

PLEASE DO NOT DROP INTO THE MAIL SLOTS

**MINUTES OF THE CONFERENCE CALL MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE**

January 19, 2022

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President DeRungs on Wednesday, January 19, 2022 at 9:01 a.m. followed by the Pledge of Allegiance led by President DeRungs via Zoom/Video Conference Call and Conference Room B.

ROLL CALL

Present: President DeRungs, Vice President Murphy, Chief Financial Officer Cude, Secretary Shannon, Director Gould, Director Dady and Powell

GRF Representative: Mr. Thompson

Guests: Four Mutual Five Shareholders (via zoom)
Three Mutual Five Shareholders (in person)

Staff: Mr. Meza, Building Inspector
Ms. Barua, Portfolio Specialist
Ms. Vasquez, Recording Secretary

One Shareholder made a comment.

MINUTES

The Regular Meeting Minutes of November 17,2021 were approved by general consent of the board to stand as presented.

BUILDING INSPECTOR'S REPORT

Building Inspector Meza presented his report (attached).

Following questions, Mr. Meza left the meeting at 9:17 a.m.

GRF REPRESENTATIVE'S REPORT

GRF Representative Thompson presented his report. (attached)

UNFINISHED BUSINESS

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

RESOLVED to ratify proposed form change by adopting form 05-7415-4 – Encroachment onto Common Areas for Non-Exclusive Use; the 28-day posting requirement has been met.

The MOTION passed unanimously with ROLL CALL vote.

NEW BUSINESS

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

RESOLVED to acknowledge, per the requirements of the Civil Code Section 5500(a)-(f), a review of the reconciliations of the operating and reserve accounts, operating revenues and expenses compared to the current year's budget, statements prepared by the financial institutions where the Mutual has its operating and reserve accounts, an income and expense statement for the Mutual's operating and reserve accounts, the check registers, monthly general ledger, and delinquent assessment receivable reports for the months of November and December 2021.

The MOTION passed unanimously with ROLL CALL vote.

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

RESOLVED to ratify resolution dated on Wednesday, November 17, 2021 "RESOLVED to ban JSB Construction from doing any construction in Leisure World, Mutual Five."

The MOTION passed unanimously with ROLL CALL vote.

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

RESOLVED to authorize Mutual Attorney Wayne Louvier to review the New GRF Management Agreement. Funds to come from Legal and authorize the President to sign the contract; Authorize the necessary transfer of funds in accordance with the provisions of Civil Code 5502

The MOTION passed unanimously with ROLL CALL vote.

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

RESOLVED to approve to authorize Mutual Administration to mail out an Opt-Out Notice to Mutual 05 Shareholders, allowing the shareholder to

remove their name, property address, mailing address, and/or email address from the membership list, per Civil Code §5220 Membership List Opt-Out.

The MOTION passed unanimously with ROLL CALL vote.

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

RESOLVED to propose a rule change amending Rule 05-7510-1- Eligibility Requirements and approve the 28-day posting of notice of the proposed rule change. A decision on the rule change by the Board of Directors will be made at the next scheduled monthly meeting after consideration of all shareholder comments.

The MOTION passed unanimously with ROLL CALL vote.

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

RESOLVED to respectfully accept Connie Deady's resignation from the Mutual Five Board of Directors, effective immediately.

The MOTION passed unanimously with ROLL CALL vote.

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

RESOLVED to respectfully accept Gloria Shannon's resignation as Secretary from the Mutual 05 Board of Directors.

The MOTION passed unanimously with ROLL CALL vote

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

RESOLVED to appoint Director Gloria Shannon as Landscape Chair for Mutual 05 Board of Directors, for the remaining 2021-2022 term of office.

The MOTION passed unanimously with ROLL CALL vote.

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

RESOLVED to ratify the phone poll conducted Tuesday, January 11, 2022, to approve the appointment of Laura Gardner as a new board member for Mutual 05 Board of Directors.

The MOTION passed unanimously with ROLL CALL vote.

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

RESOLVED to appoint Director Laura Gardner as Secretary for Mutual 05 Board of Directors, effective January 19, 2022, immediately, for the remaining 2021-2022 term in office.

The MOTION passed with five “yes” votes (DeRungs, Murphy, Shannon, Gould and Powell) and with “no” vote (Cude).

SECRETARY / CORRESPONDENCE

No correspondence received.

CHIEF FINANCIAL OFFICER’S REPORT

Chief Financial Officer Cude presented his report (attached).

PRESIDENT’S REPORT

President DeRungs provided an update.

PORTFOLIO SPECIALIST’S REPORT

Portfolio Specialist Barua presented her report (attached).

ANNOUNCEMENTS

NEXT MEETING: Wednesday, February 16, 2022, at 9:00 a.m. via Zoom/Conference Call and Conference Rm B.

COMMITTEE REPORTS

Landscape

No report was presented.

Physical Property

Director Gould provided no update.

Laundry Rooms/Emergency Information

No report was presented.

DIRECTORS’ COMMENTS

Several Directors made comments.

ADJOURNMENT

President DeRungs adjourned the meeting at 10:35 a.m.

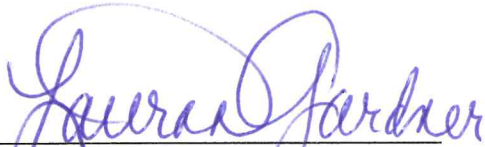
EXECUTIVE SESSION SUMMARY

The Board met in Executive Session on Wednesday, January 19, 2022, at 10:51 a.m., and took the following actions:

The board approved the regular executive session minutes of November 17, 2021.

1. Legal Matters
 - a. No legal matters were discussed.
2. Contracts
 - a. No contracts were discussed.
3. Assessments / Delinquencies
 - a. Thirteen letters were drafted.
 - b. Several accounts to monitor.
 - c. Several accounts was closed.
4. Disciplinary Hearings
 - a. No disciplinary hearings occurred.

The Executive Session was adjourned at 12:01 p.m.



Attest, Laura Gardner, Secretary
SEAL BEACH MUTUAL FIVE
KV 01/19/22
Attachments

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) FIVE		INSPECTOR: Mike Meza
MUTUAL BOARD MEETING DATE:	January, 2022	

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	Improvement Values	RECENT INSPECTION	CONTRACTOR
117-J	UNIT REMODEL	BOTH	07/05/21	02/20/22	\$135,200	PLUM,ELEC,FRAM 08/26/21	JC KRESS
121-G	NEW PATIO	GRF	08/30/21	02/20/22	\$0	CHANGE ORDER PENDING	MP CONSTRUCTION
121-G	UNIT REMODEL	BOTH	08/30/21	01/30/21	\$165,000	DRYWALL/LATHE 11/01/21	MP CONSTRUCTION
103-I	KITCHEN REMODEL/WALL	BOTH	11/15/21	01/20/22	\$41,250		LOS AL BUILDER
91-F	FLOORING THRU OUT	GRF	12/08/21	01/08/22	\$8,630		FAMILY FLOOR
109-E	PATIO FLOORING	GRF	12/13/21	01/30/22	\$875		LW DÉCOR
115-J	SOLA TUBE/ WINDOWS	BOTH	12/13/21	03/30/22	\$13,500		MP CONSTRUCTION
126-K	HEAT PUMP	BOTH	12/15/21	03/15/22	\$3,800		GREENWOOD
117-C	FLOORING	GRF	12/30/21	01/30/22	\$800		KARYS CARPET
98-D	HEAT PUMP	BOTH	01/19/22	04/19/22	\$4,050		GREENWOOD
120-K	SHOWER CUT DOWN	BOTH	02/07/21	03/07/22	\$2,815		NUKOTE
112-D	SHOWER CUT DOWN	BOTH	02/09/21	03/09/22	\$3,695		NUKOTE
108-C	SHOWER CUT DOWN	BOTH	02/14/21	03/14/22	\$2,815		NUKOTE
117-D	WASHER/DRYER FLOORING	BOTH	02/18/22	04/30/22	\$8,080		LOS AL BUILDER

ESCROW ACTIVITY

Unit #	NMI	PLI	NBO	FI	FCOEI	ROF	ACTIVE, CLOSING, CLOSED
71-A		11/02/21					13 5
91-A		11/08/21	12/28/21	12/28/21	01/12/22		
93-A		12/10/20					
96-E		07/26/21					
101-I		07/09/21					
103-G		08/24/21					
104-L		10/01/21					
105-D		09/30/20					
107-E		11/19/21					
109-H		10/21/21	12/20/21	12/23/21	01/10/22		
110-C		10/27/20					
111-F		11/05/21					
114-L		07/09/20					
115-I		01/05/22					
115-J		10/01/21	10/18/21	10/18/21	11/01/21		
116-G		09/17/21	11/03/21	11/03/21	11/18/21		
123-K		10/21/21	10/26/21	11/03/21	11/18/21		

SHADED AREAS HAVE BEEN SIGNED OFF

FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

CONTRACTS

CONTRACTOR	PROJECT
J&J LANDSCAPE AUGUST 8th 2022	Landscaping & Irrigation
EMPIRE PIPE DECEMBER 31st 2022	Annual inspection
FENN MAY 31st 2023	Pest and rodent control services
GRECO JULY 1, 2022	Installing new meter doors thru out Mutual

1005 Seal Beach Mutual No. Five
Financial Statement Recap
12/31/2021

P.O. Box 2069
Seal Beach CA 90740

Dec Actual	Dec Budget		2021 Y-T-D Actual	2021 Y-T-D Budget
132,200	132,205	Carrying Charges	1,586,394	1,586,405
60,315	60,306	Reserve Funding	723,782	723,782
192,515	192,511	Total Regular Assessments	2,310,176	2,310,187
102	670	Financial Income	248	8,029
4,721	5,075	Other Income	96,624	60,988
4,823	5,745	Total Other Income	96,872	69,017
197,338	198,256	Total Mutual Income	2,407,048	2,379,204
81,200	81,200	GRF Trust Maintenance Fee	935,430	974,455
11,394	12,923	Utilities	176,212	155,098
4,369	1,051	Professional Fees	12,240	12,634
63	80	Office Supplies	519	1,004
24,387	30,446	Outside Services	356,031	365,517
3,741	12,228	Taxes & Insurance	136,895	146,714
60,315	60,306	Contributions to Reserves	723,782	723,782
185,469	198,234	Total Expenses Before Off-Budget	2,341,109	2,379,204
11,869	22	Excess Inc/(Exp) Before Off-Budget	65,939	0
13,651	0	Depreciation Expense	152,949	0
(1,782)	22	Excess Inc/(Exp) After Off-Budget	(87,010)	0
Restricted Reserves				
3,321	0	Appliance Reserve Equity	41,174	0
667	0	Painting Reserve	310,024	0
0	0	Contingency Operating Equity	20,706	0
39,287	0	Roofing Reserve	799,372	0
0	0	Emergency Reserve Equity	78,933	0
(8,377)	0	Infrastructure Reserve	248,493	0
34,897	0	Total Restricted Reserves	1,498,702	0

MUTUAL 5 - December 31, 2021-FINANCIAL REPORT SUMMARY

December Highlights [Refer to the Monthly Financial Statement (MFS) for more detail]

- Line No. 1 For the Budget Year 2021, M-5 had **Excess Income of \$65,939**; that is, we are **UNDER BUDGET BY \$65,939**, subject to final audit. Pages 3-5 and 22 of the December Monthly Financial Statement shows all the details.
- 2 For expense line items, we are **over budget** by \$27,446 in: Electricity, Water, Trash, two Landscape items, Painting, Pest Control, Bank Service Fees, and Service Maintenance-Standard; and, **under budget** by \$26,516 in expense line items: Telephone, Legal Fees, Landscape Extras, Structural Repairs, Miscellaneous Services, Office Supplies, State and Federal Taxes, and Property and Liability Insurance.
- 3 For income lines items, we are **under budget** by \$8,520 for Taxable Intertest Income; and, **over budget** by \$36,364 for Other Tax Income, Late Charges, Inspection Fees, Buyers Premium Income, and Miscellaneous Income.
- 4 Combining the above steps, M-5 has Excess Income for 2021 of **\$26,914 for the Operating Budget**. In addition, GRF in March 2021 returned \$39,025 as M-5's portion of the GRF Excess Income for 2020. M-5's final Excess Income for 2021 is **\$65,939**.
- 5 **The Board has the option to transfer these funds to a Resurve Account after audit.**
- 6 Investment Portfolio: please see page 21 (hand written number at the bottom of page) of the **MFS**.

ENDING BALANCE BANK ACCOUNTS

7 RESTRICTED RESERVES (acct ending...9690)	1,497,035.65
8 NON-RESTRICTED RESERVES (acct ending...3364)	260,952.28
9 CHECKING ACCOUNT (acct ending...3181) adjusted for outstanding checks	21,498.48

ENDING BALANCE OF MAJOR RESERVES

Types	Ending Balance	Monthly Contribution	Monthly Contribution Per Unit
10 ROOFING	799,372.29	43,026.67	87.45
11 APPLIANCES	41,173.88	5,865.17	11.92
12 PAINTING	310,024.24	666.66	1.36
13 INFRASTRUCTURE	248,492.90	10,756.67	21.86
14 CONTINENCY OPERATING FUNDS	20,705.68	0.00	0.00
15 EMERGENCY RESERVES	78,932.99	0.00	0.00
	1,498,701.98	60,315.17	122.59

INCOME AND EXPENSES

From Financial Statement Page 23	December Actual	December Budget	December Variance	2021 YTD Actual	2021 YTD Budget	
16 MUTUAL TOTAL INCOME	197,338	198,268	(930)	2,407,048	2,379,204	5, 22
17 CONTRIBUTION TO RESERVES	60,315	60,316	1	723,782	723,782	4, 5, 22
18 EXPENSES *	43,953	56,749	12,796	681,897	680,967	4
19 EXCESS INCOME over(under) EXPENSES	11,869	22	11,847	65,939		5, 22

* Operating Expenses Do Not include reserve funding or GRF Carrying Charges Transfers.

Please Use Water Wisely! The More Water Saved, The More Money Saved !

See Page No. in NMFS

CONCRETE PROJECTS - (Jurado or SM or JJ) 2021

Line #	Date (Payment)	Location	Project Cost	Payments	Remarks
20	2/3/21	Sidewalk & MH 110F-111G *	4,145.00	4,145.00	Ck 11479
21	2/24/21	Carport 69 (East side) Pavement	125,763.00	125,763.00	Cks 11500 on 3-10-21, 11525 on 4-14-21
22	3/24/21	Sidewalk East side Carport 69 *	24,060.00	24,060.00	Ck 11513
23	[4/28/21]	Carport 69 add conduit and saw cut *	2,900.00	2,900.00	Check 11531 on 4-21-21
24	3/18/21	Replace concrete around Bldg 71 *	3,937.83	pending	SRO #.038556 on 1-19-21; on March pg 12
25	6/2/21	Replace concrete Bldg 118/120 *	5,424.00	5424.00	Ck 11559
26	6/2/21	Replace concrete Bldg 107A *	2,520.00	2,520.00	Ck 11559
27		Replace concrete Bldg 110 A-E	21,247.00	pending	Construction after 1-1-22
28		Replace concrete Bldg 113/114		pending	SRO ? Associated with Walk Light Repairs
29		Replace concrete Bldg 102-107-112	23,857.00	pending	Construction after 1-1-22
30	December	Carports 60, 61,62,63 Pavement	121,275.00		2022 Reserves
31		Carport 63 Pavement	5,643.75		2022 Reserves
32					
33					
34					
35					
36					
37			* Infrastructure Reserves for Concrete/Drains for 2021		
38		Total to Date:	\$ 42,987	2021 Budget: \$100,000; balance available: \$57,013	

Fees Collected	Dec'21	Nov.'21	Oct.'21	Sep.'21	Aug.'21	July'21	June'21	May'21
39 Buyer's Premium	3,000	3,000	3,750	2,250	3,000	1,500	1,500	2,250
40 Inspection Fees	1,200	7,200	6,000	1,200	4,800	2,400	3,600	2,400
41 Transfer Fee	250			250				

ROOFING PROJECTS 2020 Budget Year (Construction in February- March, 2021)

Building No. and Type	Roof Type	Roof SQ	Cost (\$) per SQ	Contract Cost (\$)
42 69 2 Bedroom	Low Slope	153	798	122,094
43 71 Laundry Room - 2 Bedrooms	Low Slope	158	840	126,084
44 99 1 and 2 Bedrooms	Low Slope	123	798	98,154
45 102 Laundry Room - 2 Bedrooms	Low Slope	158	840	132,720
TOTAL				479,052

Avg Cost/Apt = \$9,980

ROOFING PROJECTS 2021 Budget Year (Construction in July+, 2022)

Building No. and Type	Roof Type	Roof SQ	Cost (\$) per SQ	Contract Cost (\$)
48 113 2 Bedroom	Low Slope	153	926	141,740
49 120 1 and 2 Bedroom	Low Slope	123	926	113,948
50 100 2 Bedroom	Low Slope	153	926	141,740
51 101 2 Bedrooms	Low Slope	153	926	141,740
TOTAL				539,168

Estimated Avg Cost/Apt = \$11,232

SUMMARY FOR REFERENCE—2021 OPERATING BUDGET

Line #

53 **EXPECTED MONTHLY M5 HOA Income: \$111,310.08** (\$226.24/month X 492 UNITS)

54 **M5 HOA Cost per month per unit \$226.24** (increase of \$17.61) for year 2021

55 **GRF HOA Cost per month per unit \$165.05** (increase of \$1.94) for year 2021

2021 OPERATING BUDGET

	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total \$ Change From 2020 to 2021
56 OPERATING EXPENSES	115.34	680,967	20,428
57 OPERATING INCOME	11.69	69,017	7,143
58 NET OPERATING COST	103.65	611,950	13,285
59 RESERVE FUNDING	122.59	723,782	90,683

2021 RESERVE FUNDING DISTRIBUTION

Project	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total Dollar Change
			Per Unit per Month From 2020 to 2021
60 APPLIANCE	11.92	70,382	11.92
61 PAINTING	1.36	8,000	1.36
62 ROOFING	87.45	516,320	87.45
63 INFRASTRUCTURE	21.86	129,080	21.86
64 TOTAL	122.59	723,782	122.59

*See Appendix B of M5 Budget

5904

2021 LANDSCAPING BUDGET

	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total \$ Change From 2020 to 2021
65 LANDSCAPE-CONTRACT	28.78	169,917	169,917
66 LANDSCAPE-EXTRAS	3.40	20,074	20,074
67 LANDSCAPE-TREES	3.05	18,007	18,007
68 TOTAL	35.23	202,626	207,998

2021 SERVICE REQUEST ORDERS (SRO) BUDGET

	Average Monthly per Unit	Yearly Total for 492 Units	Total Dollar Change From 2020 to 2021
69 STANDARD SERVICE	\$17.45	\$103,025	\$103,025

1005 Seal Beach Mutual No. Five
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P.O. Box 2069
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13,651	0	Depreciation Expense	152,949	0
(1,782)	22	Excess Inc/(Exp) After Off-Budget	(87,010)	0
		Restricted Reserves		
3,321	0	Appliance Reserve Equity	41,174	0
667	0	Painting Reserve	310,024	0
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39,287	0	Roofing Reserve	799,372	0
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(8,377)	0	Infrastructure Reserve	248,493	0
34,897	0	Total Restricted Reserves	1,498,702	0

22

The Golden Rain
Foundation provides an
enhanced quality of life
for our active adult
community of Seal
Beach Leisure World.



December 21, 2021

Approved Consent Agenda

MOVED and approved the consent agenda included Minutes of the Recreation Committee Meeting of November 1, 2021 • Minutes of the Physical Property Committee Meeting of November 3, 2021 • Minutes of the GRF Administration Committee Meeting of November 4, 2021 • Minutes of the GRF Board Meeting from November 23, 2021 • The acceptance of the Financial Statement, November 2021 • Approval Capital Funds Investment Purchase.

AD HOC Report – Dissolution of Management Service and Contract Ad Hoc Committee

MOVED to accept the Management Service and Contract Ad hoc Committee's final report and formally recognize the dissolution of the Committee.

GENERAL - Emergency Item – Approve the Non-Budgeted Operating Funds for PayScale Contract

MOVED to accept the emergency item regarding PayScale to be added to the agenda, as presented.

GENERAL – Emergency Item – Approve the Non-Budgeted Operating Funds for PayScale Contract

MOVED to approve the PayScale contract for a one-year subscription contract at a cost not to exceed \$5,875. Funds to come from Operating Budget and to authorize the President to sign the contract.

GENERAL – Workers Compensation Policy Renewal

MOVED to approve renewal of our policy for Workers' Compensation Coverage, with Cypress Insurance Company, Berkshire Hathaway Homestate Companies (BHHC), for the 2022 policy year, in the amount of \$201,199 and authorize the GRF President to sign the required documents.

GRF Administration Committee - Capital Funding Request - Emergency Supply

MOVED to approve the purchase of emergency supplies, not to exceed \$10,000, from Operational Funding.

GRF Administration Committee – Approval 40-1500-6, Council on Aging (GAF) – Lease Agreement

MOVED to approve the lease of Trust Property commonly identified as 248 square feet of space adjacent to the Café in Building Five to GAF for the annual lease rate of \$1.00. Space will be used by OC Social Service personnel from Adult Protective Services, The Council on Aging and Alzheimer's of OC to provide social service assistance and support to GRF Members with assistance from GAF and GRF Member Resources & Assistance Liaison. I further move to authorize the President to sign.

GRF Administration Committee - Approval for Background Screening Service

MOVED to approve the cancellation of services conducted by Employers Choice providing 30 days written notice upon approval and authorize the signing of an agreement by Human Resources Director with ADP for its Screening Solutions for Golden Rain Foundation's background screening vendor to begin as soon as implementation can be initiated.

GRF Administration Committee - Amend Policy 30-5092-3, BOD Censure Procedure
MOVED to amend 30-5092-3, BOD Censure Procedure, amending language throughout the document also including the two thirds (2/3) vote chart, as presented.

Physical Property Committee - Reserve Funding Request – HVAC in Clubhouse Six, Upstairs
MOVED to award a contract to County Heating and Air Inc, to replace the HVAC systems at Clubhouse Six upstairs per the recommended specifications by SPEC Engineering for a cost of \$229,321 and adding a 10% contingency \$22,932 for permits and any unseen extras, total cost not to exceed \$252,253. Funding from Reserves and authorize the President sign the contract.

Physical Property Committee – Capital Funding Request – Aquatic Center
MOVED to approve additional Capital Funding in the amount of \$1,325,000 to complete the Aquatic Center Locker and Equipment Rooms project and authorize the President to sign the needed contracts.

Recreation Committee - FINAL VOTE - Amend Policy 70-1429.02-1, Golf Course Rules
MOVED to amend policy 70-1429.02-1 Golf Course Rules, updating document language, adding no dogs allowed on the golf course and Authorized Residents not playing shall not cross the golf course, as presented.

Security, Bus & Traffic Committee – Capital Funding Request – Speed Cushions
CONCURRED to send back to Security, Bus and Traffic Committee and Physical Property Committee.

Recap of GRF Committees' Activity

December 2021

December 2, 2021, GRF Administration Committee

- MOVED to GRF Board of Directors to approve the cancellation of services conducted by Employers Choice providing 30 days written notice upon approval and to authorize the signing of an agreement by Human Resources Director with ADP for its Screening Solutions for GRF's background screening vendor.
- MOVED to recommend GRF Board of Directors to amend policy 30-5092-3 BOD Censure Procedure, leaving 2/3 chart in the policy.

December 1, 2021, Physical Property Committee

- CONCURRED to send a letter to the shareholder and create an article regarding safe driving for publication in Leisure World weekly regarding Trees.
- CONCURRED to forward this correspondence to the GRF Board regarding Cement Gutter Spray on Car.
- CONCURRED by the Committee to have the Physical Property Manager provide an update on car wash nozzles at the next scheduled meeting.
- CONCURRED to add the Amphitheater and Administrative Building to the Total Quality Checklist.
- CONCURRED to bring back agenda item Discuss and Vote to Approve the Charge Point for Six Chargers to the next scheduled meeting.
- CONCURRED to table the Storm Drain Screens Project Resurrection agenda item until February.

- CONCURRED to bring back agenda item Woodshop in Clubhouse One to the next scheduled meeting.
- MOVED and recommended the GRF Board approve additional Capital funding in the amount of \$1,325,000 to complete the Aquatic Center Locker and Equipment Rooms project and authorize the President to sign the needed contracts and send to Finance.
- CONCURRED to forward future agenda item Add Back Gate on Westminster to the SPAH Committee.

November 29, 2021, Recreation Committee

- CONCURRED to approve the Proposed 2022 Event Schedule.
- MOVED to approve the purchase of one keyboard.
- MOVED to approve the Leisure World Korean Golf Club.

November 10, 2021, Security, Bus & Traffic Committee

- CONCURRED that the Security provided updated information on the gate access system and has planned an on-site meeting with the vendor in the near term after which he will send a report to the Committee Chair and President Hopewell. The new planned date for going live is January 5, 2022.
- CONCURRED that the Committee discussed the body worn cameras for wellness check recording and requested the Security Services Director provide information to the Committee regarding the response from the legal counsel.
- CONCURRED that the Committee resolved that it would be too expensive to replace the signal lights. The Committee discussed an alternative wherein the length of time signal lights at Golden Rain and St. Andrews would be increased to allow the pedestrian to cross before lights turn green. A request is to forward to the Physical Property Committee to assess feasibility and cost of this alternative.
- CONCURRED that the Committee discussed the parking tickets on hold, agenda item. No action was taken pending additional information presented at the next scheduled meeting.
- CONCURRED that the Committee discussed the 72-hour limit parking on Trust Streets agenda item and agreed to have Security Services continue to enforce the limit when they are notified of a potential violation.

Financial Recap – November 2021

As of the eleven-month period ended November 2021, the draft financial reports indicate that GRF is in a favorable financial position with a surplus of \$1,254,230.

Major variances are:

Wages, Taxes & Benefits	\$921,032	Favorable: Wages \$564K; P/R Taxes \$48K; Workers' Comp \$79K; 401(k) ER Match \$32K; Group Ins \$198K; average FTE < budget by 19.62 FTEs
Agency Fees	(255,802)	Unfavorable: Temporary help to fill key positions
Materials & Supplies	(55,944)	Unfavorable: Photo ID printing; COVID vaccine clinic
Professional Fees	(52,960)	Unfavorable: Unexpected legal expenses
Facilities Maintenance	51,936	Favorable: Maintenance scheduled for later in the year
Community Entertainment	50,966	Unfavorable: Budgeted events were not scheduled
Publication Printing	98,679	Favorable: Decrease in printing rates
Certificate Prep Fees	90,950	Favorable: Unit sales exceeds budget
Rental Income	210,628	Favorable: Unit sales exceeds budget
Other Income	104,862	Favorable: 2020 income tax refunds \$23K; permit income \$36K; Lost member ID card \$26K; Other \$20K
News Advertising Income	125,132	Favorable: Display, Front Footer & Telephone book
SRO Labor Cost Recovery	(83,065)	Unfavorable: Less billable hours than budgeted

	Fund Balance	Allocated For Current Projects	Allocated For Future Projects	For details, see page
Reserve Funds				
Repairs & Replacements	\$11,490,554	\$246,111	\$11,244,443	7
Capital Funds				
Capital Improvements	\$3,319,609	\$55,027	\$3,264,582	8

Total year-to-date approved unbudgeted operating expenses are \$167,936.

Portfolio Specialist Report January 2022



Wipes cause a pain in the drain!

Avoid sewer backups and protect your pipes!
Dispose of these items in the trash, NOT the toilet.

- Disinfecting Wipes
- Paper Towels
- Baby Wipes
- Towelettes
- Mop Refills
- Facial Tissue
- Diapers
- Sanitary Items



Place the items listed above in a trash can

**Putting these items down toilets may plug sewers and cause raw
sewage to back up into YOUR HOME!**

Year-End Mail Out Information

The 2022 guest passes, and property tax and assessment information were mailed December 29, 2021.

As a reminder, guest passes are intended for your trusted family and friends, and are not to be given to contractors, caregivers, neighbors, or someone you've hired to work in your home.

If you have not received your guest passes or payment coupons or have questions about registering your Caregiver or pet call the Stock Transfer Office at (562) 431-6586 ext. 339.

SEAL BEACH MUTUAL NUMBER FIVE**RESIDENT REGULATIONS****Eligibility Requirements**

- 1 **1.** All persons seeking approval of the Board of Directors of Seal Beach Mutual No. Five
2 to purchase a share of stock in the Mutual, and to reside in the Mutual, shall meet the
3 following eligibility criteria:
4
- 5 **1.1.** Apply for and be accepted as a member of the Golden Rain Foundation, Seal
6 Beach, California.
7
- 8 **2.** Meet the Mutual eligibility criteria as follows:
9
- 10 **2.1.** AGE
11
- 12 **2.1.1** Minimum of 55 years, as confirmed by a birth certificate, California
13 Driver's license or passport.
14
- 15 **3. FINANCIAL ABILITY**
16
- 17 **3.1.1.** Verified net monthly income that is at least four (4) times or greater
18 than the monthly carrying charge (Regular Assessment plus
19 Property Tax and Fees) at the time of application and have a
20 combination of liquid assets of at least \$25,000 and sufficient other
21 assets equal to the purchase price of the Unit. Verified monthly
22 income/assets may be in the form of the past two years of the
23 information below:
24
- 25 **4. INCOME REQUIREMENTS**
26
- 27 **4.1** Acceptable verification includes, among others:
28 **4.2** The most recent Federal Tax returns; including but not limited to:
29 4.2.1 1099s for interest and dividends;
30 4.2.2 1099-Rs for retirement income from qualified plans and annuities;
31 4.2.3 SSA-1099 Social Security Benefit Statement;
32 4.2.4 W-2 forms or paycheck stubs
33 4.2.5 Brokerage statements and current interim statement.
34 4.2.6 Six to twelve months of checking/savings account statements.
35 4.2.7 Current income: bank, credit union or brokerage statements
36 4.2.8 Letters from bankers
37 4.2.9 Notices of annuities
38 4.2.10 Pensions
39 4.2.11 Trust Income

SEAL BEACH MUTUAL NUMBER FIVE**RESIDENT REGULATIONS****Eligibility Requirements**

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7.1 Adjusted Gross Income from Federal Tax Forms 1040, 1040A, or 1040EZ; plus, that portion of Social Security, IRA distributions, and pensions and annuities not included in adjusted gross income; plus tax exempt interest; all divided by twelve (12) and,

7.2 The sum of all Acceptable Assets from Paragraph 6.1, above, less the assets equal to the purchase price of the unit, divided by the difference between the Actuarial Life Expectancy ¹ minus the actual age of each applicant ² divided by 12 (please see attached example).

8. Projected assessments will be the previous year's assessment (total of carrying charge less any cable charge, less Orange County Property Taxes and Fees), and the addition of the new property tax at 1.2%³ of the sales price plus Orange County District fees divided by twelve (12) for the new projected monthly assessment. This new figure (Regular Assessment plus Orange County Property Taxes and District Fees) times four (4) will be the monthly income required. These calculations will be verified by the escrow company and the Stock Transfer Office. Between the two, Stock Transfer shall have the final say in establishing verifiable income/assets.

Verification shall be done by the Escrow Company and the Stock Transfer Office prior to the new buyer interview and prior to the close of escrow (the above verification need not be done by the individual Mutual Directors; Directors are not required to study or understand the financial requirements).

9. The resident shareholder's income shall be considered for qualifying. Where there is more than one prospective shareholder, income and assets shall be calculated collectively. Co-owners shall be calculated for their proportional share of the HOA payment. Either one half in the case of two co-owners or one third in the case of three co-owners. Married couple income shall be considered one income.

¹ The Actuarial Life Expectancy is obtained from the Social Security Retirement & Survivors Benefit: Life Expectancy Calculator, website <https://www.ssa.gov/OACT/population/longevity.html>

² The difference between the Life Expectancy value from SSA Life Expectancy Calculator: 78.5 years and the buyer's actual age: 70.3

³ If major remodeling, expansion, or addition of a bathroom is being considered, the increase in taxes over the 1.2% of the purchase price must be taken into consideration.

SEAL BEACH MUTUAL NUMBER FIVE**RESIDENT REGULATIONS****Eligibility Requirements**

- 108 **10.** If moving within Leisure World, or if there are any additions/changes to the Stock
109 Certificate, the proposed shareholder(s) must meet these eligibility requirements.
- 110 **11.** If moving within Mutual 5 from one unit to another, if the Shareholder has maintained
111 payment of their carrying charges for at least one year, they are exempt from the
112 requirement to show \$25,000 in assets.
- 113
- 114 **12.** HEALTH
- 115
- 116 **12.1.** Have reasonably good health for a person of his/her age, so that shareholder
117 can take care of normal living needs without calling on other members for an
118 undue amount of assistance. Leisure World is not an assisted living or skilled
119 nursing home facility.
- 120 **12.2.** Assume, in writing, the obligations of the "Occupancy Agreement" in use by
121 the Mutual Corporation.
122 Officers or Committees if the Board of Directors designated to approve new
123 applicants are responsible that criteria of the corporation is equitably applied
124 to all applicants. Approval or disapproval of buyer(s) must be received by the
125 Stock Transfer Office at least ten (10) working days prior to the close of
126 escrow.
- 127 **12.3.** The Board may appoint a review committee to hear disputed applications. The
128 decision of the Board will be final.
- 129
- 130 **13.** SHAREHOLDER BUYER PREMIUM FEE
- 131
- 132 13.1 Prospective Mutual 5 shareholders will be assessed a **non-refundable**
133 Shareholder Buyer Premium Fee of \$750. **at the time of escrow.**
- 134

Document History**Adopted: 20 Oct 2021****Keywords:** Mutual Five Eligibility Requirements

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SEAL BEACH MUTUAL NUMBER FIVE**RESIDENT REGULATIONS****Eligibility Requirements**

136 *EXAMPLE:*

137 A buyer, single female, born July 1, 1948 has a portfolio of \$500,000 and a fully-paid-for house
 138 she is selling for \$600,000 and she is buying a unit in M-5 for \$350,000. She has a Social
 139 Security Income of \$1,500 per month. Does she qualify in M-5?

140

141 *Financial Ability Section 3.1.1.: Verified Net Monthly Income states that is at least four (4) times*
 142 *or greater than the monthly carrying charge (Regular Assessment plus Property Tax and Fees)*
 143 *at the time of application; and, have a combination of liquid assets of at least \$25,000 and*
 144 *sufficient other assets equal to the purchase price of the Unit.*

145

146 M-5 Regular Assessment for 2018 is \$360.96 which includes M-5 monthly carrying charge,
 147 GRF monthly carrying charge and OC User Fee.

148

149 Projected Property Taxes according to Section 8, is the amount \$350,000 times 1.2% and is
 150 equal to \$4,200 per year or \$350 per month.

151 Therefore: The Regular Assessment plus Property Tax and Fees is \$360.96 plus \$350 or
 152 \$710.96; and, 4 times that amount is \$2,843.84 which is the BENCHMARK required in Section
 153 3.1.1. Applicant's Net Monthly Income must be higher than that amount.

154

155 Section 7 defines NET MONTHLY INCOME. For this example it includes:

156

157 Social Security Income of: \$1,500 per month

158

159 Assets: \$500,000 Portfolio

160 Plus \$600,000 Value of home

161 Less \$350,000 Price of M-5 Unit

162 = \$750,000 Remaining Assets

163 Divided by: 17.2 years (87.5 minus 70.3) ²

164 = \$43,605 per year divided by 12: \$3,634 per month.

165 Total Net Monthly Income: \$5,134 per month

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167 NET MONTHLY INCOME IS GREATER THAN BENCHMARK, THEREFORE APPLICANT IS
 168 QUALIFIED.

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² The difference between the Life Expectancy value from SSA Life Expectancy Calculator: 87.5 years and the buyer's actual age: 70.3

SEAL BEACH MUTUAL NUMBER FIVE

RESIDENT REGULATIONS

Eligibility Requirements

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I have read and understood what is required for eligibility consideration in the above named Mutual, including necessary documentation.

Prospective Buyer

Date

Prospective Buyer

Date

Prospective Buyer

Date

Prospective Buyer

Date