

**PLEASE DO NOT DROP INTO THE MAIL SLOTS**

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

**April 19, 2023**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President DeRungs on Wednesday, April 19, 2023 at 9:00 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, Director Shannon, and Director Powell (**all directors via zoom**).

Absent: Secretary Gardner and Director Gould

GRF Representative: Mr. Thompson (**via zoom**)

Guests: One Mutual Five Shareholder (**via zoom**)  
One Mutual Five Shareholders (**in person**)

Staff: Mr. Meza, Building Inspector  
Ms. Barua, Senior Portfolio Specialist  
Ms. Equite, Assistant Portfolio Specialist  
Ms. Celestine, Assistant Portfolio Specialist

**SHAREHOLDER COMMENTS**

One shareholder made a comment.

**ITEM ADDED TO AGENDA**

Following a discussion and upon a MOTION duly made by Chief Financial Officer Cude and seconded by Vice President Murphy, it was

RESOLVED to add item to Building Inspector's Report, Item B "Discuss and vote to approve contract for construction of concrete sidewalk of Building 70."

The MOTION passed unanimously with ROLL CALL vote.

Building Inspector Meza left the meeting at 9:25 a.m. and returned at 9:26 a.m.

**GUEST SPEAKER**

IT Director Mr. Mario discussed with the board LWSB email addresses.

Following questions, Mr. Mario left the meeting at 9:29 a.m.

**MINUTES**

The Regular Meeting Minutes of March 15, 2023 were approved by general consent of the board to stand as written.

**GRF REPRESENTATIVE'S REPORT**

GRF Representative Mr. Thompson, provided an update on GRF projects.

Following questions, Mr. Thompson left the meeting at 9:45 a.m.

**BUILDING INSPECTOR'S REPORT**

Building Inspector Meza presented his report (attached).

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

RESOLVED to approve the patio proposal for Unit 05-112C. Work to be done at the shareholder's expense.

The MOTION passed unanimously with ROLL CALL vote.

Following a discussion and upon a MOTION duly made by Chief Financial Officer Cude and seconded by Vice President Murphy, it was

RESOLVED to approve the contract for construction of concrete sidewalks at the southwest corner of Building 70, Phase I, with MJ Jurado, Inc., at a cost not to exceed \$15,045.00. Funds to come from Infrastructure Reserves. Authorize the President to sign the contract; and authorize the necessary transfer of funds in accordance with the provisions of Civil Code 5502.

The MOTION passed unanimously with ROLL CALL vote.

**New Business – Item C**

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

RESOLVED to approve Fenn Termite and Pest Control 3-year contract from 2023-2026, at a cost not to exceed \$36,326.00. Funds to come from Operating Expenses and authorize the President to sign any necessary documentation.

The MOTION passed unanimously with ROLL CALL vote.

Following questions, Mr. Meza left the meeting at 10:11 a.m.

**UNFINISHED BUSINESS**

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

RESOLVED to authorize GRF IT Department to provide Mutual 5 Board of Directors to have a LWSB Mutual Five email address, per month per Director for a total cost not to exceed \$70.00 per month. Funds to come from Operating Budget and authorize the President to sign any necessary documentation.

The MOTION passed unanimously with ROLL CALL vote.

**NEW BUSINESS**

Following a discussion and upon a MOTION duly made by Director Powell and seconded by Vice President Murphy, 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 month of March 2023.

The MOTION passed unanimously with ROLL CALL vote.

Following a discussion and upon a MOTION duly made by Director Powell and seconded by Chief Financial Officer Cude, it was

RESOLVED to cancel the June Monthly Board meeting due to the Annual Election meeting.

The MOTION passed unanimously with ROLL CALL vote.

**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**

Senior Portfolio Specialist Barua presented her report (attached).

**ANNOUNCEMENTS**

- a. **SPECIAL BOARD MEETING:** Thursday, April 27, 2023, at 10:20 a.m., Building 5, Conference Rm B and Zoom Video/Conference Call
- b. **NEXT MEETING:** Wednesday, May 17, 2023, at 9:00 a.m. via Zoom/Video Conference Call and Conference Room B.

**COMMITTEE REPORTS**

Landscape

No report was presented.

Physical Property

No report was presented.

Laundry Rooms/Emergency Information

No report was presented.

**DIRECTORS' COMMENTS**

One Director made comments.

**ADJOURNMENT**

President DeRungs adjourned the meeting at 10:35 a.m. and announced that there would be an Executive Session following the meeting to discuss members issues.

**EXECUTIVE SESSION SUMMARY**

The Board met in Executive Session on Wednesday, April 19, 2023, at 10:51 a.m., and took the following actions:

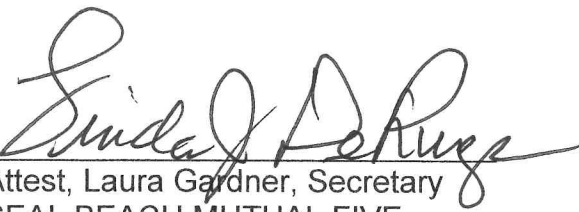
The board approved the Regular Executive Session Minutes of March 15, 2023.

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

**BOARD OF DIRECTORS  
MUTUAL FIVE**

**April 19, 2023**

The Executive Session was adjourned at 11:26 a.m.

A handwritten signature in black ink, appearing to read "Laura Gardner", written over a horizontal line.

Attest, Laura Gardner, Secretary  
SEAL BEACH MUTUAL FIVE  
RB/DE 04/19/23  
Attachments

P.O. Box 2069  
Seal Beach CA 90740

Mar Actual	Mar Budget		2023 Y-T-D Actual	2023 Y-T-D Budget
154,005	154,006	Carrying Charges	462,015	462,018
73,122	73,122	Reserve Funding	219,365	219,366
<b>227,127</b>	<b>227,128</b>	<b>Total Regular Assessments</b>	<b>681,381</b>	<b>681,384</b>
1,643	109	Financial Income	3,828	327
2,458	7,256	Other Income	7,533	21,768
<b>4,102</b>	<b>7,365</b>	<b>Total Other Income</b>	<b>11,361</b>	<b>22,095</b>
<b>231,229</b>	<b>234,493</b>	<b>Total Mutual Income</b>	<b>692,742</b>	<b>703,479</b>
95,069	95,069	GRF Trust Maintenance Fee	285,207	285,207
11,514	17,412	Utilities	42,615	52,236
403	556	Professional Fees	1,141	1,668
67	25	Office Supplies	67	75
33,902	31,936	Outside Services	61,236	95,808
18,651	16,373	Taxes & Insurance	55,953	49,119
73,122	73,122	Contributions to Reserves	219,365	219,366
<b>232,729</b>	<b>234,493</b>	<b>Total Expenses Before Off-Budget</b>	<b>665,585</b>	<b>703,479</b>
<b>(1,500)</b>	<b>0</b>	<b>Excess Inc/(Exp) Before Off-Budget</b>	<b>27,157</b>	<b>0</b>
15,805	0	Depreciation Expense	47,170	0
<b>(17,305)</b>	<b>0</b>	<b>Excess Inc/(Exp) After Off-Budget</b>	<b>(20,012)</b>	<b>0</b>
		<b>Restricted Reserves</b>		
1,466	0	Appliance Reserve Equity	41,672	0
690	0	Painting Reserve	320,334	0
0	0	Contingency Operating Equity	65,520	0
43,900	0	Roofing Reserve	733,284	0
(1,200)	0	Emergency Reserve Equity	75,896	0
20,410	0	Infrastructure Reserve	215,751	0
<b>65,266</b>	<b>0</b>	<b>Total Restricted Reserves</b>	<b>1,452,458</b>	<b>0</b>

MUTUAL 5 - March 31, 2023 FINANCIAL REPORT SUMMARY

Line No. **March Highlights:** [Please refer to the Monthly Financial Statement (MFS) for more details and page Nos.]

- 1 **March financials show that M-5, overall, is in a favorable financial position (under budget) with excess income of \$27,150. See pages 1-5 and 16 of the MFS.**
- 2 GRF Accounting Department is still behind processing M-5 SRO's. The backlog is being worked on, but no estimate has been given when the backlog will be cleared. Following are stats taken from monthly Open SRO Reports received by M-5:

Dates	No. Open SRO's	\$ Labor Costs	\$ Parts Cost	
12-31-2020	77	\$5,078	\$683	
12-31-2022	244	\$17,663	\$7,593	Oldest SRO: 9-1-2022
1-31-2023	337	\$21,829	\$13,006	Oldest SRO: 9-1-2022
2-28-2023	370	\$23,984	\$17,237	Oldest SRO 9-8-2022
3-31-2023	292	\$17,374	\$19,815	Oldest SRO 9-8-2022

- 3 Investment Portfolio: please see page 15 (hand written number at the bottom of page) of the MFS to see how the reserve Funds are invested. Most of the available cash is in money-market accounts with a 0.005% interest rate. The remainder is in CD's with 4.3% and 4.4% interest rates. **Accrued interest at the end of the month is \$5,416.67.**

4 **ENDING BALANCE BANK ACCOUNTS**

5	RESTRICTED RESERVES (acct ending...9690)	1,428,791.48
6	NON-RESTRICTED RESERVES (acct ending...3364)	256,373.60
7	CHECKING ACCOUNT (acct ending...3181) <small>adjusted for outstanding checks</small>	127,345.90
8	IMPOUND ACCOUNT (acct ending...3165)	8,205.19
9	REPAIR AND TAX DEPOSIT FUND (acct ending...5738)	6,590.00
10	M5 INVESTMENTS (US Bancorp Investments)	300,000.00

**ENDING BALANCE OF MAJOR RESERVES**

Types	Ending Balance	S/H Contribution		MFS Page No.
		Monthly	per unit	
11 ROOFING <small>After Project Commitments for 2022 ReRoofs</small>	733,284.23	47,700.00	96.95	11
12 APPLIANCES	41,672.44	4,321.75	8.78	8
13 PAINTING	320,334.28	690.00	1.40	9
14 INFRASTRUCTURE	215,750.78	20,410.00	41.48	13
15 CONTINENCY OPERATING FUNDS	65,519.68	-	-	10
16 EMERGENCY RESERVES	75,896.30	-	-	12
	1,452,457.71	73,121.75	148.62	

**INCOME AND EXPENSES**

From Monthly Financial Statement Pages 3, 4, 5, 16	March Actual	March Budget	March Variance	2023 YTD Actual	2023 YTD Budget	MFS Page No.
17 MUTUAL TOTAL INCOME	231,229	234,493	(3,264)	692,743	703,479	5, 16
18 CONTRIBUTION TO RESERVES	73,122	73,122	-	219,365	219,366	3, 4, 5, 16
19 OPERATING EXPENSES *	64,538	66,302	1,764	161,013	198,906	4
20 EXCESS INCOME over(under) EXPENSES	(1,500)			27,157		5, 16

\* Operating Expenses Do Not include reserve funded projects or GRF Carrying Charges Transfer.

Line #	Date of Work	Location	2023 Project Cost	Date of Payments	Remarks
21	Sept 2022	Concrete Walks: Bldg. 100F *	7,737.00	9/14/22	Total project cost was \$11,682.00.
22	April 2023	Concrete Walks: 70F Phase 1 *	15,045.00	Pending	On Board Agenda 4-19-23
23					
24					
25					
26					
27					
28		* Infrastructure Reserves for Concrete			
29		Walks/Drains for 2023			
30		Total to Date:	<b>7,737.00</b>	2023 Budget: \$100,000	

**Please Use Water Wisely! The More WATER We Save, The More MONEY We Save!**

Fees Collected	Mthly Budget	Mar '23	Feb'23	Jan '23	Dec '22	Nov '22	Oct '22	Sep '22	Aug '22	Jul '22
Buyer's Premium	2,436	1,500	0	750	3,750	750	1,500	2,250	1,500	750
Inspection Fees	4,349	0	1,875	2,400	6,000	2,400	1,200	1,200	2,400	4,800
Transfer Fee						250	250			

### ROOFING PROJECTS 2023 Budget Year (Construction in October 2023 | Finish \_\_\_\_\_)

Building No. and Type	Roof Type	Roof Area (SQ)	Cost (\$) per SQ	Contract Cost (\$)
96 2 Bedrooms	Low Slope	153	1008	154,224
97 2 Bedrooms Laundry Room	High Slope	163	617	100,571
107 2 Bedrooms Laundry Room	High Slope	163	617	100,571
112 2 Bedrooms Laundry Room	High Slope	163	617	100,571
123 1 & 2 Bedrooms Laundry Room	Low Pitch	127	1008	128,016
125 1 & 2 Bedrooms	Low Pitch	123	1008	123,984
TOTAL				707,937

Avg Cost/Apt = \$11,799

### ROOFING PROJECTS 2022 Budget Year (Start date: September 13, 2022 | Finish 4-7-23)

Building No. and Type	Roof Type	Roof SQ	Cost (\$) per SQ	Contract Cost (\$)
113 2 Bedrooms (4) (Order of construction) <b>Complete</b>	Low Slope	153	941	143,973
120 1 and 2 Bedrooms (5) <b>Under construction</b>	Low Slope	123	941	115,743
100 2 Bedrooms (3) <b>Completed</b>	Low Slope	153	941	143,973
101 2 Bedrooms (2) <b>Completed</b>	Low Slope	153	941	143,973
70 2 Bedrooms (1) <b>Completed</b>	Low Slope	153	941	143,973
TOTAL				691,635

Avg Cost/Apt = \$11,527



**SUMMARY FOR REFERENCE—2023 OPERATING BUDGET**

Line #

- 51 **EXPECTED MONTHLY M5 HOA Income: \$132,057.72** (\$268.41/month X 492 UNITS)
- 52 **M5 HOA Fees per month per unit: \$268.41 [58.1%]** (increase of \$29.74) for year 2023
- 53 **GRF HOA Fees per month per unit: \$193.23 [41.9%]** (increase of \$21.20) for year 2023

**2023 OPERATING BUDGET**

	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total \$ Change From 2022 to 2023
54 <b>OPERATING EXPENSES</b>	134.76	795,622	56,677
55 <b>OPERATING INCOME</b>	14.97	88,382	(4,133)
56 <b>NET OPERATING COST</b>	119.79	707,240	60,810
57 <b>RESERVE FUNDING</b>	148.62	877,461	114,764
58 <b>Total Operating-Reserve</b>	268.41	1,584,701	175,574

**2023 RESERVE FUNDING DISTRIBUTION**

Project	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total Dollar Change
			Per Unit per Month
			From 2022 to 2023
59 <b>APPLIANCE</b>	8.78	51,861	(2.25)
60 <b>PAINTING</b>	1.40	8,280	1.40
61 <b>ROOFING</b>	96.95	572,400	9.50
62 <b>INFRASTRUCTURE</b>	41.48	244,920	19.62
63 <b>TOTAL</b>	148.62	877,461	26.03

\*See Appendix B of M5 Budget

**2023 LANDSCAPING BUDGET**

	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total \$ Change From 2022 to 2023
64 <b>LANDSCAPE-CONTRACT</b>	29.70	185,031	15,114
65 <b>LANDSCAPE-EXTRAS</b>	3.39	18,007	(2,067)
66 <b>LANDSCAPE-TREES</b>	3.05	16,000	(2,007)
67 <b>TOTAL</b>	36.14	219,038	11,040

**2023 SERVICE REQUEST ORDERS (SRO) BUDGET**

	Average Monthly per Unit	Yearly Total for 492 Units	Total Dollar Change From 2022 to 2023
68 <b>STANDARD SERVICE</b>	\$19.14	\$113,003	\$9,978

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1005 Seal Beach Mutual No. Five  
Financial Statement Recap  
03/31/2023

3-31-23

P.O. Box 2069  
Seal Beach CA 90740

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<b>(1,500)</b>	<b>0</b>	<b>Excess Inc/(Exp) Before Off-Budget</b>	<b>27,157</b>	<b>0</b>
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43,900	0	Roofing Reserve	733,284	0
(1,200)	0	Emergency Reserve Equity	75,896	0
20,410	0	Infrastructure Reserve	215,751	0
<b>65,266</b>	<b>0</b>	<b>Total Restricted Reserves</b>	<b>1,452,458</b>	<b>0</b>

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# Portfolio Specialist Report

APRIL 2023

- Your vote will elect those responsible for fulfilling a fiduciary responsibility of upholding the rules and regulations of the community.
- Ballots will be mailing out soon, please get out and vote!





## BYLAW AMENDMENTS BALLOT INFORMATION

# FACT SHEET

1. The Bylaw Amendments ballot will be mailed on May 5, 2023.
2. Member participation is very important. 3,305 ballots must be returned and a majority must **vote YES** for the Bylaw Amendments to be passed.
3. One ballot per unit. One vote per unit.
4. Your completed ballot must be received prior to the Ballot Counting Meeting on June 6, 2023. You may mail your ballot or bring it to Clubhouse 4 prior to 10 a.m. on June 6. If you mail, please mail early to ensure it is received by Accurate Voting **prior to June 6.**

### Reasons for proposed bylaw amendments:

- Amendment to Article III(9)(a) – Needed to clarify language to define how the current quorum of votes is calculated so that our election process continues to have a GRF Director elected only by their mutual's residents. If not amended, the current wording could be interpreted to allow **ALL** GRF members to vote and decide on the GRF Directors for every mutual.
- Amendments to Article III, VI, VIII and X – The current language, written in 1962, implies only men can be a GRF Director. Examples of language changes needed: "this office" replaces "his office"; "the member" replaces "him"; "that person's" replaces "his".

**PLEASE VOTE YES**  
**YOUR VOTE IS VERY IMPORTANT**

## BY-LAWS OF GOLDEN RAIN FOUNDATION

### ARTICLE I.

#### General Purpose and Offices

No Changes

### ARTICLE II.

#### Membership

No Changes

### ARTICLE III.

#### Meetings of Members

**Section 3. Notice of Meetings.** Notice of meetings, annual or special, shall be given in writing not less than ten nor more than sixty days before the date of the meeting, to members entitled to vote thereat by the Secretary or the Assistant Secretary, or if there is no such officer, or in the case of *his that person's* neglect or refusal, by any Director or Member.

Such notices or any reports shall be given personally or by mail or other means of written communication and shall be sent to the member's address appearing on the books of the corporation or supplied by *him the Member* to the corporation for the purpose of notice, and in the absence of said address as herein provided, such notice shall be given as provided in Section 601 of the California Corporations Code.

If a member supplies no address, notice shall be deemed to have been given to *him the member* if mailed to the place where the principal executive Office of the corporation, in California, is situated, or published at least once in some newspaper of general circulation in the County of said principal office. **Section 9. Quorum**

- a. The presence in person *or by proxy or ballot* of 33 1/3% *(33.33%)* of the members of record in good standing at any meeting shall constitute a quorum for the transaction of business at said meeting *except for the election of directors whereby quorum is based on 33 1/3% (33.33%) of the members of record in good standing of the Mutual that is voting for their respective GRF director representative, not all GRF members.*

**Section 13. Inspectors of Election.** In advance of any meeting of Members the Board of Directors may, if they so elect, appoint inspectors of election to act at such

meeting or any adjournments thereof. If inspectors of election be not so appointed, the ~~chair~~ ~~chairman~~ of any such meeting may, and on the request of any Member or his proxy shall, make such appointment at the meeting in which case the number of inspectors shall be either one or three as determined by a majority of the members represented at the meeting,

#### **ARTICLE IV.**

##### **Officers**

**No Changes**

#### **ARTICLE V.**

##### **Board of Directors**

**No Changes**

#### **ARTICLE VI.**

##### **Election of Directors**

**No Changes**

#### **ARTICLE VII.**

##### **Duties of Officers**

**Section 2. Vice-President.** It shall be the duty of the Vice-President to preside at meetings of the Corporation and Board of Directors in the absence of the President and to perform such other duties as ordinarily pertain to ~~this~~ ~~his~~ office.

**Section 4. Treasurer.** It shall be the duty of the Treasurer to account for all funds to the corporation at its annual meetings and at any other time upon demand by the Board of Directors, and to perform such other duties as pertain to such office. Upon ~~his~~ retirement from office, ~~he~~ ~~the Treasurer~~ shall turn over to ~~the Treasurer's~~ ~~his~~ successor or to the President all funds, books of accounts or any other Corporation property in his possession.

#### **ARTICLE VIII.**

##### **Committees**

The President shall appoint such standing or special committees as may be provided by resolution of the Board of Directors, or as ~~he~~ ~~the President~~ may deem necessary for the administration of the affairs of the Corporation, and to carry out the purposes of the Corporation, subject to the approval of the Board of Directors.

#### **ARTICLE IX**

Finance  
No Changes

**ARTICLE X.**  
**Miscellaneous**

**Section 2. Inspection of Records.** The books of account and minutes of proceedings of the members and directors shall be open to inspection upon the written demand of any member at all reasonable times during office hours, and for a purpose reasonably related to ~~his~~ *the person's* interest as a member. Such demand shall be made in writing upon the President or Secretary of the Corporation.



6th Annual

# LIFE OPTIONS

# Expo

Presented by:

*The Golden Rain Foundation, Leisure World, Seal Beach  
in partnership with Sunrise of Seal Beach Assisted Living.*

# JUNE 2023

Come find opportunities to enhance your quality of life and gather information about the resources available.

Participating services will include Residential Care Facilities, HomeCare Agencies, Placement Specialists, Elder Care Agencies, County Organizations and more.

**COMING  
THIS  
SUMMER!**



Be Healthy · Enjoy Life · Plan for the Future