

PLEASE DO NOT DROP INTO THE MAIL SLOTS

**MINUTES OF THE REGULAR MONTHLY MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE
March 20, 2024**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President DeRungs on Wednesday, March 20, 2024, 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, Secretary Lee, Director Powell, Chief Financial Officer Cude, and Director Shannon.

Absent: Director Gould

GRF Representative: Mr. Thompson (**absent**)

Guests: Two Mutual Five Shareholders (**in-person**)

Staff: Ms. Barua, Sr. Portfolio Specialist
Mr. Perez, Building Inspector

SHAREHOLDER COMMENTS

No shareholders made a comment.

MINUTES

The Regular Meeting Minutes of February 21, 2024, were approved by general consent of the board to stand as written.

GRF REPRESENTATIVE'S REPORT

GRF Representative, Mr. Thompson, was not present to provide updates on GRF projects.

BUILDING INSPECTOR'S REPORT

Building Inspector Perez presented his report (attached).

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

RESOLVED to rescind resolution dated 07/19/23, "RESOLVED to approve the Bait Stations proposal from Fenn Termite and Pest Control, at a cost

not to exceed \$3,936. Funds to come from Operating Budget and authorize the President to sign any necessary documentation”, and contract is rescinded.

The MOTION passed unanimously.

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

RESOLVED to approve the patio for Unit 05-122-L, pending updated drawings and specifications and the height from the interior floor to the top of wall is no higher than 26 inches high block wall. Work to be done at the shareholder’s expense.

The MOTION passed unanimously.

Following questions, Mr. Perez left the meeting at 9:40 a.m.

UNFINISHED BUSINESS

No unfinished business.

NEW BUSINESS

Following a discussion and upon a MOTION duly made by Vice President Murphy and seconded by Director Powell, 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 February 2024.

The MOTION passed unanimously.

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

RESOLVED to appoint HOA Elections of California as Mutual Five’s Inspectors of Election for the 2024-2025 Election of Directors.

The MOTION passed unanimously.

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

RESOLVED to approve the record date of June 11, 2024 for the annual 2024 Mutual Five elections.

The MOTION passed unanimously.

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

RESOLVED to propose a rule change by amending Policy 7465.05 – Skylight and/or Sola Tubes and re-numbering it to 05-7465-1 - Skylight and/or Sola Tubes and approve 28-day posting of notice of the proposed policy change. The proposed policy change will be considered by the board at the next scheduled meeting following review of any shareholder comments received.

The MOTION passed with one “no” (Cude) and five “yes” (DeRungs, Murphy, Lee, Powell, and Shannon).

SECRETARY / CORRESPONDENCE

Secretary Lee received no correspondence.

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

Sr. Portfolio Specialist Barua presented her report (attached).

ANNOUNCEMENTS

- a. **NEXT MEETING:** Wednesday, April 17, 2024, at 9:00 a.m. via Zoom/Video Conference Call and Conference Room B.

COMMITTEE REPORTS

Finance
No report.

Landscape

No report.

Physical Property

No report.

Laundry Rooms/Emergency Information

No report.

DIRECTORS' COMMENTS

Several Directors made comments.

ADJOURNMENT

President DeRungs adjourned the meeting at 10:45 a.m. and announced that there would be an Executive Session following the meeting to discuss members issues.

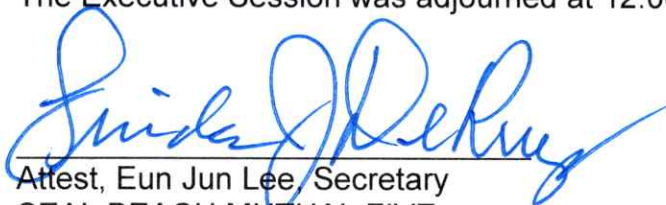
EXECUTIVE SESSION SUMMARY

The Board met in Executive Session on Wednesday, March 20, 2024, at 11:01 a.m., and took the following actions:

The board approved the Regular Executive Session Minutes of February 21, 2024 and Special Executive Session Minutes of January 24, 2024.

1. Legal Matters
 - a. Several legal matters were discussed.
2. Contracts
 - a. Several 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 hearing occurred.

The Executive Session was adjourned at 12:00 p.m.



Attest, Eun Jun Lee, Secretary
SEAL BEACH MUTUAL FIVE
RB 3/20/24
Attachments

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) FIVE **INSPECTOR: Anthony Perez**

MUTUAL BOARD MEETING DATE: March, 2024

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	Improvement Values	RECENT INSPECTION	CONTRACTOR
100-A	KITCHEN REMODEL	BOTH	06/10/23	04/30/23	\$35,500	PLUMB, FRAM, ELEC, 03/27	BA CONSTRUCTINO
97-G	UNIT REMODEL	BOTH	06/19/23	11/15/23	\$140,400	DRYWALL 08/28/23	JC KRESS
98-C	UNIT REMODEL	BOTH	06/10/232	11/30/23	\$104,000		MP CONSTRUCTION
121-K	WINDOWS AND DOORS	BOTH	08/01/23	09/20/23	\$11,000	WAITING ON CONTRACTOR	BROTHERS GLASS
122-A	UNIT REMODEL	BOTH	08/07/23	12/03/23	\$70,000	STUCCO 02/12/24	NATIONWIDE
95-K	WASHER AND DRYER	BOTH	08/07/23	10/30/23	\$6,800		BA CONSTRUCTION
101-C	WASHER AND DRYER	BOTH	08/28/23	10/29/23	\$27,730	ELECTRICAL 10/04/23	MARCO CONSTR TUCTION
122-L	HEAT PUMP	BOTH	08/28/23	11/28/23	\$4,925		M&M SKYLIGHTS
101-C	WASHER AND DRYER	BOTH	08/28/23	10/29/23	\$27,730		MARCO CONSTR TUCTION
91-F	UNIT REMODEL	BOTH	09/22/23	12/22/23	\$101,125	FINAL 01/22/24	MARCO CONSTR TUCTION
118-K	LOWER STORAGE CABINET	GRF	09/25/23	10/25/23	\$950		VICKERS CONSTRUCTION
107-I	HEAT PUMP	BOTH	09/28/23	12/28/23			GREENWOOD
117-L	HAND RAIL	GRF	10/03/23	11/03/23	\$1,900		GRECO
93-L	HEAT PUMP	BOTH	10/10/23	12/10/23	\$9,200		ALPINE
92-H	HEAT PUMP	BOTH	12/15/23	03/15/24	\$4,250	FINAL 01/30/24	GREENWOOD
69-B	WASHER AND DRYER	BOTH	01/02/24	03/08/24	\$32,795		GODMAN CONSTRUCTION
126-G	WASHER AND DRYER	BOTH	01/03/24	02/12/24	\$11,850		HADI
120-E	LOWER STORAGE CABINET	GRF	01/03/24	02/03/24	\$975		VICKERS CONSTRUCTION
103-H	WASHER AND DRYER	BOTH	01/10/24	04/30/24	\$39,555		LOS AL BUILDERS
108-C	SHOWER REMODEL	BOTH	01/22/24	04/12/24	\$24,210	FINAL 02/13/24	MARCO CONSTR TUCTION
69-K	HEAT PUMP	BOTH	01/29/24	04/19/24	\$5,525		GREENWOOD
125-F	ADDING BATH	BOTH	02/05/24	04/30/24	\$21,800		KANG'S CONSTRUCTION
125-F	UNIT ABATEMENT	GRF	02/22/24	02/23/24	\$3,200		UNIVERSAL ABATEMENT
122-L	RETRO WINDOWS/DOOR	BOTH	03/01/24	03/10/24	\$8,985		OGAN
123-J	FLOORING	GRF	03/10/24	04/30/24	\$5,450		KARYS CARPET
71-H	SCREEN ROOM	GRF	03/11/24	04/30/24	\$8,353		JOHN BERGKVIST

ESCROW ACTIVITY

Unit #	NMI	PLI	NBO	FI	FCOEI	ROF	ACTIVE, CLOSING, CLOSED
							8 2 6
69-G		10/19/23	12/04/23	12/19/23	01/04/24		
69-L		04/17/23	12/04/23	12/19/23	01/04/23	03/05/24	
90-B		12/06/23	01/10/24	01/10/24	01/25/24	02/20/24	
90-D		11/08/23	11/20/23	11/21/23	12/07/23	01/18/24	
90-J		11/08/23	01/11/24	01/12/24	01/26/24	02/20/24	
91-J		06/23/23					
94-F		11/21/23	12/07/23	12/07/23	12/21/23		
94-H		06/23/23					
101-B		06/21/22					
102-L		12/06/23					
104-F		12/06/23					
104-K		01/03/24	03/11/24				
111-C		10/04/23	11/29/23	12/01/23	12/15/23	01/22/24	
114-I		03/06/24					
116-A		03/11/24					
125-F		10/03/23	12/14/23	12/26/23	01/10/24	02/20/24	
126-K		03/06/24					

SHADED AREAS HAVE BEEN SIGNED OFF

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) FIVE	INSPECTOR: Anthony Perez
MUTUAL BOARD MEETING DATE:	March, 2024

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

CONTRACTS

CONTRACTOR	PROJECT
J&J LANDSCAPE AUGUST 8th 2025	Landscaping & Irrigation
EMPIRE PIPE DECEMBER 31st 2022	Annual inspection
FENN MAY 31st 2026	Pest and rodent control services New contract is being drafted
FENN PEST CONTROL JULY, 2026	Bait stations
ROOFING STANDARDS May, 2024	Buildings 96, 97, 107, 112, 123, 125
MP CONSTRUCTION	Electrical replacement proposal

SPECIAL PROJECTS

Contractor	Discription of Work
122-L	New patio proposal
Open Paint Bids and Discuss Paint Project	

SHAREHOLDER AND MUTUAL REQUEST

92-E Leak at shower	Inspect mutual sidewalk
112-B Inspect refrigerator for leak	
97-K Roof leak	
94-E Downspout missing	
107-D Leak in kitchen	
107-I Leak in kitchen	
105-K Roof leak	
125-K Roof leak	
96-H Question regarding water shut off valve location	
118-K Entry door location	
115-K Inspect patio flooring	
112-C Ants in unit	
113-G Question regarding panels to unit	
112-K Toilet issues	
101-L Toilet issues	
97-K Roof leak	
70-F Termites in unit	
105-K Skylight issues	
102-H Rain gutter issues	

MUTUAL 5 - February 29, 2024 FINANCIAL REPORT SUMMARY

February 29, 2024

Line No. **February Highlights:** [Please refer to the Monthly Financial Report Package(MFRP) for more details]

- 1 February financials show M-5 is in a favorable financial position (under budget) with excess income of \$978.02 for the month and \$17,607.70 Year-to-Date (5th page of the **MFRP**).
- 2 The two major expenses over-budget In February are Electricity and P/L Insurance with Insurance (21,248.66) over-budget. It is expected that the Insurance over-budget variance will be \$56,598 by the end of the year. The reason is because GRF under estimated Insurance cost for the year because premiums increased 28% over last year. The Mutual is monitoring all expenses and income and anticipates that a special assessment will not be necessary by the end of the year.
- 3 Investment Portfolio: please see the last page of the **MFRP**. Most of the available cash is in money-market accounts with an interest rate of **1.0022% to 1.24427%**). Investments of \$600,000 is in CD's with interest rates ranging from 4.40% to 5.5%. **The Mutual now has \$600,000 of idle reserve funds earning high interest for the Mutual; and, looking forward to the future when the Roofing Program is completed and the annual reserve contributions can be invested during the remainder of the 30-year life of the new roofs.**

ENDING BALANCE BANK ACCOUNTS

4	RESTRICTED RESERVES MM Account (acct ending...9690)	1,567,454.59
5	OTHER RESERVES MM Account (acct ending...3364)	115,438.00
6	CHECKING ACCOUNT (acct ending...3181) <small>adjusted for outstanding checks</small>	80,866.08
7	IMPOUND ACCOUNT (acct ending...3165)	435,748.83
8	REPAIR AND TAX DEPOSIT FUND (acct ending...5738)	93,080.74
9	M5 INVESTMENTS (US Bancorp Investments)	600,000.00
		2,892,588.24

ENDING BALANCE OF MAJOR RESERVES

Types	Ending Balance	S/H Contribution	
		Monthly	per unit
10 ROOFING	1,440,021.05	49,131.00	99.86
11 APPLIANCES** (2024 in Operating Budget)	-	-	-
12 PAINTING	334,877.62	4,166.67	8.47
13 INFRASTRUCTURE	431,345.44	15,952.33	32.42
14 CONTINGENCY OPERATING FUNDS**	-	-	-
15 EMERGENCY RESERVES**	-	-	-
16 GENERAL INVESTMENTS		-	-
	2,206,244.11	69,250.00	140.75

Page of **MFRP**

6th

6th

6th

6th

6th

6th

6th

** Consolidated
With Roofing

INCOME AND EXPENSES

From Monthly Financial Statement	February Actual	February Budget	February Variance	2024 YTD Actual	2024 YTD Budget
17 MUTUAL TOTAL INCOME	250,964	248,126	2,838	502,835	496,251
18 CONTRIBUTION TO RESERVES	69,250	69,250		138,500	138,500
19 OPERATING EXPENSES *	75,817	66,302	(9,515)	136,889	147,913
20 EXCESS INCOME over(under) EXPENSES	978			17,608	

Page of **MFRP**

4th

4th

4th & 5th

5th & Pg 4

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

CONCRETE PROJECTS - (Jurado or SM or JJ) 2023

February 29, 2024

Line #	Date of Work	Location	2023 Project Cost	Date of Payments	Remarks
20					
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	6-1-23; 9-7-23	Approved by Board 4-19-23- Completed
23	7/1/2023	Concrete Walks: 70/71 Phase 2 *	40,754.00	12/14/23	Const. Pending: Appd by Bd 7-19-23
24	Nov. 2023	Concrete Walks: 102F/110G8 *	15,227.70	Pending	Bd. Approval 11-15-23
25					
26	* Infrastructure Reserves for Concrete				Balance Remaining: \$21,236.30
27	Walks/Drains for 2023	Total to Date:	78,763.70	2023 Budget: \$100,000	

29 **Shareholder Receivables:** \$58,010 (11 accounts owe greater than \$1,000, 3 Estate accounts to be paid upon sale or transfer, 3 accounts are being closely monitored)

Fees Collected	Current Mo.	Mthly. Budget	Year-to-Date			Annual Budget
			Actual	Budget	Variance	
Inspection Fees	2,400	3,167	6,000	6,333	(333)	38,000
Buyer Prem.	1,500	1,667	3,750	3,333	417	20,000
Laundry Rev.	1,058	900	1,902	1,800	102	10,800

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

ROOFING PROJECTS 2023 Budget Year (Construction starts in April 2024 | Finish: September 2024)

Building No. and Type	Roof Type	Roof Area (SQ)	Cost (\$) per SQ	Contract Cost (\$)
72 1 & 2 Bedrooms	High Slope	127	617	78,359
92 2 Bedrooms	High Slope	153	617	96,571
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
117 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				983,438

\$9,106 Avg Cost/Apt

ROOFING PROJECTS 2022 Budget Year (Start date: 9-13-22 Finish 4-7-23)

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

Avg Cost/Apt = \$11,527

SUMMARY FOR REFERENCE—2023 OPERATING BUDGET

Line #

February 29, 2024

- 51 **EXPECTED MONTHLY M5 HOA Income: \$136,023.24** (\$276.47/month X 492 UNITS)
- 52 **M5 HOA Fees per month per unit: \$276.47 [56.5%]** (increase of \$8.06) for year 2024
- 53 **GRF HOA Fees per month per unit: \$213.25 [43.5%]** (increase of \$20.20) for year 2024

2024 OPERATING BUDGET

	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total \$ Change From 2023 to 2024
54 OPERATING EXPENSES	134.76	795,622	56,677
55 OPERATING INCOME	14.97	88,382	(4,133)
56 NET OPERATING COST	119.79	707,240	60,810
57 RESERVE FUNDING	148.62	877,461	114,764
58 Total Operating-Reserve	268.41	1,584,701	175,574

2024 RESERVE FUNDING DISTRIBUTION

Project	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total Dollar Change
			Per Unit per Month From 2023 to 2024
59 APPLIANCE			
60 PAINTING	8.47	50,000	7.07
61 ROOFING	99.86	589,572	2.91
62 INFRASTRUCTURE	32.42	191,428	(9.06)
63 TOTAL	140.75	831,000	18.16

*See Appendix B of M5 Budget

2024 LANDSCAPING BUDGET

32.76761518

	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total \$ Change From 2023 to 2024
64 LANDSCAPE-CONTRACT	32.77	193,460	8,429
65 LANDSCAPE-EXTRAS	3.05	18,000	(7)
66 LANDSCAPE-TREES	2.88	17,000	1,000
67 TOTAL	38.70	228,460	9,422

2024 SERVICE REQUEST ORDERS (SRO) BUDGET

	Average Monthly per Unit	Yearly Total for 492 Units	Total Dollar Change From 2023 to 2024
68 STANDARD SERVICE	\$15.24	\$90,000	(\$23,003)

Executive Summary Table Report # 21575-12
No-Site-Visit

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Painting Projects				
2300	(2024) Stucco - Repaint	10	0	\$220,000
2300	(2025) Stucco - Repaint	10	1	\$320,000
2310	Wood Surfaces - Annual Repair	1	0	\$30,000
2330	Interior Surfaces - Repaint	6	0	\$6,800
2350	Light Poles/Fixtures - Repaint	5	0	\$12,000
Infrastructure				
2100	(2024-2030) Concrete Walkway/Drains	1	0	\$100,000
2520	Wood Surfaces - Annual Repair	1	0	\$70,000
2640	Laundry Doors - Replace	20	0	\$5,850
2725	Building Signage	20	4	\$17,000
2732	Attic Screens - Replace	25	24	\$16,400
4596	Sewer Project (2024-2033) - Re-line	1	0	\$100,000
4650	(2030) Solar Systems -Replace	15	6	\$150,000
4652	(2030) Solar Panel Cabinets - Repl	15	6	\$13,000
5010	Walkway Pole Lights - Replace	1	0	\$12,000
6900	Irrigation Controllers - Replace	12	1	\$15,000
6962	Meter Cabinets - Replace	30	22	\$68,000
6970	Electrical Panels - Replace	1	0	\$22,000
Roofing Projects				
2450	(2024) Comp Shingle Roof - Replace	30	0	\$797,000
2450	(2025) Comp Shingle Roof - Replace	30	1	\$645,000
2450	(2026) Comp Shingle Roof - Replace	30	2	\$280,000
2450	(2047) Comp Shingle Roof - Replace	30	23	\$800,000
2450	(2048) Comp Shingle Roof - Replace	30	24	\$380,000
2450	(2049) Comp Shingle Roof - Replace	30	25	\$370,000
2450	(2050) Comp Shingle Roof - Replace	30	26	\$620,000
2450	(2052) Comp Shingle Roof - Replace	30	28	\$750,000
2450	(2053) Comp Shingle Roof - Replace	30	29	\$760,000
2451	(2027) Carport Flat Roofs - Replace	17	3	\$430,000
2480	Gutter System - Replace	5	0	\$5,100

28 Total Funded Components

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

PORTFOLIO SPECIALIST'S REPORT

March 2024



Collecting and keeping too many things in your Unit, or on your patio/porch, might present a clear and present danger of rodent and insect infestation, and even the possibility of creating a fire hazard within your Unit.

Please note: It is against the Law to place electronic waste, smoke detectors, batteries, paint cans, sharps, pesticides and herbicides, auto parts and light bulbs, including fluorescent light bulbs, in either the **GREEN** or the **WHITE** Waste Containers.

Large items:

DO NOT leave any large items around the waste bin areas.

Furniture, mattresses, tables, chairs, and all other large items may be taken to the North-West corner of Seal Beach Leisure World.

A fine per occurrence may be brought against an individual Unit for leaving these items in or around the waste bin areas.

If you are not sure or have any questions regarding proper disposal of any items, please ask your Building Captain or Mutual Director for clarification.

Mutual and GRF Elections will be beginning soon.

This is your community! Please see the 2024 GRF & Mutual Election and Annual Meeting Schedule in LW Weekly!

