MINUTES OF THE REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS SEAL BEACH MUTUAL SEVENTEEN October 3, 2017

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Seventeen was called to order by President Hayes at 1:30 p.m. on Tuesday, October 3, 2017, in the Administration Building Conference Room A, followed by the *Pledge of Allegiance.*

ROLL CALL

Present:	President Hayes, Vice President Gassman, Treasurer Massetti, Secretary Schumacher, Director Poe, and Advisory Director Badzey
GRF Representative:	Mr. Moore
Guest:	Mr. Kabaker, BNY Mellon (2:15 p.m.) Four Mutual Seventeen residents
Staff:	Ms. Miller, Finance Director Ms. Hopkins, Mutual Administration Director Mr. Harper, Building Inspector (1:50 p.m.) Mrs. Aquino, Recording Secretary

INTRODUCTIONS

President Hayes welcomed the guests and staff members to the meeting.

MINUTES

President Hayes asked if there were any corrections to the September 5, 2017, Regular Meeting Minutes. There being no corrections, the minutes were approved as printed.

EMERGENCY AGENDA ITEM

Following a discussion, and upon a MOTION duly made by President Hayes and seconded by Treasurer Massetti, it was

> RESOLVED, To amend today's agenda of October 3, 2017, by adding permission to access Mutual Seventeen property to replace the no parking signs under New Business, Item "f".

The MOTION passed.

INSPECTORS REPORT

Inspector Harper presented his summary report to the Board (attached).

Following questions, Inspector Harper left the meeting at 2:00 p.m.

GUEST SPEAKER – Ms. Miller

Ms. Miller presented the proposed 2018 Budget.

Following a discussion, and upon a MOTION duly made by Treasurer Massetti and seconded by Director Poe, it was

> RESOLVED, To transfer $14,633 from the Emergency Reserve Fund to the Infrastructure Reserve Fund.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Treasurer Massetti and seconded by Vice President Gassman, it was

> RESOLVED, To accept the 2018 Operating Budget for Mutual Seventeen of $521,633, resulting in a regular monthly assessment of $345.00 per apartment per month, for an increase of $10.00 per month over the total regular assessment of 2017, as presented, and to adopt this budget forthwith.

The MOTION passed.

Following questions, Ms. Miller left the meeting at 1:50 p.m.

RESIDENT COMMENT

One resident comment was made.

GRF REPRESENTATIVE

Mr. Moore updated the Board on GRF activity (attached).

GUEST SPEAKER – Mr. Kabaker,

Mr. Kabaker, from BNY Mellon, updated the Board regarding the services that BNY Mellon provides to the Mutual.

Following questions, Mr. Kabaker left the meeting at 2:55 p.m.

Secretary Aquino took a break from 3:00 p.m. to 3:15 p.m.

UNFINISHED BUSINESS

Following a discussion, it was the consensus of the Board to postpone discussion on Policy 7510.17 – Eligibility Requirements to the next Regular Board Meeting so that further research may be done.

UNFINISHED BUSINESS (continued)

Following a discussion, it was the consensus of the Board to postpone discussion regarding the Mutual Seventeen Commitment Pledge until the next Regular Board Meeting.

NEW BUSINESS

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

> RESOLVED, To amend Policy 7502.17A – Notice of Vehicle Removal From Private Property on a preliminary basis until the 30–day posting period is completed.

The MOTION passed with one "no" vote (Massetti).

Following a discussion, and upon a MOTION duly made by Vice President Gassman and seconded by Treasurer Massetti, it was

> RESOLVED, To authorize the GRF Executive Director and/or the Mutual Administration Director to issue zero (0) **ADDITIONAL** Guest Passes, in accordance with GRF Policy 5536.1-33. Each guest pass shall carry a unique identification number with a monthly report provided by the GRF Stock Transfer Office to the Mutual Board of guest passes issued noting the Shareholder/Member name as responsible party for the Guest, effective 2017-2018.

The MOTION passed.

Following a discussion, it was the consensus of the Board to not use the ID Cards Sign Sheet for Mutual Seventeen.

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

> RESOLVED, That Mutual Seventeen **will** permit LA Seismic to place the nodes in the Mutual Seventeen common areas.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Treasurer Massetti and seconded by Vice President Gassman, it was

> RESOLVED, To accept the NSBN Engagement Letter from the 2017 Audit and authorize the President to sign the letter.

The MOTION passed.

NEW BUSINESS (continued)

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

> RESOLVED, To grant permission to the Physical Property Department to access Mutual Seventeen property to replace the No Parking signs.

The MOTION passed.

PRESIDENT'S REPORT

President Hayes presented his report (attached).

VICE PRESIDENT'S REPORT

Vice President Gassman presented her report (attached).

TREASURER'S REPORT

Mr. Massetti presented his financial report (attached).

SECRETARY REPORT/CORRESPONDENCE

Secretary Schumacher had no report and there was no correspondence.

PHYSICAL PROPERTY REPORT

President Hayes presented his report (attached).

LANDSCAPING REPORT

Secretary Schumacher presented her report (attached).

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Ms. Hopkins presented her report (attached). In addition, she spoke about candle safety within the Mutual.

RESIDENT COMMENT

One resident made a comment.

ADJOURNMENT

There being no further business to conduct, President Hayes adjourned the meeting at 4:10 p.m. and announced that there would be an Executive Session following to discuss member issues.

Peter Hayes

Attest,
for Regine Schumacher, Secretary
SEAL BEACH MUTUAL SEVENTEEN
ka:10/05/17
Attachments

NEXT MEETING: November 7, 2017, at 1:30 p.m.
Administration Building Conference Room A

RESOLUTIONS OF THE REGULAR MONTHLY MEETING OF OCTOBER 3, 2017

10/03/17 RESOLVED, To amend today's agenda of October 3, 2017, by adding permission to access Mutual Seventeen property to replace the no parking signs under New Business, Item "f".

RESOLVED, To transfer $14,633 from the Emergency Reserve Fund to the Infrastructure Reserve Fund.

RESOLVED, To accept the 2018 Operating Budget for Mutual Seventeen of $521,633, resulting in a regular monthly assessment of $345.00 per apartment per month, for an increase of $10.00 per month over the total regular assessment of 2017, as presented, and to adopt this budget forthwith.

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RESOLVED, That Mutual Seventeen **will** permit LA Seismic to place the nodes in the Mutual Seventeen common areas.

RESOLVED, To accept the NSBN Engagement Letter from the 2017 Audit and authorize the President to sign the letter.

RESOLVED, To grant permission to the Physical Property Department to access Mutual Seventeen property to replace the No Parking signs.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: 17 INSPECTOR: Mark Harper

MUTUAL BOARD MEETING DATE: SEPTEMBER 26,2017 Print Date: 9/26/2017

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	FINAL INSPECTION	CONTRACTOR / COMMENTS
100B	Balcony Tile Install	GRF	07/10/17	08/04/17	NO		Bergkvist
100B	Bathroom Upgrade	CITY	08/01/17	10/27/17	NO	09/13/17	Bergkvist
21B	HVAC Replacement	CITY	05/25/17	06/25/17	YES		Complete Comfort

Notice Posted

CONTRACTS

CONTRACTOR	PROJECT
HSG	Window Cleaning

Completed

MUTUAL & RESIDENT SITE VISITS

UNIT	PURPOSE
47A	Pipe Inspection
18B	Shower Inspection
NA	Special Inspection
100B	Water Damage Inspection 08/30/17
73-C	New Tub No Permit 08/30/17
73-C	CNP New Tub No Permit 08/31/17

RECAP OF GOLDEN RAIN FOUNDATION BOARD ACTIVITY OF SEPTEMBER 26, 2017

Approved Minutes
MOVED and duly approved to accept the minutes of the August 22, 2017 Golden Rain Foundation (GRF) Board of Directors (BOD) meeting, as corrected. The Minutes of the August 31, 2017 Special Golden Rain Foundation (GRF) Board of Directors (BOD) meeting were accepted, as presented..

General - Committee Appointment – Mutual Administration Committee
MOVED and duly approved to appoint Perry Moore to the Mutual Administration Committee.

Architectural Design and Review Committee – Approved Capital Funds, Topiary Area
MOVED and duly approved to award a contract to Johns Landscaping Service to replace the landscaping adjacent to Clubhouse Three, including planting topiaries removed from the Main Gate area, replacing the irrigation, and installing the grass mixture, for a cost not to exceed $8,000 using Capital funds, and authorize the President sign the contract.

Architectural Design and Review Committee – Approved Trust Property, Naming
MOVED and duly approved to the naming of the Trust Property located at the junction of the Administration Building, Amphitheater and Medical Building, The Courtyard.

Executive Committee – Approved Election Services Contract
MOVED and duly approved to award a contract to Accurate Voting Services, Inc. to perform the general election services of the Golden Rain Foundation and the Mutual Corporations for the years 2018, 2019 and 2020, at a cost of $110,000, plus photocopying, postage and staffing needs.

Executive Committee – Approved Expedited Hiring of Full Time Staff in Security Department
MOVED and duly approved to implement the plan to convert approximately twenty (20) part time positions in the Security Department to ten (10) full time positions and to fill current openings with full time staff. This funding will impact, at most, one (1) month of potential employee benefits, and this minimal cost will be partially offset by reductions to recruiting and training of new employees.

Executive Committee – Amended Policy 1220-30, Resident Specialists
MOVED and duly approved to amend Policy 1220-33, Resident Specialists to change the term Resident to Member and amend the appointment process (change appointment by a committee chair, through the Executive Committee, to appointment by a standing committee chair) and to formalize that Member Specialists serve in an advisory capacity only and list the limitations.

Finance Committee – Accepted August 2017 Financial Statements
MOVED and duly approved to accept the August 2017 Financial Statements for audit.

Finance Committee – Approved CDAR Purchase
MOVED and duly approved to continue the investment ladder by investing $500,000 from the First Foundation Bank Money Market Reserve account and from proceeds of a maturing CDAR (Reserve funds) in a 52-week CDAR @ .70% which will be fully insured by the FDIC.

Finance Committee – Acceptance of the 2018 GRF Operating Budget
MOVED and duly approved to I move to recommend the GRF Board approve 2018 Golden Rain Foundation Operating Budget of $12,108,155 or $152.70 per apartment per month, an increase of $8.01 per apartment, per month, over the 2017 operating budget.

Finance Committee - Approved NuVision Lease
MOVED and duly approved the use of Trust Property, per terms and conditions of the proposed Management and Lease agreement, and authorize the President to sign the agreement.

Finance Committee – Amended On-Site Sales Lease
MOVED and duly approved First Amendment to the Resales Lease Agreement between the Golden Rain Foundation, Seal Beach and Charles Briskey Real Estate, Inc, for one (1) year, new expiration date of December 31, 2018, and authorize the President to sign the agreement.

Finance Committee – Approved NSBN Engagement Letter
MOVED and duly approved to authorize the President to sign the 2017 annual financial audit engagement letter and to allow the Director of Finance to coordinate with each Mutual Corporation to present at their next board meeting the 2017 annual financial audit engagement letter, providing authorization to their respective President to sign the engagement letter.

Mutual Administration Committee – Approved Capital Funding – Mutual Administration Recording Secretaries Work Station Replacement
MOVED and duly approved the replacement of the Trust assets identified as the Mutual Administration Recording Secretaries Work Stations, Capital funding, in the amount of $3,786.34, and authorize the Executive Director to initiate the purchase.

Mutual Administration Committee – **FINAL VOTE,** Amended Policy 1201-33, Photo ID Cards
MOVED and duly approved to ratify Policy 1201-33, Photo ID Cards, to include proposed fee (fines) changes.

Mutual Administration Committee – Amended Policy 5165-MAC, Mutual Administration Committee
MOVED and duly approved to amend Policy 5165-MAC, Mutual Administration Committee.

Mutual Administration Committee – Rescinded Policy 7720, Distribution Services
MOVED and duly approved to table the motion to rescind Policy 7720, Distribution Services.

Mutual Administration Committee – Rescinded Policy 7740, Messenger Service
MOVED and duly approved to table the motion to rescind Policy 7740, Messenger Service.

Recreation Committee – Amended Policy 1411-50, Recreational Facilities
MOVED and duly approved to amend Policy 1411-50, Recreational Facilities, refining the Policy language, amending the latest reservation from 10:30 p.m. to 10:00 p.m. and updating

the Reservations by Outside Organizations section to list Government Agencies and Special Events.

Recreation Committee – Amended Policy 1431-50, Liability Insurance-Clubs
MOVED and duly approved to amend Policy 1431-50, Liability Insurance-Clubs, refining policy language and stating that any deficiencies of the facilities discovered prior to an event should be reported to the custodian.

Recreation Committee – Amended Policy 1710, Adult Education
MOVED and duly approved to amend Policy 1710-50, Adult Education, refining policy language, including "other educational originations or institutions" to provide on site adult classes and "require" rather than "request" relocation of classes to outside of the community, if a majority of the students are from outside the community..

Recreation Committee – Amended Policy 5135-50, Recreation Committee.
MOVED and duly approved to amend Policy 5135-50, Recreation Committee, changing the header to "Charter" rather than "Functions" and adding cost center 47, RV Lot.

President's Report, October 3rd, 2017

Probably the most important news to be reported this month is the approval of the budget for 2018. Yes there is an increase, but it is a very modest one considering the extraordinary unanticipated expenses we have encountered this past year. Replacing a section of flooring in Building 3 due to termite damage cost us close to $2.000. Removing and replacing sections of gutters at 2 locations to treat termite damage ran almost $2,000. Removing 5 trees due to wind damage and other potentially dangerous situations totaled about $3,500 and some sprinkler repairs cost just over $800.The total increase in the monthly dues beginning January 1st, 2018, is $10, of which only about 20% is actually attributable to the Mutual. The other 80% is our contribution to the operations of the Golden Rain Foundation, and we have no control over that. The $10 represents a mere 3% increase over this year. If you have visited the grocery store recently it isn't difficult to find some items increasing by that amount almost on a weekly basis. If you have your monthly dues paid automatically from a checking account, credit card, etc. you don't have to do anything, the new amount will be deducted automatically. But you do have to remember to note the new amount on the check register or wherever you track your expenditures. If you pay by check each month, make sure you pay the new amount in January. If you just pay the 2017 amount you will incur a late charge of $10 on top of the additional $10 you should have paid!

The other important news, unfortunately, is the fact that we have identified bed bugs in all 3 buildings. This is a very serious problem. They are very difficult to eradicate and finding the source is not an easy task. Cathy has more about this in her Vice-President's report

You may have noticed that some of our Chinese Elm trees have suddenly died. Regine is working with our arborist to try to find the cause and hopefully prevent any more from suffering the same fate.

We had the pleasure of welcoming some new residents into the Mutual during the past few weeks. Heather Myers and her daughter Susan Asher are now enjoying life in Building 2, as is Jen Biernbaum.

More large items are still being left in the trash rooms, presumably in the hopes that someone else will take care of them. The trash/recycle truck will not pick up anything which is not in the appropriate bin. There were some large cardboard boxes in Building 2 last week that could very easily have been broken down and placed in the recycle bin if whoever left them had taken a few minutes to do so.

That's all for now

Happy Halloween

Peter Hayes, President

VICE PRESIDENT'S REPORT

October, 2017 – Cathy Gassman

Bedbug infestations have been reported in buildings one and two. We have also found evidence of the bugs in the laundry rooms of all three buildings. Our building Inspector and Fenn Pest Control are monitoring and treating this problem.

If you have an infestation DO NOT do your laundry in the out community laundry rooms.

For those of you without infestation using the laundry room could put you at risk. If you choose to do so, please inspect the drums of the washing machines and dryers before using them. **If you see any bugs, please notify a Director immediately.** It has been suggested that you rinse the drum of the washer with a bleach solution before using it. This is not a fool proof solution; so needless to say, we all need to do our part to help stop the infestations from spreading.

Thank you for your cooperation.

Mutual 17 Treasurer's Report

October 3, 2017

As of August 31, 2017 our year-to-date income was $351,084, which is $596 less than was budgeted. Our year-to-date expenses were $356,602 which is $4,906 more than was budgeted. So our year-to-date expenses exceeded our income by $5,518, or 1.5% of budget, as reflected in the Financial Statement Recap which is attached.

The mutual President and I worked with GRF staff to prepare the Mutual 17 2018 budget which includes an increase in monthly carrying charges of $10 of which $8.01 is due to GRF increased expenses and $1.99 is due to Mutual 17 increased expenses.

1017 Seal Beach Mutual No. Seventeen
Financial Statement Recap
08/31/2017

P.O. Box 2069
Seal Beach CA 90740

Aug Actual	Aug Budget			2017 Y-T-D Actual	2017 Y-T-D Budget
36,011	36,011	Carrying Charges		288,099	288,088
6,199	6,198	Reserve Funding		49,594	49,584
42,210	**42,209**	**Total Regular Assessments**		**337,693**	**337,672**
1,354	1,668	Financial Income		11,660	13,344
240	83	Other Income		1,731	664
1,594	**1,751**	**Total Other Income**		**13,391**	**14,008**
43,804	**43,960**	**Total Mutual Income**	(596)	**351,084**	**351,680**
18,231	18,231	GRF Trust Maintenance Fee		145,848	145,848
6,972	5,845	Utilities		44,945	46,760
553	821	Professional Fees		4,523	6,568
12,126	10,328	Outside Services		87,936	82,624
2,970	2,539	Taxes & Insurance		23,756	20,312
6,199	6,198	Contributions to Reserves		49,594	49,584
47,051	**43,962**	**Total Expenses Before Off-Budget**	(4,906)	**356,602**	**351,696**
(3,247)	**(2)**	**Excess Inc/(Exp) Before Off-Budget**	(5,502)	**(5,518)**	**(16)**
275	0	Depreciation Expense	1.5%	2,204	0
(3,523)	**(2)**	**Excess Inc/(Exp) After Off-Budget**		**(7,722)**	**(16)**
		Restricted Reserves			
958	0	Painting Reserve		196,884	0
2,248	0	Roofing Reserve		236,910	0
(1,904)	0	Emergency Reserve Equity		772,093	0
2,153	0	Infrastructure Reserve		221,519	0
3,456	**0**	**Total Restricted Reserves**		**1,427,407**	**0**

Physical Property Report, October 3rd, 2017

Technicians from Pro*Star Mechanical conducted the semi-annual inspection of our hot water boiler systems a couple of weeks ago and did not find any significant problems. One of the boiler safety system flow switches on Building 1 was leaking and they replaced it. Other than that we passed with flying colors. Our hot water boilers are actually a little past their normally expected life span and I believe we should be thinking seriously about replacing them sometime within the next two or three years.

David Harris recently repaired and repainted all the railings at the exterior exits from the emergency staircases and completed the painting and repair of another balcony.

David replaced a broken belt on a drier in Building 2 and a technician was here to look at a washing machine which was under warranty in Building 2. He diagnosed the problem and will return later to replace the inoperative part.

As I mentioned in my report last month we did install another bike rack in Building 2. Unfortunately one of the bikes that was placed in it was stolen a few days later. The thieves used some pretty hefty bolt cutters to cut the lock, not the cable.

We are in the process of purchasing new propane cylinders for the emergency generators. We can continue to use the existing ones until they are empty, but they cannot be refilled since they are too old to be recertified, so they have to be replaced.

Some residents are still putting "Out of Order" signs on the laundry machines without calling anyone or noting what the problem might be. This wastes a lot of time for the repairman trying to figure out what is wrong and it is amazing how many times there actually isn't anything wrong. There were 2 signs on machines in Building 3 recently and both machines worked perfectly when David checked them out!

Peter

Landscape Report
October 3, 2017
Regine Schuacher

Noe, our regular gardener, has been promoted to the mowing crew. Our new gardener is Albert - a very hard-working young man, as everyone knows who has seen him in action.

After consulting with several arborists, we, unfortunately, had to remove three eucalyptus trees. Two were leaning dangerously, and one of them was not only too close to the Seal Beach wall which was compromising its root system, but it was infested with a borer.

I did my monthly walk-about with George, the Supervisor of Bright-View and met again last week with him and an arborist because the elm tree in front of B2 and the two behind B3 had died quite suddenly. They are in the process of being removed.

That leaves us with the necessity of replacing trees. Unfortunately, our budget is limited for landscape "extras" such as pruning, removing trees and planting new ones, and other necessities not part of the contract.

Other mutuals who have the same problem have been able to supplement that part of the budget by voluntary donations, or residents provide funds for the planting of an approved tree in memory of a dearly departed one.

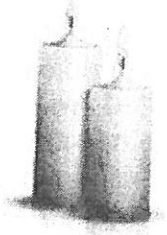
Please give this some thought and let me know any suggestions you might have in that regard. Good landscaping enhances the values of our properties and makes Mutual 17 a special place to live.

Regine Schumacher
(562) 430-7978

Mutual Administration Director's Report
October 2017

Candle Fire Safety

Don't let this



turn into this

With the holiday season rapidly arriving and with cooler fall temperatures here, many of us enjoy the warmth and light offered by a candle. Candles are decorative, come in many pleasing aromas, and can offer ready and simple light during power outages and emergencies. BUT the use of candles has also resulted in the following statistics (as provided by the U.S. Fire Administration):

- On average, 42 home candle fires are reported every day.
- More than half of all candle fires start when something that could burn, such as furniture, mattresses or bedding, curtains, or decorations too close to the candle.
- In one-fifth (20%) of candle fires, the candles are unattended or abandoned.
- Over one-third (36%) of home candle fires begin in the bedroom.
- Falling asleep is a factor in 12% of home candle fires and 36% of the associated deaths.
- December is the peak time of year for home candle fires. In December, 13% of home candle fires begin with decorations compared to 4% the rest of the year.
- One-half of home candle fire deaths occur between 12:00 midnight and 6:00 a.m.
- Young children and older adults have the highest death risk from candle fires.
- The risk of fatal candle fires appears higher when candles are used for light.

<u>If you use a candle, please make sure to follow the following candle safety tips</u>:

- Consider using battery-operated or electric flameless candles and fragrance warmers, which can look, smell, and feel like real candles – without the flame.
- If you do use candles, ensure they are in sturdy metal, glass, or ceramic holders, and placed where they cannot be easily knocked over.
- Avoid using candles in bedrooms and sleeping areas.
- Extinguish candles after use and before going to bed.
- Keep candles at least 12 inches from anything that can burn.
- Keep candles out of the reach of children and pets.
- Set a good example by using matches, lighters, and fire carefully.
- Never use a candle where medical oxygen is being used. The two can combine to create a large, unexpected fire.
- **Always use a flashlight – not a candle – for emergency lighting**.
- Never put candles on a Christmas tree.
- When using in-home worship, do not place lit candles in windows where blinds and curtains can close over them, or pass handheld candles from one person to another. To lower the risk of fire, candles should be used by only a few designated adults.
- **And <u>NEVER</u> leave burning candles unattended!**

Remember! Candle fires are PREVENTABLE. The top six days for home candle fires are:

•Halloween •Thanksgiving •December 23 •Christmas Eve •Christmas Day •New Year's Day

In the event of a fire, remember time is the biggest enemy and every second counts!

Escape first, and then call 911 for help. Develop a home fire escape plan and practice it frequently, and do not forget about that important emergency "grab-and-go bag". Never stand up in a fire, always crawl low under the smoke, and try to keep your mouth covered. Never return to a burning building for any reason: it may cost you your life.