

MUTUAL 5
RUN FOR THE BOARD
NOMINATIONS ARE
OPEN



WE LIVE IN A CO-OP AND NEED TO COOPERATE TO MAKE IT WORK

WE ALL NEED TO CONTRIBUTE SO WE CAN KEEP OUR COSTS DOWN

PROTECT YOUR BIGGEST INVESTMENT – YOUR HOME

HAVE A SAY IN THE DECISION MAKING

KEEP OUR MUTUAL RUNNING

PAY IT FORWARD

FILL OUT AN APPLICATION FROM STOCK TRANSFER

CALL A DIRECTOR TO FIND OUT MORE

RUN FOR THE BOARD

PLEASE DO NOT DROP INTO THE MAIL SLOTS

**MINUTES OF THE REGULAR MONTHLY MEETING
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE
March 21, 2018**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President Coven on Wednesday, March 21, 2018, at 9:00 a.m. in Building Five, Conference Room B, followed by the *Pledge of Allegiance*.

SHAREHOLDERS' COMMENTS

Several shareholders made comments.

ROLL CALL

Present: President Coven, Vice President Van Wyk, Secretary Boryta, Chief Financial Officer Tran, and Directors Cude and Powell,

Absent: Director Deady

GRF Representative: Mr. Gould

Guests: Five shareholders of Mutual Five

Staff: Ms. Miller, Director of Finance
Ms. Hopkins, Mutual Administration Director
Mr. Antisdell, Building Inspector
Mr. Meza, Building Inspector
Ms. Pellegrini, Recording Secretary

MINUTES

The Minutes of the February 21, 2018, were approved by general consent of the Board as presented.

BUILDING INSPECTOR'S REPORT

Inspectors Antisdell and Meza presented the monthly report (attached).

Following questions, Inspectors Antisdell and Meza left the meeting at 9:25 a.m.

GRF REPRESENTATIVE'S REPORT

GRF Representative Gould presented his report on the GRF activity (attached).

GUEST SPEAKER – Ms. Miller

Ms. Miller Reviewed the Financial Statements of the year ending December 31, 2017, and proposed Accounts Report as submitted by CliftonLarsonAllen (CLA).

GUEST SPEAKER – Ms. Miller (continued)

Following a discussion, and upon a MOTION duly made by Vice President Van Wyk and seconded by Director Powell, it was

RESOLVED, That the Board of Directors of Seal Beach Mutual Five, upon a presentation of the Financial Statements of December 31, 2017, for the year then ended, and the proposed Accountant's Report as submitted by CliftonLarsonAllen (CLA), hereby accepts the above mentioned Financial Statements and reports therein, and to authorize the President to sign the Management Representation Letter.

The MOTION passed.

Following questions, Ms. Miller left the meeting at 10:13 a.m.

NEW BUSINESS

President Coven provided an update on the following Mutual Five projects; updates for roofing bids, bath heater fans, swale, gutter cleaning, vaults painted, and fresh water pipes.

SECRETARY / CORRESPONDENCE

Secretary Boryta received two pieces of correspondence.

CHIEF FINANCIAL OFFICER'S REPORT

CFO Tran presented her report (attached).

MUTUAL ADMINISTRATION DIRECTOR

Director Hopkins spoke about Annual Elections.

ANNOUNCEMENTS

No announcements were made.

COMMITTEES - REPORTS

President Report

President Coven presented her report (attached).

Physical Property

Director Cude presented his report (attached).

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING March 21, 2018**

03/21/18 RESOLVED, That the Board of Directors of Seal Beach Mutual Five, upon a presentation of the Financial Statements of December 31, 2017, for the year then ended, and the proposed Accountant's Report as submitted by CliftonLarsonAllen (CLA), hereby accepts the above mentioned Financial Statements and reports therein, and to authorize the President to sign the Management Representation Letter.

COMMITTEES – REPORTS (continued)

Laundry Rooms

Director Powell presented his report (attached).

Carports

Secretary Boryta had no report.

Landscaping

Director Deady was absent. No report was made.

Building Captains/Caregivers/Pets

Secretary Boryta had no report.

DIRECTOR'S COMMENT


Several Directors made comments.

SHAREHOLDERS' COMMENTS

No shareholder comments were made.

ADJOURNMENT

There being no further business to conduct, President Coven adjourned the meeting at 11:16 a.m. and stated an Executive Session would follow to discuss member issues.



Attest, Joan Boryta, Secretary
SEAL BEACH MUTUAL FIVE
jp: 03/21/2018
Attachments

**NEXT REGULAR BOARD MEETING: April 18, 2018, 9:00 a.m.
BUILDING FIVE, CONFERENCE ROOM B**

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL (05) FIVE

INSPECTOR: **MIKE MEZA**

DATE: **March 21, 2018**

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
72-A	FLOORING	GRF	01/11/18	02/28/18	NO	NONE	BIXBY PLAZA
91-L	COUNTER TOP	BOTH	01/05/18	02/15/18	NO	NONE	GRANITE TRANSFORMATI
95-L	COUNTER TOP	BOTH	10/02/17	02/02/18	NO	NONE	WESTBY4HOMES
103-F	HEAT PUMP	BOTH	01/11/18	04/24/18	NO	NONE	GREENWOOD
103-K	WALL HEATER	GRF	02/26/18	03/28/18	NO	NONE	BERGIN ELECT.
111-F	BATHROOM REMODEL	BOTH	01/08/18	06/15/18	NO	NONE	NATIONWIDE PAINTING
111-F	BATHROOM REMODEL	BOTH	01/08/18	06/15/18	NO	03/06/18 FRAM/ELEC/PLUMB	NATIONWIDE PAINTING
113-I	PATIO DOOR	GRF	02/17/18	03/30/18	NO	03/14/-18 FINAL	LW DÉCOR
118-K	EZ ACCESS TUB	BOTH	03/07/18	03/07/18	NO	NONE	NUKOTE
118-K	HEAT PUMP	BOTH	01/26/18	03/30/18	NO	NONE	GREENWOOD
121-F	REMODEL	BOTH	11/20/17	05/25/18	NO	NONE	HADI CONSTRUCTION
125-I	WINDOWS/SLIDER	BOTH	11/20/17	05/25/18	NO	NONE	SEAPORT WINDOWS

SHADED AREAS HAVE BEEN SIGNED OFF

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
71-L		11/16/17	02/06/18	02/08/18	02/23/18		
72-D		07/10/17					
90-F		12/06/17	01/13/18	01/31/18	02/13/18	02/27/18	
90-G		02/09/18					
96-B	3/6/2018						
110-L		02/23/18					
125J	1/30/2018						

SHADED AREAS HAVE BEEN SIGNED OFF

Pre-Listing Inspection **NBO** = New Buyer Orientation

Final COE Inspection **ROF** = Release of Funds

CONTRACTS

Wayne R. Gould
GRF Director
Mutual 5

March 2018 M5 GRF Directors Report

Spring is in the air and the GRF has several projects underway as I speak. Veterans Park has broken ground and is well under way although it looks like weather may delay us slightly. Grading is done, the wall between the project and the library reduced to two courses and general layout completed.

Our RV Park has finally started to issue new leases and the list should be greatly reduced. Plans call for additional gravel in the near future.

Mission Park is formed and ready for pouring cement. The basketball hoop location has been determined to eliminate impact on the four courts. We are still on track for a June first dedication.

The swimming Pool project is in the study phase and look for a Town Hall Meeting announcement seeking share holders input. Rumors are running rampant.

Election activities taking focus as we move into the election process. A new "GRF Directors Handbook" has been developed which should be of interest to anyone that is thinking about running for a directorship. I have reviewed it and it would have helped me understand the job when I was elected.

Staff is doing an employee salary survey to keep us properly positioned on staff wages and benefits.

Drones and their potential uses are back for study. It has become apparent that there could be some benefits to their use by staff.

Respectfully Submitted
Wayne R. Gould

**Mutual 5 - March 21, 2018
Financial Report**

Investment Accounts of Mutual Five as of February 28, 2018 are:

• Morgan Standley	\$1,427,024.03
• US Bank Wealth Management	\$1,289,992.05
Impound Reserves MM	\$307,775.87
Restricted Reserves MM	\$149,196.10
Non-Restricted Reserves MM	\$176,807.86

The ending balance of the reserves are:

• Appliance	\$23,812.53
• Painting	\$238,126.30
• Contingency Operating	\$50,705.68 (unchanged)
• Roofing	\$2,329,361.41
• Emergency	\$96,280.10 (unchanged)
• Infrastructure	\$145,929.49
• Project commitments	\$14,761.90

Expenses of projects in February 2018 are deducted from reserves :

• Replacement of Bath/Heater Fan	\$10,712.71 (from appliance reserves)
• Paint roofing repair	\$ 4,246.00
• Paints due to repiping	\$ 2,680.00 (from Infrastructure reserves)
• INstall wall heater unit 103K	\$1,700.00 (from infrastructure reserves)
• Project commitments	
. Repiping bldg 70	\$38,000.00
. Asbestos removal - bldg 9	\$4,800.00
. Replace concrete 20%	\$20,971.80
. Contract adjustment infrastructure	\$2,700.00
. Contract adjustment roofing	\$8,651.58
. Replace concrete 70%	\$73,401.30

Respectfully submitted,



Debbie Tran - Chief Financial Officer

MUTUAL 5
President's Report
March 21, 2018

For the first time ever, Mutual 5 will have a new form of election. At last year's election we passed some changes to our Bylaws. One of these changes was that we each have one vote. This single vote can be cast for any one and only one of the candidates on the ballot.

Then the candidates with the four highest number of votes will be elected for two years and the other three will be elected for one year.

You may nominate yourself to run for the Board by picking up an application at Stock Transfer. Or call me.

I thought you might like to review the duties of directors as mandated by the Davis-Stirling law. So here is a general outline of the duties - with my comments.

1. **Maintenance.** Maintain the common areas on behalf of the membership (Civ. Code 4775).
(Please note that our first duty is to take care of the common areas. These are our buildings and our landscape.)
2. **Rules Enforcement.** Enforce the governing documents via warnings, hearings, fines, suspension of privileges and litigation. ("Rules Enforcement." includes any letters you may receive from us. Your Board has refrained from imposing fines –as many other Mutuuls have already done. It is our belief that most of our Shareholders want to be compliant with the rules as detailed in our policies – as long as they know what said rules are).
3. **Financial Management.** Boards are obligated to collect assessments necessary to properly maintain the property and enforce the governing documents. (Civ. Code §5600.) To that end, they must prepare budgets, levy and collect assessments, pay bills, review financial records, and prepare year-end financial statements. (Currently we have been working hard to figure out just how to pay for Re-roofing, Re-piping and Sewers without having to impose large annual raises in the HOA. We do have a tentative plan which was presented at the Special Board meeting on March 14th that would take 8-10 years. Or we may change that depending on the discounts we can get for doing larger projects.)
4. **Operational Management.** Manage the day to day operations of the association. This includes retaining (as needed) management services (which is GRF), legal services (which is Ray Kaiser), landscape vendors (which is Bright View), pest control (which is Fenn), etc.
5. To carry out their duties, boards have authority as provided by the governing documents and policies.. Directors must perform their duties as fiduciaries.

By the way, and I mentioned this last year, dealing with challenges helps keep your brain vital as you age. So if you enjoy a good challenge, **VOLUNTEER TO BE A DIRECTOR.**

Respectfully submitted

Betty Coven Ph.D.
President, Mutual 5

Physical Property Committee Report (3-21-2018)

At the Special Board Meeting on 3-14-18 there was a question about when the Mutual last painted the exterior of all our buildings. I checked a copy of the last painting contract on file with the Physical Property Department and all 41 of M-5 buildings were last painted in late 2010 and early 2011 by Hutton Painting. This contract is dated September 17, 2010 and contains a start date of October 14, 2010 and a completion date of March 4, 2011.

Additional research of older M-5 Board Minutes showed that the nine buildings that were recently re-roofed, were last done in 1990 and 1991. Board Minutes dated 7/26/1990 contained a Motion to accept the bid of \$70,226 and award a contract to Davey Roofing for the roofing of buildings 98, 103, 114, and 120. That amount results in an average of \$17,557 for each of the four buildings. Minutes from November 14, 1990 indicate that the roofing project was completed on that date, and that Davis(sic) Roofing's work was satisfactory; and, the company's "...employees were extremely cooperative with the Mutual Board members." The November 14, 1990 Minutes also included a motion that the Board "...accept the proposal of November 13, 1990 by Davey Roofing, Inc., in the amount of \$84,079 for the re-roofing of buildings 90, 91, 93, 94, and 95." The average for these five buildings was \$16,816 each. Projecting the completion date, they were likely finished around 3/5/1991.

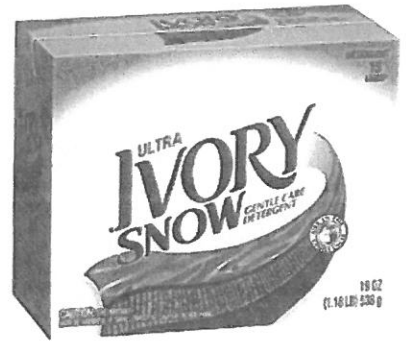
Comparing the numbers for the recent 2016 and 2017 re-roofing Project for the same nine buildings shows that the recent contract with Kellie Vaughn Company had a start date of August 21, 2016 and a total contract amount of \$618,784 for an overall average of about \$68,754 for each building. The specific average for a building with one and two-bedroom units was \$60,791 and for a building with all two-bedroom units was \$75,124. More research is needed to get the dates and cost for the rest of the buildings in Mutual 5.

Last month all of the Mutual's sewer lines under each building were cleaned by Empire Pipe Cleaning and Equipment, Inc., under a contract with GRF and paid for by the Mutual 5 Board. The lines were cleaned with a power auger and flushed with high velocity (jet) water. Water used came from existing fire hydrants. Access to the lines with both upstream and downstream cleanouts was at either end of the building. Access to lines without a reverse cleanout was through the laundry room cleanout, if applicable, or a building roof vent.

The company after completing the job submitted a report to the Mutual. The report listed only two locations where roots were found. Building 72, where the report indicated "Small Roots" and for Building 116, the size of the roots was not mentioned, but the condition was listed as OK.

Ken Cude, Chair Physical Properties Committee

KEC:



Please !

Do not put soap
bottles in the Lint
buckets.

Put soap boxes and bottles in
the large trash dumpsters.

