participation by exploring new engagement strategies, beyond traditional meetings, that accommodate varying preferences and schedules.	• No recommendation: this is a business meeting of the Board. • Keep Rossmoor TV and YouTube channels and newspaper as the primary information mediums.
Current Status/Progress Made	Potential Impacts
• Leveraging Rossmoor TV, YouTube channels, and the community newspaper as consistent, effective communication platforms to share updates and information.	

Risk Category: RWC	
Risk Name: Competition from Other Senior Communities	
Risk Description: Other senior communities could draw buyers away.	
Proposed Solutions	Proposed Actions
• Maintain the facilities. • Enhance facilities.	• Begin Marketing Task Force and evaluate branding.
Current Status/Progress Made	Potential Impacts
Rebranding Rossmoor.com as marketing website to target prospective buyers and their adult children	• This could become a bigger risk because most of Rossmoor is unwarrantable. Shrinking our pool of buyers. • The Marketing Task Force could help. We have drone video but no actual marketing plan.

Risk Category: RWC	
Risk Name: Trust Expiration	
Risk Description: Loss of rights to operate the RWC amenities.	
Proposed Solutions	**Proposed Actions**
• Modify Trust and extend/eliminate expiration date.	• Preliminary discussions with Mutual leaders and legal counsel to review options.
Current Status/Progress Made	**Potential Impacts**
• Noted: Amend the termination date is current event status. • Possible legal pathway to extend the Trust.	

Risk Category: RWC	
Risk Name: Lack of Board Succession	
Risk Description: Lack of interest in serving on the Board or committees.	
Proposed Solutions	**Proposed Actions**
• Recruit new candidates. • Volunteer table at Newcomers event. • News articles asking for volunteers.	• Celebrate Volunteers.
Current Status/Progress Made	**Potential Impacts**
• Created recruitment video and featured committee profiles in RM News	

Risk Category: Governance/Strategic Planning	
Risk Name: Lack of ESG Framework	
Risk Description: Failure to evaluate Environmental, Social, and Governance (ESG) factors could hinder RWC's ability to align with industry best practices, attract partnerships, and maintain relevance with evolving stakeholder expectations.	
Proposed Solutions	**Proposed Actions**
• Evaluate how ESG elements apply to RWC operations (e.g., energy efficiency, social engagement, ethical governance).	• Determine whether ESG goals can be integrated into strategic planning, financial investment policies, or operational benchmarking.
Current Status/Progress Made	**Potential Impacts**
• No ESG framework currently in place.	• Missed opportunities for environmental grants or incentives • Limited stakeholder engagement or perception of outdated governance

Risk Category: Human Resources	
Risk Name: Compensation	
Risk Description: Failure to determine and pay competitive employee compensation leading to an inability to retain key employees.	
Proposed Solutions	**Proposed Actions**
• Creation of Compensation Management Structure (CMS) process to ensure that employees are paid competitively.	• Culture training, resident personalities (orientation of culture of Rossmoor).
Current Status/Progress Made	**Potential Impacts**
• Implemented CMS and in force. Requires continual job/wage reviews by HR Director, and program monitoring by Compensation Committee.	

Risk Category: Human Resources	
Risk Name: Succession and Continuity	
Risk Description: Lack of planning to manage the succession of key positions.	
Proposed Solutions	**Proposed Actions**
• Managers create succession plans for key positions. • Cross training in all departments where feasible.	
Current Status/Progress Made	**Potential Impacts**
• Staff have developed a succession plan for key positions. • Where appropriate, staff members are cross-trained. • New structure implemented for operating departments adding mid-management positions.	

Risk Category: Human Resources	
Risk Name: Employee Transitions and Continuity	
Risk Description: Lack of time and resources to support changes and knowledge transfer when there is insufficient time between resignation notice and employment end date.	
Proposed Solutions	**Proposed Actions**
• State or re-state preference for notice of voluntary termination. • Identify key risk areas and build in training or knowledge transfer plans into annual performance goals. • Offer alternative transition options to retain terminating employees for an extended period of time.	• Build training into annual goals and consider offering alternate working status or transition plan as supporting actions, depending on role and risk of adverse business impact.
Current Status/Progress Made	**Potential Impacts**
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Risk Category: Human Resources	
Risk Name: Employee Strike	
Risk Description: If employees go on strike that will leave MOD, custodians, and other jobs abandoned.	
Proposed Solutions	**Proposed Actions**
• Cross train non-union personnel to temporarily fill roles. • Stay informed of known items that will be brought to the negotiating table at the next contract renewal.	• Continue to maintain good relations with the union. • Maintain a fair contract with fair wages and benefits to prevent a strike.
Current Status/Progress Made	**Potential Impacts**
• Contract currently in force with no-strike/lock-out terms.	• Contract expires 7/31/25.

Risk Category: Infrastructure	
Risk Name: Underground Infrastructure	
Risk Description: Sewers, drainage, electrical, water systems are all old and can break down or collapse.	
Proposed Solutions	**Proposed Actions**
• Lobby utilities for long term solutions.	• At annual meeting between PG&E and RWC obtain a plan from PG&E on updating Mutual properties and how it will unfold.
Current Status/Progress Made	**Potential Impacts**
•	• Not RWC purview--utilities will monitor and update their own systems; the final connection to the manors is the responsibility of the Mutuals.

Risk Category: Mutuals	
Risk Name: Infrastructure Neglect	
Risk Description: Insufficient updates to Mutuals' infrastructure due to lack of planning, funding, or oversight.	
Proposed Solutions	Proposed Actions
While this risk lies outside of RWC's direct purview, the following steps can be encouraged through MOD: • Promote the establishment of building maintenance committees within Mutuals. • Provide Mutual boards with targeted training on infrastructure planning and maintenance. • Highlight the importance of reserve studies and their role in long-term financial planning. • Encourage the adoption of policies to maintain minimum fund balances to support ongoing infrastructure needs.	• Outside of RWC purview but MOD can encourage mutuals to have building maintenance committees; board training; emphasize reserve studies; establish policies to maintain minimum fund balances.
Current Status/Progress Made	Potential Impacts

Risk Category: Mutuals	
Risk Name: Board Leadership	
Risk Description: Mutual boards can make poor decisions that affect all of Rossmoor.	
Proposed Solutions	Proposed Actions
• MOD can offer board training and work to stabilize MOD service delivery. • Improve communication to residents.	• As RWC manages MOD, a greater emphasis on this.
Current Status/Progress Made	Potential Impacts
•	• How does RWC/PR address the potential failure of a Mutual, and should this be identified as a formal risk factor? • Unlike the RWC Board, Mutuals do not receive a legal and governance overview through a retreat. As partners, should RWC sponsor an annual retreat for new Mutual board members modeled after the RWC Board retreat? • Mutuals have requested a new orientation packet, which is currently on the update docket. • A key challenge is Jeroen's limited bandwidth; the goal is to delegate portions of this effort to other staff, with implementation targeted for 2025.

Risk Category: Resident Communication	
Risk Name: Printer Going Out of Business	
Risk Description:	
Proposed Solutions	**Proposed Actions**
• Move to digital news.	•
Current Status/Progress Made	**Potential Impacts**
• In 2023, our longtime press closed. We found a new one quickly, but we are down to only three presses that can meet our specifications/delivery date; move to digital news with digital ad revenue--we're are growing the digital side of our operations.We continue to maximize revenue opportunities with the print newspaper so we can funnel that money into building digital without increasing the coupon. Web content manager is helping to build out digital resources.	• Loss of paper newspapers. • Possible loss of ad revenue or struggles gaining them.

Risk Category: Resident Communication	
Risk Name: Cyber Attacks on Three Websites	
Risk Description: Malware, especially ransomware, could deny access to our websites and/or, in the case of MyRossmoor.com, lead to theft of residents' personal information.	
Proposed Solutions	**Proposed Actions**
• Increase website security features for MyRossmoor.com. • Consider moving it to RWC's network to increase firewall protection. • Coordination between IT and Communications teams is essential to reduce overlap and ensure all digital platforms have uniform risk protocols.	• Include resident education campaigns to mitigate phishing and personal data risks.
Current Status/Progress Made	**Potential Impacts**
• Rossmoor.com and RossmoorNews.com have been moved to a more secure network level. • Researching moving MyRossmoor.com to the co-location in Las Vegas. • • Negotiating to move service amenities to secure all-in-one platform, which will take over the logon portion of MyRossmoor.com • Maintain partnership with web developer to address malware issues in a timely manner.	

Risk Category: Resident Communication	
Risk Name: Possible Decline of Bus Ad Revenue	
Risk Description: Real estate agents are primary advertisers on buses, and they have less income as home sales decline. Some are already talking about pulling back on bus ads. If we move away from the buses, we also could lose ad revenue ($40K in 2024).	
Proposed Solutions	Proposed Actions
• Expand on ad client base and look at alternate revenue streams to replace bus ads.	• As we research bus replacements, look for vehicles that can still house ads. • Consider replacing departing bus advertisers with Rossmoor club advertisers. • Invest in ad opportunities that benefit real estate agents (more magazines?)
Current Status/Progress Made	Potential Impacts
• • We have added All Around Rossmoor guide as a new revenue stream. • Will explore ad possibilities for new vehicles that replace the buses	

Risk Category: Landscape	
Risk Name: Landscape Fire Abatement	
Risk Description: Increasing insurance cost and increased efforts for fire abatement to avoid risk of wildfires.	
Proposed Solutions	Proposed Actions
• Firewise Certification Program. • Drone footage showcasing Rossmoor's active pursuit of fire abatement in action.	• Look at all avenues for fire abatement throughout Rossmoor.
Current Status/Progress Made	Potential Impacts
• Maintain the shaded fuel break (action item).	

Risk Category: Landscape	
Risk Name: Falling Trees	
Risk Description: Unmaintained trees pose significant safety hazards, including the potential for branches or entire trees to fall, which could result in injuries or fatalities. Regular maintenance is essential to mitigate these risks and ensure public safety.	
Proposed Solutions	Proposed Actions
• Conduct evaluation of trees on an annual basis with contract and in house arborist/staff. • Apply for permit and remove trees in series decline or of undesired species	
Current Status/Progress Made	Potential Impacts
• Evaluations have taken place. • Staff have initiated permits and removed several trees. • Budgets will be proposed to cover cost of removal and care.	

Risk Category: Budget	
Risk Name: Inflation	
Risk Description: With rising costs, the disparity between income levels and the question of affordability becomes more glaring.	
Proposed Solutions	Proposed Actions
• Branding, marketing	• Create branding/marketing task force. • Maximize efforts with efficiency with spending.
Current Status/Progress Made	Potential Impacts
•	

Risk Category: Budget	
Risk Name: Affordability in Relation to Overall Costs in Rossmoor	
Risk Description: Rising costs, inflation, and increasing operational expenses may impact on the affordability of living in Rossmoor for current and prospective residents. As costs for maintenance, staffing, insurance, and services increase, there is a risk that assessments, fees, and other expenses may become burdensome, leading to resident dissatisfaction, financial strain, and potential reductions in home sales. Ensuring affordability while maintaining financial sustainability and service levels is critical.	
Proposed Solutions	Proposed Actions
• Conduct a comprehensive affordability analysis to assess the impact of rising costs on residents. • Explore alternative revenue streams to offset cost increases and reduce reliance on resident fees. • Monitor market trends and compare Rossmoor's cost structure with other senior communities. • Strengthen communication and transparency with residents regarding financial decisions and trade-offs.	• Evaluate cost-containment strategies while preserving core services and amenities. • Collaborate with the Finance Committee to identify measures that enhance financial sustainability without compromising affordability. • Implement financial models to project long-term cost impacts and adjust strategies accordingly. • Provide regular updates to residents on affordability efforts and financial planning initiatives.
Current Status/Progress Made	Potential Impacts
• Financial models are under review to project long-term cost impacts. • Initial discussions on revenue diversification and cost controls have been held with RWC leadership. • Monitoring regional market trends and cost-of-living factors is ongoing.	• Increased financial burden on residents if costs are not managed effectively. • Potential decline in new resident interest if affordability concerns rise. • Risk of service reductions if budget constraints are not addressed proactively.

Risk Category: Resident Population	
Risk Name: Lack of Civility	
Risk Description: Social issues can cause a divide in community. Lack of civility, including verbal or physical altercations, discrimination, or hostility, undermines respect, collaboration, and inclusivity. It risks escalating conflicts, damaging reputation, reducing engagement, and creating legal or safety concerns. Proactive measures like clear policies, training, and fostering respect are essential to mitigate this risk.	
Proposed Solutions	Proposed Actions
• Social issues can cause a divide in the community. • Implement clear policies and consequences for uncivil behavior (e.g., code of conduct). • Conduct civility training for staff, residents, and board members. • Establish a de-escalation protocol and train staff on conflict resolution techniques. • Employ trained moderators or facilitators for meetings or contentious forums. • Create a safe reporting mechanism for incidents of verbal or physical altercations. • Develop a communication strategy to address incidents transparently and swiftly. • Highlight civility initiatives and positive interactions in newsletters or social media. • Establish a Civility Task Force to identify trends and recommend improvements. • Encourage participation in community-building events that promote mutual respect.	• Foster diversity, equity, and inclusion (DEI) initiatives. • Develop anonymous reporting channels to address discriminatory or hostile behavior. • Include unconscious bias training as part of onboarding for all staff and volunteers. • Regularly review policies to ensure they reflect inclusivity and equity. • Partner with diversity-focused organizations to build awareness and sensitivity. • Conduct regular surveys to assess employee and resident morale. • Create an environment where feedback is encouraged and acted upon. • Recognize and reward behavior that exemplifies civility and mutual respect. • Offer access to counseling or mental health support for those affected by incivility. • Ensure compliance with all anti-harassment and anti-discrimination laws. • Maintain thorough documentation of all incidents and responses. • Provide legal training to HR and leadership teams on handling sensitive cases. • Engage a legal consultant to review policies and risk mitigation measures.
Current Status/Progress Made	Potential Impacts
•	• Escalations during meetings, public forums, or casual interactions may lead to disruptive behavior, employee burnout, or harm to individuals. • Biases or uncivil behavior directed at individuals from underrepresented or diverse backgrounds can foster a toxic environment.

	• Publicized incidents of uncivil behavior can tarnish the organization's reputation and lead to financial or social consequences. • Persistent lack of civility can lead to employee turnover, resident dissatisfaction, and disengagement. • Harassment, discrimination, or physical altercations can result in lawsuits or violations of labor laws.

Risk Category: Security	
Risk Name: Active Shooter, Terrorist	
Risk Description: Potential disruption of services to the community, heightened fear among residents and employees, and challenges in staff retention and recruitment due to safety concerns.	
Proposed Solutions	Proposed Actions
• Provide active shooter training on a periodic basis to employees. • Remind employees of policy prohibiting weapons on property. • Provide tools to improve employee relationships. • Train supervisors on warning signs. • Train employees how to defuse angry customers and may help end a volatile situation before it happens.	• Conduct ongoing active shooter and terrorism response training for employees to ensure preparedness and confidence in handling emergencies. • Periodically remind employees of policies prohibiting weapons on property to maintain a safe work environment. • Equip employees with tools and training to strengthen interpersonal relationships and improve workplace morale. • Train supervisors to recognize and address early warning signs of concerning behavior among staff or community members. • Offer training for employees to effectively defuse tense situations with customers, potentially preventing volatile incidents.
Current Status/Progress Made	Potential Impacts
• The Public Safety Manager, Tom Cashion, has implemented active shooter training for employees and documented it in the Business Resilience Plan (BRP). • An emergency action plan for active shooter scenarios has been created. • The Walnut Creek Police Department provided active shooter training to residents through Rossmoor Emergency Preparedness Organization (EPO) in August 2023.	