

PLEASE DO NOT DROP INTO THE MAIL SLOTS

**MINUTES OF THE REGULAR MONTHLY MEETING
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE**

July 20, 2016

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President Coven on Wednesday, July 20, 2016, at 9:00 a.m. in the Administration Building Conference Room A, followed by the *Pledge of Allegiance*.

ROLL CALL

Present: President Coven, Vice President Trembly, Secretary Boryta, CFO Sumners (9:08 a.m.), and Directors, Edginton, Tran, Powell, and Gould

GRF Representative: Mr. Hood

Guests: Seven shareholders of Mutual Five

Staff: Mr. Hood, GRF Representative
Ms. Hopkins, Mutual Administration Director
Mr. Kranda, Building Inspector
Ms. Day, Recording Secretary
Mrs. Aquino, Recording Secretary

MINUTES

President Coven asked if there were any corrections to the minutes of May 18, 2016, and upon a MOTION duly made by Secretary Boryta and seconded by Vice President Trembly, it was

RESOLVED, To approve the May 18, 2016, Regular Monthly Meeting minutes, as printed.

The MOTION passed.

MINUTES (continued)

President Coven asked for approval for the Special Meeting minutes of May 25, 2016, and June 6, 2016. Both minutes were approved with no corrections.

SHAREHOLDERS' COMMENTS

Several comments from attending shareholders were made.

BUILDING INSPECTOR'S REPORT

Inspector Kranda presented his summary report (attached).

Inspector Kranda left the meeting at 9:19 a.m.

GRF REPRESENTATIVE'S REPORT

GRF Representative Hood discussed GRF activity.

CORRESPONDENCE

There was no correspondence.

CHIEF FINANCIAL OFFICER'S REPORT

CFO Summers presented her financial report (attached).

MUTUAL ADMINISTRATION DIRECTOR

Ms. Hopkins discussed Mutual Administration issues.

UNFINISHED BUSINESS

Following a discussion, Policy 7586.G – Personal Property and Liability Insurance was postponed until further research can be done.

UNFINISHED BUSINESS (continued)

Following a discussion, and upon a MOTION duly made by Secretary Boryta and seconded by Vice President Trembly, it was

RESOLVED, To ratify adopted/posted Policy
7426.5 – SmartBurners.

The MOTION passed.

Director Powell discussed the laundry room rules and the current Mutual Policy 7575 - Laundry Room Use, was referenced.

President Coven discussed the storage and installation of the SmartBurners.

President Coven stated the Finance Committee (Sumners, Gould, and Coven) reviewed the contract for roofing and it is ready to go to the contractor for review and signature.

President Coven called a break at 10:10 a.m. to 10:29 a.m.

NEW BUSINESS

The Board discussed pole mounts for Dish TV and other TV antennas, except DirecTV, on the Mutual roofs. A policy will be written and discussed at the next Board Meeting.

Following a discussion on cracked skylights, letters will be sent to those shareholders who have skylight damage that need repairs.

Following a discussion, and upon a MOTION duly made by Vice President Trembly and seconded by Director Gould, it was

RESOLVED, To award a contract to Pinnacle Landscape to remove seven trees, not to exceed \$2,500.

The MOTION passed.

NEW BUSINESS (continued)

Following a discussion President Coven appointed committees for the following:

Architectural Committee: President Coven Chair Vice President Trembly, Secretary Boryta, Director Powell, and shareholder Steven Chang.

Laundry Room Committee: Director Powell.

Website Committee: Director Powell, President Coven.

Policy Committee: Director Gould, Vice President Trembly, and President Coven.

Events Committee: Vice President Trembly, President Coven

Following a discussion, it was the consensus of the Board to approve all committees.

Following a discussion, and upon a MOTION duly made by Director Gould and seconded by Director Powell, it was

RESOLVED, To have shareholders call Service Maintenance directly for maintenance issues immediately, and have Service Maintenance call a Director if cost, exceeds \$100.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Secretary Boryta and seconded by Director Gould, it was

RESOLVED, To accept Mr. C's Towing Agreement in Mutual Five for 2016/2017.

The MOTION passed.

SHAREHOLDER(S') COMMENTS

There were no comments.

DIRECTOR'S COMMENT

One comment was made.

ADJOURNMENT

There being no further business to conduct, President Coven adjourned the meeting at 11:28 a.m. and stated an Executive Session would follow to discuss member issues.

Attest, Joan Boryta, Secretary
SEAL BEACH MUTUAL FIVE

ka:8/15/16
Attachments

(These are tentative minutes, subject to approval by the Board of Directors at the next Regular Board of Directors Meeting.)

STAFF WILL LEAVE THE MEETING BY 12:10 P.M.
NEXT MEETING: Wednesday, August 17, 2016 @ 9:00 a.m.

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING July 20, 2016**

7/20/16 RESOLVED, To approve the May 18, 2016, Regular Monthly Meeting minutes, as printed.

RESOLVED, To ratify adopted/posted Policy 7426.5 – SmartBurners.

RESOLVED, To award a contract to Pinnacle Landscape to remove seven trees, not to exceed \$2,500.

RESOLVED, To have shareholders call Service Maintenance directly for maintenance issues immediately, and have Service Maintenance call a Director if cost, exceeds \$100.

RESOLVED, To accept Mr. C's Towing Agreement in Mutual Five for 2016/2017.

Eric Kranda

From: David Rudge
Sent: Tuesday, July 19, 2016 11:44 AM
To: Eric Kranda
Cc: David Rudge; Eric Wyngaarden
Subject: RE: mutual 5 board meeting

1. Copper Re-Pipe – Building 125 and 92 Complete
2. Roofing – Draft contract reviewed corrected and distributed for re-review

David Rudge
Project Coordinator
Golden Rain Foundation
PO Box 2069, Seal Beach, CA 90740



☎ (562) 431-6586, ext. 365 | ✉ davidr@lwsb.com | 🌐 www.lwsb.com

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From: Eric Kranda

June 2016 Delinquency Report

Aging Estate Delinquencies

30 Day \$ 171.93

60 Day \$1,374.58

90 Day \$3,359.34

Total: \$ 4,905.85

Aging Resident Delinquencies

30 Day \$ 429.59

60 Day \$ 2,532.74

90 Day \$ 4,807.57

Total: \$ 7,769.90

Delinquency Entity Totals :

GRF Assessment \$ 954.77

M5 Assessment 2,602.64

Cable Charges 105.28

Finance Charges 176.95

Mutual Late Fee 246.00

O.C. Property Tax 848.63

O.C. User Fees 118.94

Resident SRO 238.92

Structural Repairs 2,330.15

Mutual 5 June 2016

Electrical Preventive Maintenance Meter Box 100 Amp Breakers

| <u>Bldg.#</u> | <u>Minutes</u> | <u>Labor Cost</u> | <u>Materials Cost</u> | <u>Total Cost</u> |
|----------------|----------------|-------------------|-----------------------|-------------------|
| 70 | 465 | \$ 302.00 | \$ 761.93 | \$ 1,064.18 |
| 71 | 465 | 302.00 | 660.46 | 962.71 |
| 72 | 465 | 302.00 | 760.38 | 1,062.63 |
| 90 | 345 | 224.00 | 324.77 | 549.09 |
| 91 | 435 | 283.00 | 551.57 | 834.32 |
| 92 | 450 | 293.00 | 540.25 | 832.75 |
| 93 | 465 | 302.00 | 649.54 | 951.79 |
| 94 | 465 | 302.00 | 434.06 | 736.31 |
| <u>Totals:</u> | 35,555 | \$2,310.00 | \$ 4,682.96 | \$ 6,993.71 |

Averages: 444.3 mins. \$288.75 labor \$585.37 parts \$874.21/bldg.

Estimated Cost for 41 buildings is \$ 35,842.61
Less 8 Buildings paid in July - 6,993.71
Remaining Cost \$ 28,848.90

1005 Seal Beach Mutual No. Five
 Financial Statement Recap
 06/30/2016

P.O. Box 2069
 Seal Beach CA 90740

| Jun Actual | Jun Budget | | 2016 Y-T-D Actual | 2016 Y-T-D Budget |
|----------------|----------------|---|----------------------|----------------------|
| 117,470 | 117,470 | Carrying Charges | 704,820 | 704,820 |
| 37,569 | 37,570 | Reserve Funding | 225,414 | 225,420 |
| 155,039 | 155,040 | Total Regular Assessments | 930,234 | 930,240 |
| 0 | 0 | Service Income | 35 | 0 |
| 1,392 | 2,494 | Financial Income | 15,358 | 14,964 |
| 3,104 | 2,593 | Other Income | 16,394 | 15,558 |
| 4,496 | 5,087 | Total Other Income | 31,787 | 30,522 |
| 159,535 | 160,127 | Total Mutual Income | 962,021 | 960,762 |
| 70,922 | 70,922 | GRF Trust Maintenance Fee | 425,532 | 425,532 |
| 13,511 | 12,409 | Utilities | 63,116 | 74,454 |
| 275 | 1,275 | Professional Fees | 3,435 | 7,650 |
| 0 | 39 | Office Supplies | 242 | 234 |
| 27,672 | 27,084 | Outside Services | 146,979 | 162,504 |
| 12,890 | 10,829 | Taxes & Insurance | 77,340 | 64,974 |
| 37,569 | 37,570 | Contributions to Reserves | 225,414 | 225,420 |
| 162,839 | 160,128 | Total Expenses Before Off-Budget | 942,058 | 960,768 |
| (3,304) | (1) | Excess Inc/(Exp) Before Off-Budget | 19,963 | (6) |
| 64 | 0 | Depreciation Expense | 382 | 0 |
| (3,367) | (1) | Excess Inc/(Exp) After Off-Budget | 19,581 | (6) |
| | | Restricted Reserves | | |
| 449 | 0 | Appliance Reserve Equity | 69,281 | 0 |
| 4,975 | 0 | Painting Reserve | 153,002 | 0 |
| 0 | 0 | Operating Reserve Equity | 50,706 | 0 |
| 20,550 | 0 | Roofing Reserve | 2,312,164 | 0 |
| 0 | 0 | Emergency Reserve Equity | 126,787 | 0 |
| 1,057 | 0 | Infrastructure Reserve | 195,078 | 0 |
| 27,030 | 0 | Total Restricted Reserves | 2,907,018 | 0 |

| INVESTMENT ACCOUNTS AND DESIGNATED USES - MUTUAL FIVE | | | | | | | | | | | | | |
|---|----------|-----------------|------------------------------|-----------------------------|------------------------------|----------------------------|------------------------------|-----------------------------------|---------------------|--------------------------------|------------|------------|--------------|
| AS OF JUNE 30, 2016 | | | | | | | | | | | | | |
| INSTITUTION | MM / CDs | Total Available | USES | | | | | | | | Total Uses | | |
| | | | 1320000 Appliance Reserve | 1330000 Painting Reserve | 1365000 Operating Reserve | 1375000 Roofing Reserve | 1376000 Emergency Reserve | 1377000 Infrastructure Reserve | 1181000 Tax Fund | 1122000 General Investments | | | |
| Morgan Stanley | CDs | 1,700,042.39 | 49,000.00 | 50,000.00 | 40,000.00 | 1,296,643.59 | 79,000.00 | 101,309.85 | | | | 84,088.95 | 1,700,042.39 |
| USBancorp | CDs | 1,350,000.00 | 8,891.01 | 84,651.83 | 10,372.68 | 940,343.24 | 40,344.05 | 121,474.39 | | | | 143,922.80 | 1,350,000.00 |
| US Bank | APY | | | | | | | | | | | | |
| Impound MM | 0.04% | 172,813.28 | | | | | | | | | 172,813.28 | | 172,813.28 |
| General MM | 0.03% | 324,500.35 | 11,390.33 | 18,349.96 | 333.00 | 75,177.48 | 7,442.75 | 14,954.13 | | | | 196,852.70 | 324,500.35 |
| Totals | | | 69,281.34 | 153,001.79 | 50,705.68 | 2,312,164.31 | 126,786.80 | 237,738.37 | | | 172,813.28 | 424,864.45 | 3,547,356.02 |

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MUTUAL 5 IS INSTALLING SMART BURNERS

The program: we are installing Smart Burners in two buildings per week starting at Building 69 and proceeding numerically.

Service Maintenance will post your building in advance.

CARE & MAINTENANCE

BEFORE YOU COOK WITH SMARTBURNER™

- Before being used for the first time, SmartBurner™ should be heated up on the HI or maximum setting for approximately 7-10 minutes without any utensils. During this 'curing' process, the protective coating is hardened and obtains its maximum strength.
- NOTE: There may be a slight odor the first time you use your stove with the SmartBurner™ installed. This is normal and should dissipate after the first use.

CLEANING YOUR SMARTBURNER™

- Always ensure burner is cool before attempting to clean.
- Never soak your SmartBurner™ or put it in the dishwasher.
- Use damp cloth or sponge with mild detergent to clean surface of burner and surrounding plate.
- Never use harsh abrasives or steel wool pads on any part of the SmartBurner™.
- Thoroughly wipe soap from a burner plate and towel dry.
- For best results clean your burner plates and drip pans regularly.
- Use dry pots and keep wet utensils or objects with condensation, such as pot lids, away from the SmartBurner™.



MUTUAL 5

SERVICE MAINTENANCE

562-431-3548

New Procedure: At the July 20, 2016, Regular Board Meeting, a new procedure was established!

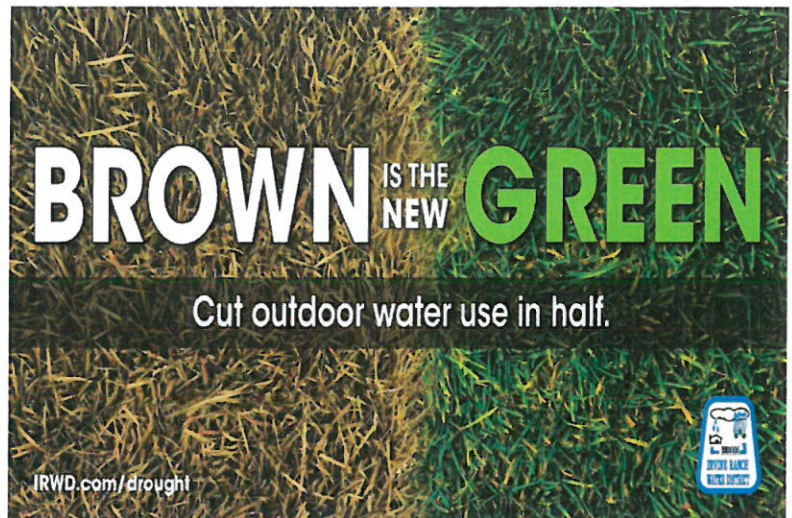
**SHAREHOLDERS MAY NOW CALL SERVICE
MAINTENANCE DIRECTLY FOR ALL
ROUTINE REPAIRS.**

For any service costing more than \$100, Service Maintenance will check with a Director.

SERVICE MAINTENANCE

562-431-3548

MUTUAL 5



We are watering as much as is allowed!

Our turf is suffering from the ongoing drought. Due to careful turf management, we are still mostly green.

Fall 2016 Mutual 5 Turf Plans

When the temperature cools down, we will:

SCALP

AERATE

RESEED

Thanks for your understanding.

**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE
May 25, 2016**

In accordance with the Corporation Bylaws, and pursuant to due notice to the Directors, a Special Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President Coven on May 25, 2016, at 2:00 p.m. in the Physical Property Conference Room, 1st Floor.

Those Directors present were: President Coven, Vice President Trembly, CFO Sumners (via phone), and Directors Boryta, Meznek, and Gould. Secretary Bittner was absent. Also present were one shareholder, Mr. Rudge, Physical Property Project Coordinator, and Mr. Kranda, Building Inspector.

Following a discussion, and upon a MOTION duly made by Director Meznek and seconded by Director Gould, it was

RESOLVED, To accept the bid proposal from Kellie Vaughn Company to reroof nine buildings in Mutual Five, at a cost of \$614,508.32.

Following further discussion, and upon a MOTION duly made by Director Meznek and seconded by Director Gould, it was

RESOLVED, To accept the bid proposal from Kellie Vaughn Company to reroof nine buildings in Mutual Five, at a cost of \$618,784.00.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Director Meznek and seconded by Director Boryta, it was

RESOLVED, To adopt Policy 7426.5 – SmartBurners, on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Director Meznek and seconded by Director Gould, it was

RESOLVED, To adopt, on a preliminary basis until the 30-day posting period is completed, Policy 7403.G – Skylights & Sola Tubes.

The MOTION passed.

Upon a MOTION duly made by Director Meznek and seconded by Vice President Trembly, it was

RESOLVED, To cancel the June 15, 2016, Regular Board Meeting due to the Annual Shareholders' Meeting.

The MOTION passed.

There being no further business to conduct, the meeting was adjourned at 3:45 p.m.

**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE
June 6, 2016**

In accordance with the Corporation Bylaws, and pursuant to due notice to the Directors, a Special Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President Coven on June 6, 2016, at 2:30 p.m. in the residence of President Coven, Mutual Five Unit 93-F.

Those Directors present were: President Coven, Vice President Trembly, CFO Sumners, and Director Gould and Boryta. Secretary Bittner and Director Meznec were absent.

The purpose of the meeting was to discuss two items.

President Coven adjourned the meeting at 3:40 p.m.



Attest

Betty Coven, President
SEAL BEACH MUTUAL FIVE

mm:6/16/16
Attachment