MINUTES OF THE REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS SEAL BEACH MUTUAL SEVENTEEN September 5, 2017

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Seventeen was called to order by President Hayes at 1:27 p.m. on Monday, September 5, 2017, in the Administration Building Conference Room A, followed by the *Pledge of Allegiance.*

ROLL CALL

Present:	President Hayes, Vice President Gassman, Secretary Schumacher, Director Poe, and Advisory Director Badzey
Absent:	Treasurer Massetti
GRF Representative:	Mr. Moore
Guest:	One Mutual Seventeen resident
Staff:	Ms. Hopkins, Mutual Administration Director Mr. Harper, Building Inspector Ms. Day, 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 August 1, 2017, Regular Meeting Minutes. There being no corrections, the minutes were approved as printed.

INSPECTORS REPORT

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

Following questions, Inspector Harper left the meeting at 1:41 p.m.

RESIDENT COMMENT

There was no resident comment.

GRF REPRESENTATIVE

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

OLD BUSINESS

President Hayes asked for a motion to ratify amended/posted Policy 7502.17 – Parking Regulations. Upon a MOTION duly made by Vice President Gassman and seconded by Director Poe, it was

> RESOLVED, To ratify amended/posted Policy 7502.17 – Parking Regulations.

The MOTION passed.

NEW BUSINESS

Following a discussion, and upon a MOTION duly made by Secretary Schumacher and seconded by Director Poe, it was

> RESOLVED, To approve the expenditure of $500 each to have David Harris prepare and paint the balcony railings and storage closet doors of 10 more units, the exact units to be determined on a priority basis depending on condition and availability. This price is based upon the railings and doors being in a reasonable state of repair. Additional work necessitated by the discovery of extensive deterioration beyond normal wear and tear (rusted out supports e.g.) will entail additional reimbursement on a case-by-case basis upon approval by the President or his designee.

The MOTION passed.

The Board members discussed the proposed Mutual 2018 budget. The proposed budget will be presented at the October Board Meeting.

The Board members discussed the draft of Policy 7510 – Eligibility Requirements from the Presidents' Council. It was the consensus of the Board to postpone action for further research.

The Board members discussed rescinding the following policies: 7302 – Capital Accounts, 7307 – Signature Requirements oin Checks, 7310 – Mutual Budgets, 7331 – Interest on Impounds, 7332 – Billings to Mutuals, 7333 – Income Items and Their Distribution, 7334 – Investment Records, 7336 – Shareholder's Interest, 7337 – Financial Reports, 7340 – Accounts Receivable, 7341 – Cashier Service, 7401 – Contractor License, 7409 – Rabbit Control Resolution, 7430 – Purchasing Service, 7431 – Service Maintenance Requests, 7440 – Communications, and 7451 – Standardization Committee. Upon a MOTION duly made by Vice President Gassman and seconded by Secretary Schumacher, it was

NEW BUSINESS (continued)

> RESOLVED, To rescind Policies 7302 – Capital Accounts, 7307 – Signature Requirements on Checks, 7310 – Mutual Budgets, 7331 – Interest on Impounds, 7332 – Billings to Mutuals, 7333 – Income Items and Their Distribution, 7334 – Investment Records, 7336 – Shareholder's Interest, 7337 – Financial Reports, 7340 – Accounts Receivable, and 7341 – Cashier Service, 7401 – Contractor License, 7409 – Rabbit Control Resolution, 7430 – Purchasing Service, 7431 – Service Maintenance Requests, 7440 – Communications, and 7451 – Standardization Committee on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

The Board discussed the Commitment Pledge for the Board members. It was the consensus of the Board to postpone action and bring back to the next Board Meeting.

Recording Secretary Day went on break at 2:23 p.m. to 2:38 p.m.

PRESIDENT'S REPORT

President Hayes presented his report (attached).

TREASURER'S REPORT

In Mr. Massetti's absence, President Hayes read 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).

SOCIAL ACTIVITIES REPORT

Vice President Gassman presented her report (attached).

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Ms. Hopkins presented her report (attached).

RESIDENT COMMENT

One resident made a comment.

ADJOURNMENT

There being no further business to conduct, President Hayes adjourned the meeting at 3:09 p.m. and announced that there would be an Executive Session following to discuss member issues.

Regine Schumacher

Attest,
Regine Schumacher, Secretary
SEAL BEACH MUTUAL SEVENTEEN
cd:9/05/17
Attachments

****NEXT MEETING: October 3, 2017, at 1:30 p.m.****
Administration Building Conference Room A

RESOLUTIONS OF THE REGULAR MONTHLY MEETING OF SEPTEMBER 5, 2017

09/05/17 RESOLVED, To ratify amended/posted Policy 7502.17 – Parking Regulations.

RESOLVED, To approve the expenditure of $500 each to have David Harris prepare and paint the balcony railings and storage closet doors of 10 more units, the exact units to be determined on a priority basis depending on condition and availability. This price is based upon the railings and doors being in a reasonable state of repair. Additional work necessitated by the discovery of extensive deterioration beyond normal wear and tear (rusted out supports e.g.) will entail additional reimbursement on a case-by-case basis upon approval by the President or his designee.

RESOLVED, To rescind Policies 7302 – Capital Accounts, 7307 – Signature Requirements on Checks, 7310 – Mutual Budgets, 7331 – Interest on Impounds, 7332 – Billings to Mutuals, 7333 – Income Items and Their Distribution, 7334 – Investment Records, 7336 – Shareholder's Interest, 7337 – Financial Reports, 7340 – Accounts Receivable, and 7341 – Cashier Service, 7401 – Contractor License, 7409 – Rabbit Control Resolution, 7430 – Purchasing Service, 7431 – Service Maintenance Requests, 7440 – Communications, and 7451 – Standardization Committee on a preliminary basis until the 30-day posting period is completed.

RECAP OF GOLDEN RAIN FOUNDATION BOARD ACTIVITY OF AUGUST 22, 2017

Approved Minutes
MOVED and duly approved to accept the minutes of the July 25, 2017 Golden Rain Foundation (GRF) Board of Directors (BOD) meeting, as presented.

General - Establishment and Appointment of Members of New Ad hoc Committee – Management Services Review
MOVED and duly approved to thereby establish the Management Services Review Ad hoc Committee and grants to the Ad hoc Committee limited authority specifically stated within the GRF governing documents, and policies or other authority as granted by the BOD or as stated within this policy, pursuant to state statute (Corp. Code §7210; Corp. Code §7212(c)) and Article VII of the Bylaws of the Golden Rain Foundation.

MOVED and duly approved the President's appointment of Kathy Rapp – Chair, Carole Damoci, Wayne Gould, Susan Hopewell, Barry Lukoff, Steve McGuigan and Ronde Winkler, in accordance with Article VIII of the Bylaws and in accordance with policy 5100-30.

General - Dissolution of Ad hoc Committee – Community Access
MOVED and duly approved to accept the Community Access Ad hoc Committee's report and formally recognize the dissolution of the Committee.

Executive Committee - Amend Policy 5155-31, Plan Investment Administrative Committee
MOVED and duly approved to amend policy 5155-31, Employees' Retirement Plan Investment Administrative Sub-committee, as presented.

Executive Committee - Rescind Policy 5518-30, Contract Procedures
MOVED and duly approved to rescind Policy 5518-30, Contract Procedures.

Executive Committee - Operating Funds, Non-budgeted – Additional Inspector
MOVED and duly approved to add one FTE, Building Inspector Position, to Cost Center 70, beginning in September of 2017, non-budgeted operational expenses, and incorporate the additional FTE within the 2018 budget.,

Finance Committee – Accept July 2017 Financial Statements
MOVED and duly approved that the GRF Board of Directors accept the July 2017 Financial Statements for audit.

Finance Committee – Amend Policy 2230-31, Authorized Signatories
MOVED and duly approved to amend Policy 2230-31, Authorized Signatories, as presented.

Finance Committee – Amend Policy 5516-31, Committee Non-budgeted Expenses
MOVED and duly approved to amend Policy 5516-31, Committee Non-budgeted Expenses, as presented.

TENTATIVE VOTE: Finance Committee – Amend Policy 5523-31 Accounts Receivable Collections
MOVED and duly approved to amend Policy 5523-31, Accounts Receivable Collections, as presented.

Finance Committee – Rescind Policy 3321.01-31, Basic Purchasing Responsibility
MOVED and duly approved to rescind Policy Rescind Policy 3321.01-31, Basic Purchasing Responsibility, as presented.

Finance Committee – Rescind Policy 5330-31, Capital Project Initiation
MOVED and duly approved to rescind Policy 5330-31, Capital Project Initiation, as presented.

Finance Committee – Purchase CDAR
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.

Mutual Administration Committee - Reserve Funding, Unscheduled – Replacement of Trifold Machine
MOVED and duly approved to replace the Trust asset identified as Copy Center's Trifold Machine, in accordance with Policy 5520, 31, Reserves, totaling $2,700, and authorize the Executive Director to initiate the purchase.

Physical Property Committee - Reserve Funding - Clubhouse Six Revitalization
MOVED and duly approved to award contracts to CertaPro Painters to paint the interior and exterior of Clubhouse Six, excluding the mural area until the Art League presents a proposal to update the mural, at a cost of $31,000 and $2,000 for contingencies, at a total cost not to exceed $33,000 and to Kary's Carpet to refinish the existing wood floor on the first floor of Clubhouse Six at a cost not to exceed $22,680 funded through Reserves, and authorize the GRF President sign the contract.

Physical Property Committee - Reserve Funding – Clubhouse Three/Room Nine Roof Repair/Replacement
MOVED and duly approved to award a contract to Jordan Roofing, for $8,200 to remove and replace the roof over Room Nine in Clubhouse Three, and $6,800 in contingencies for possible dry rot repair, for a total cost not to exceed $15,000, Reserve funds, and authorize the President to sign the contract.

Physical Property Committee – Reserve Funding - Clubhouse Three Ceiling Abatement
MOVED and duly approved to award a contract to Pacific Environmental and Abatement Solutions, at a cost of $37,723 and $2,500 for contingencies, for a total cost not to exceed $40,223, using funds from the Clubhouse Revitalization Project (Reserves), and authorize the President to sign the contract.

Physical Property Committee – Reserve Funding – Main Gate Landscaping
MOVED and duly approved to contracts with John's Landscaping, in the amount of $89,007 and to MJ Jurado, in the amount of $18,000, for the replacement of the landscape and hardscape at the Main Gate, Reserve funding and authorize the President to sign the applicable documents. I further move to approve a contingency fund, in the amount of $17,993, and authorize the Chairperson of the Physical Properties Committee to review and approve any expenses from the approved contingency fund.

Physical Property Committee – Reserve Funding – Replacement of Golf Course Bridge Hand Railing
MOVED and duly approved to award a contract to M.J. Jurado to remove and replace existing hand rails at the Golf Course bridge, at a cost not to exceed $7,865, Reserve funding, and authorize the President sign the contract.

Physical Property Committee – Reserve Funding – Painting of Gate Buildings
MOVED and duly approved to award a contract to Advance Custom Painting to paint St. Andrews and North Gate's Buildings, at a cost of $1,875 and include $1000 in contingencies, for a total cost not to exceed $2,875, Reserve funding, and authorize the President to sign the contract.

Physical Property Committee - Capital Funding – Design Services Pool area Replacement
MOVED and duly approved to authorize the Recreation Committee, Physical Properties Committee and ADRC to work collectively, within assigned areas of responsibility, to seek and secure proposals for the drafting of a conceptual design plan to replace/enhance or modify the collective components that replace the Trust Asset identified as the pool area. Proposals for the professional services are not to exceed $25,000, per the Physical Property and Finance Committees, and are to be presented to the Board for final approval.

Physical Property Committee - Capital Funding – Building Five, First Floor Improvements
MOVED and duly approved to authorize the Executive Director to initiate the purchases of the panels from Talimar and construct the office spaces within Building 5, as proposed, in an amount not to exceed $10,000, Capital funding.

Physical Property Committee - Capital Funding – Painting of the On-site Post Office
MOVED and duly approved to award a contract to Advance Custom Painting, for $1,200, to paint the On-Site Post Office, and include $300 in contingencies, for a total cost not to exceed $1,500, Capital funds, and authorize the President to sign the contract.

Physical Property Committee - Rescind Policy 3310.1-70, Special Project Procedure
MOVED and duly approved to rescind Policy 3310.1-70, Special Project Procedure.

Recreation Committee – Reserve Funding – Replacement of Rubber Walkway between Green Number One and Tee Numbers
MOVED and duly approved a contract with Game Time, in an amount not to exceed $8,927.40, Reserve funding, and to authorize the President to sign the contract.

Recreation Committee – Amend Policy 1422-50, Marquee
MOVED and duly approved to amend Policy 1422-50, Marquee.

Recreation Committee – Amend Policy 1423-50, Bulletin Boards
MOVED and duly approved to amend Policy 1423-50, Bulletin Boards.

Recreation Committee – Amend Policy 1428-50, Clubhouse Artwork
MOVED and duly approved to amend Policy 1428-50, Clubhouse Artwork.

Recreation Committee – Amend Policy 1480-50, Arts and Crafts Festival
MOVED and duly approved to amend Policy 1480-50, Arts and Crafts Festival.

Recreation Committee – Amend Policy 1482-50, Festival Seller's Statement
MOVED and duly approved to amend Policy 1482-50, Festival Seller's Statement
Recreation Committee – Amend Policy 1710-50, Adult Education
MOVED and duly approved to amend Policy 1710-50, Adult Education.

Recreation Committee – Amend Policy 2609-50, Foundation Equipment
MOVED and duly approved to amend Policy 2609-50, Foundation Equipment.

Security, Bus & Traffic Committee – Capital Funding – Surveillance Camera System, RV Lot
MOVED and duly approved the purchase of surveillance camera system, per Absolute Systems proposal, dated June, 11, 2017 in the amount of $6,055.00, Capital Funding and authorize the President to sign the contract.

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

ACCOUNTING AND FISCAL

Capital Accounts – Except Mutual Two, Nine, Twelve, Fourteen and Sixteen

Legal opinion from Attorney W. A. Williams in letter dated 28 Oct 70 to the Controller:

"One of the unfortunate aspects of each Mutual at Leisure World is the fact that it was set up as a general corporation in its inception. This, of course, requires it to be controlled by the general corporation laws for the State of California.

With respect first to dividends, it would be unlawful for the declaration of any kind of dividend out of these funds as, in my opinion, they constitute a paid-in surplus. Paid-in surpluses cannot be used for the payment of dividends except to shares entitled to preferential dividends. None of the shares in the Mutual Corporations qualify as shares entitled to preferential dividends. I would disagree with the position that the funds are available for patronage dividends. The only funds that I would view as available for patronage dividends are those funds paid in by the members as payments in excess of the budget and remaining at the end of the year. A liability can attach to the director and the shareholder receiving those payments if they are not authorized by law. California Corporation Code holds a liability of shareholders for receipt of an unauthorized dividend in Corporation Code 1510. Illegal declaration of dividends can constitute a misdemeanor in the State as set forth in the Penal Code for the State of California.

The only source of dividends that can be made is from earned surplus or out of net profits earned during the preceding accounting period which is not to be less than six months or more than one year. In this latter instance, such dividends can be declared despite the fact that the next assets of the corporation may be less than the stated capital unless there are liquidation preferences on some share, a problem which we do not have.

The fact that these funds, however, cannot be used for dividends does not prevent their use for proper corporate purposes, particularly the establishment of reserve accounts, and I see no reason why the funds cannot be used for reserve account needs or as you have indicated, by transfer within the capital accounts. However, these funds must be clearly designated in that the original stated capital must be set forth and the paid-in surplus must be also clearly identified. It cannot be shown as an earned surplus at any time. Actually, an earned surplus could occur if the payments of the resident exceed the budget requirement set forth at the beginning of the year.

The Board of Directors will have the power to take the necessary steps for transfer of capital funds so long as those steps are within the framework of the restrictions I have indicated."

Mutual	Amend	Rescind
Two		07-20-17
Nine		08-14-17
Twelve		07-13-17
Fourteen		06-20-17
Sixteen		07-07-17

(Aug 17)

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

Signature Requirements on Checks

RESOLVED:

Two signatures (the CFO and the President or Vice President) shall be required on all checks in the amount of $5,000 or more.

The Mutual's complete ledger shall be approved by the President or Vice President each month.

MUTUAL ADOPTION

ONE: 08-27-09

(Aug 09)

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

ACCOUNTING AND FISCAL

Mutual Budgets – All Mutuals Except Five, Nine and Sixteen

I. LEGAL BASIS

The Regulatory Agreement between the Mortgager (Mutual) and the Department of Housing and Urban Development (HUD) requires, under Section 4, that an Operating Budget shall be prepared and submitted to HUD sixty (60) days prior to the beginning of each fiscal year.

Civil Code 1365 requires distribution of the Operating Budget to the all members/stock-holders annually 45 to 60 days before the beginning of the fiscal year. In addition, a summary of the association's reserves, whether special assessments will be needed for repairs or to replenish reserves , and a statement of the procedures used for the calculation of the reserves must be included.

The Management Agreement between the Mutuals and the Golden Rain Foundation requires, under paragraph Fourth, subparagraph (k), that the Foundation shall prepare a budget for adoption by the Mutuals for those items covered by the Agreement.

II. METHOD OF PREPARATION

Since the Management Agreement between the Mutual and the Foundation requires the Foundation to prepare a budget with respect to the items contained in the Agreement, and since these items become a portion of the budget of the Mutual Corporations, the following procedure is used in preparing and presenting budgets for adoption:

A. The Golden Rain portion of the budget is prepared and adopted by the Board of Directors during July and August for the fiscal year following.

The portions of the budget covered by this adoption are:

Administration	Property Management
Recreation	Grounds Maintenance (Community Facilities)
Transportation	Community Facilities Maintenance
Security	Service Maintenance (all phases except Mutual Other
Janitorial Services	Improvements)

B. After the adoption of the Golden Rain Foundation budget, the costs of this budget are allocated to the Mutual for use in their budget preparation.

C. The Golden Rain Foundation is responsible for furnishing information to the Mutual Corporations regarding those budget items which are not covered by the Foundation

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

ACCOUNTING AND FISCAL

Mutual Budgets – All Mutuals Except Five, Nine and Sixteen

budget. These costs fall into two groups:

1. The items that are either required by contract or set up by governmental agencies are:

Real Estate Taxes	Hazard Insurance
State Franchise Tax	Mortgage Insurance
FHA Mortgage Insurance Premium	Mortgage Principal
Replacement Reserve	General Operating Reserve
Water and Sewer	

2. The items which must be determined by the Mutual Board individually are:

Audit Fee	Vacancy and Collection Losses
Electricity	Rubbish Removal*
Grounds Maintenance – other improvements	Service Maintenance – other improvements
Misc. Maintenance and Repairs	Painting Reserve
Supplemental Replacement Reserve	Special Contingency Funds

*Arranged cooperatively through the Golden Rain Foundation

D. Recommendations by the Golden Rain Foundation concerning the Mutual budget, together with estimates of income, expenses, and monthly carrying charges, should be available to the Mutual Corporations four (4) working days period to their September Board Meeting. This will enable the Mutual Corporations to have a period of time for study, evaluation, adjustment, and adoption of their budget prior to October 1.

Approximately three (3) weeks are needed after Mutual adoption to complete the clerical work in the Controller's Office for preparing the documentation and required reports for submission to HUD by November 1, and the required distribution to the members/stockholders between November 1 and November 15.

III. OTHER INFORMATION

A. The administrative staff is always ready and available to discuss proposed budget actions, and to make budget presentations when requested by the Mutual Board.

B. The action by the Mutual Board is the final action on the budget subject to HUD

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

ACCOUNTING AND FISCAL

Mutual Budgets – All Mutuals Except Five, Nine and Sixteen

approval, and is the determining factor in the monthly carrying charge for all residents.

C. In order to keep all Directors informed of the procedures on the budget, the following other information is furnished:

1. The Presidents and Chief Financial Officers of the Mutual Boards are furnished pertinent budget information at the same time as the Golden Rain Board.

   a) All Mutual Directors are furnished complete information on the Golden Rain budget when it is adopted, together with complete information on the Mutual budget recommendations.

D. Normally, the first or second week in September is used for study meetings between the Mutual President and CFO/Treasurer and the staff so that complete information is available for determining budget factors.

Procedure
Amended: Jul 88, Aug 00

Executive Director
Golden Rain Foundation

RESCIND

FIVE: 11-18-16
NINE: Rescinded Feb 09
SIXTEEN: 03-07-17 Rescinded

(Mar 17)

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

ACCOUNTING AND FISCAL

Impounds

Budget for impounds is based on advice from mortgagee, and equal monthly payments made to the mortgagee are based on the budget. The mortgagee makes disbursements to payee and advises Mutuals the amounts disbursed. Types of impounds are as follows:

a. Hazard Insurance

Fire and lightning, windstorm, hail, explosions, smoke, riot, aircraft and motor vehicles, vandalism and malicious mischief.

b. Tax Reserve

Assessments by county assessor's office based on parcel or loan area within Mutual.

c. Mortgage Insurance

Based on one-half of 1% unpaid principal balance at the beginning of each year.

RESCIND

FIVE: 11-18-16

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

ACCOUNTING AND FISCAL

Billings to Mutuals

1. Billings to the Mutuals are generated by the Golden Rain Foundation. Any profit or loss is allocated back to the Mutuals at the year's end. There are basically three types of billings:

   A. SROs or service repair orders issued by the Service Maintenance Department for the Mutuals' maintenance needs and all community facility-related service costs.

      Maintenance persons bill their work time to a corresponding area. Rates per hour charged by these departments are computed on a basis intended to recover wages, employer's taxes, depreciation of equipment, supplies, and other expenses. These rates are subject to periodic studies. Changes in rates result when increased costs exceed budgeted income.

   B. Administration, recreation, and maintenance of common areas and facilities not charged in item 1, warehouse facilities, property management, transportation, security, and shop repair, are billed to the Mutuals on a pro-rata basis according to the number of apartments. Each month, the Mutual receives a billing covering one-twelfth (1/12) of its budgeted expense.

   C. Billings for expenses paid by Golden Rain Foundation on behalf of the Mutuals and shared expenses:

      a. If it is a bill from an outside vendor specifying more than one Mutual, the Golden Rain Foundation pays it and bills the Mutuals.

      b. Shared expense, such as water charges and street lighting.

2. Mutuals are billed directly by outside vendors for their individual expenses.

Amended: Jul 87
Amended: Aug 00

Aug 00)

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

ACCOUNTING AND FISCAL

Income Items and Their Distribution – All Mutuals Except Five & Nine

Income is derived from the monthly apartment payments, plus other miscellaneous income received from laundry facilities, interest on reserves, inspection fees on apartment resales, late charges, and carport rentals.

A substantial part of the income is used for retirement of principal and interest on the mortgage. The remainder is divided between impounds, reserves, Golden Rain Foundation operations and individual Mutual maintenance and operation expenses.

See Policy 7333.5 for Mutual Five (Feb 16)
See Policy 7333.9 for Mutual Nine (Oct 06)

Revised: Sep 88
Revised: Aug 00
Revised: Feb 09

(Feb 16)

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

ACCOUNTING AND FISCAL

Investment Records

Records of investments, time certificates of deposit and bank pass books and/or reconciliations are available for inspection at any time by the Mutual Directors. Mutual Directors desiring general information should call the Mutual Accountant for an appointment. No appointment is necessary, of course, if an unannounced audit is made.

Reissued Jul 87

RESCIND

FIVE: 11-18-16

(Nov 16)

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

ACCOUNTING AND FISCAL

Shareholders' Interest – All Mutuals Except Five and Nine

The Internal Revenue Service regulations provide for inclusion of mortgage interest and property tax as an itemized deduction on an individual tax return. This provision extends to shareholders of a cooperative housing corporation.

At the end of each calendar year, a letter will be sent to each shareholder informing them of the amount of their pro-rated mortgage interest and property tax amount paid during the year just ended.

MUTUAL ADOPTION		AMENDED	AMENDED	AMENDED
ONE	08-01-88	08-01-00	02-28-02	
TWO	08-01-88	08-01-00	03-21-02	
THREE	08-01-88	08-01-00	04-12-02	
FOUR	08-01-88	08-01-00	03-04-02	
~~FIVE~~	08-01-88	08-01-00	02-20-02	See Policy 7336.5 – Feb 16
SIX	08-01-88	08-01-00	03-26-02	
SEVEN	08-01-88	08-01-00	05-15-02	
EIGHT	08-01-88	08-01-00	02-25-02	
~~NINE~~	See Policy 7336.9 for Mutual Nine Information			
TEN	08-01-88	08-01-00	02-27-02	
ELEVEN	08-01-88	08-01-00	02-21-02	
TWELVE	08-01-88	08-01-00	01-10-02	
FOURTEEN	08-01-88	08-01-00	03-13-02	
FIFTEEN	08-01-88	08-01-00	02-19-02	
SIXTEEN	08-01-88	08-01-00	02-19-02	
SEVENTEEN	08-01-88	08-01-00	02-05-02	

(Feb 16)

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

ACCOUNTING AND FISCAL

Financial Reports

I. Monthly Reports

The Accounting Department, under the direction of the Golden Rain Foundation Controller, prepares and distributes monthly financial reports to each Mutual Director. These reports consist of a balance sheet, an operating statement, which compares income and expenses to budget, detailed balances of the various reserve accounts, reconciliations of bank accounts, and the statements of cash receipts and disbursements of both the agency and the general accounts.

2. Annual Financial Statement

The Controller's Department prepares and distributes a preliminary year-end statement. Any necessary adjustments to this statement are made on completion of the audit. A copy of the annual statement is sent to each Mutual Director.

3. Inquiries About Financial Statements

The Controller is very willing to answer all questions pertaining to either the monthly financial statements or the published annual financial statements. However, it should be realized that the Controller's schedule is heavy, and that the established regulatory procedure is to request an appointment through the Chief Financial Officer or Treasurer of each individual Mutual corporation.

Reissued Jul 87

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

ACCOUNTING AND FISCAL

Accounts Receivable

This position is responsible for maintaining tenant Accounts Receivable records, including Golden Rain Foundation annual dues, on a current basis. All inquiries regarding tenant delinquencies should be referred to this office.

RESCIND

FIVE: 11-18-16
SIXTEEN: 02-07-17

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

ACCOUNTING AND FISCAL

Cashier Service

The position of Cashier has been established to facilitate all cash payments made by those members not maintaining a commercial (checking) account who wish to transact all their business on a cash basis.

RESCIND

SIXTEEN: 02-07-17

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

PHYSICAL PROPERTY

Contractor License

WHEREAS, the California State Contractor License law, as interpreted by the Contractors State License Board, requires that electrical, plumbing construction and other forms of building repair work which will cost more than $500 be performed by a State-licensed contractor, and

WHEREAS, this Corporation desires to comply with the statute and gain the advantages of the licensing regulations and insurance protection that is included within the regulation for the protection of the Corporation and the residents,

NOW, THEREFORE, BE IT RESOLVED that this Mutual Corporation will not permit the employment of unlicensed individuals to make repairs, alterations and other such work which will cost more than $500, and the Physical Property Department is instructed to assist in enforcing this regulation.

MUTUAL ADOPTION:	AMENDMENT	AMENDMENT
ONE: 01-25-79	09-27-90	08-24-06
TWO: 02-19-70	09-20-90	11-16-06
THREE: 02-16-70	09-14-90	09-08-06
FOUR: 02-23-70	11-05-90	09-13-06
FIVE: 02-19-70	09-27-90	08-16-06
SIX: 07-28-78	10-23-90	08-22-06
SEVEN: 03-20-70	09-21-90	08-18-06
EIGHT: 05-28-74	09-23-90	08-28-06
NINE: 03-18-70	09-10-90	09-11-06
TEN: 02-25-70	09-26-90	09-27-06
ELEVEN: 02-17-77	10-18-90	08-17-06
~~TWELVE: 05-07-70~~	~~09-13-90~~	~~09-14-06~~ (08-29-16 See 7401.12)
FOURTEEN: 03-26-70	09-28-90	08-22-06
FIFTEEN: 03-16-70	09-17-90	08-21-06
SIXTEEN: 03-12-70	09-17-90	09-18-06
SEVENTEEN: 08-24-06		

(Aug 16)

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

PHYSICAL PROPERTY

Rabbit Control Resolution – Except Mutual 09

RESOLUTION

RESOLVED, That Mutual _____ endorses a Rabbit Control Program and control methods managed by the Physical Property Department in accordance with the Orange County Department of Agriculture and Animal Control of the City of Seal Beach, as presented at the Physical Property Council on July 2, 1987.

MUTUAL ADOPTION

ONE	07-23-87	
TWO	07-16-87	
THREE	07-10-87	
FOUR	11-06-00	
FIVE	07-15-87	
SIX	07-24-87	
SEVEN	07-21-87	
EIGHT	07-27-87	
~~NINE~~	~~07-13-87~~	(Rescinded 02-13-17)
TEN	07-22-87	
ELEVEN	07-16-87	
TWELVE	07-09-87	
FOURTEEN	07-24-87	
FIFTEEN	07-20-87	
SIXTEEN	07-23-87	
SEVENTEEN	08-04-87	

(Feb 17)

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

SERVICE MAINTENANCE

Purchasing Service

In accordance with Golden Rain Foundation Procurement Policy 5506, and related Policies 5512 and 5518, the staff is available to all Mutual Boards.

Mutual Board requests for service should specify any variations from the policy in the request for procurement services. Examples of such variations would be in the area of:

a. Selection of bids

b. Qualification of bidders

c. Approval of specifications

d. Award of bids

The Board minute record needs to designate any changes from the established policy if such changes are to be implemented.

Approved: 09 Dec 71
Amended: 10 Jul 87

MUTUAL ADOPTION/RESCIND

NINE: Rescinded 06-13-16

(Jun 16)

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

SERVICE MAINTENANCE

Service Maintenance Requests

1. Any service listed as a standard service in the Welcome to Leisure World brochure is performed without cost to the resident, if such services do not result from negligence on the part of the resident. Any resident can arrange for this service by telephoning the Service Desk. Requests for other than standard services should also go through the Service Desk.

2. Servicemen are normally dispatched the day following the request by the resident for standard services. A maximum of five (5) days should be allowed for performance of this type of service, and if the work is not done within this period, the resident may wish to contact the Service Desk again to determine if the work has been scheduled. Plumbing stoppages, water line breaks and electrical outages are emergency items requiring priority over other requests. This is why it could take up to five (5) days for action on a normal request.

3. Requests for service called in over the weekend may not be received by the Dispatcher until Monday morning; consequently, it may be Friday or Monday morning before the work is performed.

4. Servicemen are all bonded, and entry to an apartment with a passkey can often mean quicker and less costly service. Residents must always authorize passkey entry into their apartments for maximum service.

5. Mutual Board members contacted by residents with requests for service should first determine whether the resident has previously reported the problem to the Service Desk to avoid duplication of two servicemen going out on the same job, resulting in a charge made for the time of both men.

6. Board members and other residents are asked not to make any arrangements directly with the individual servicemen with whom they come in contact.

7. Board members and residents are requested not to contact the Service Maintenance Supervisor unless it is absolutely necessary. This can result in delay instead of the fast, desired action. It should be kept in mind that emergencies take priority in the scheduling of work and that other work orders are filled according to the date of the call for service. For the Service Maintenance Supervisor to arbitrarily place any request at the top of the list would be unfair and costly.

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

SERVICE MAINTENANCE

Service Maintenance Requests

MUTUAL ADOPTION/RESCIND

EIGHT: Rescinded on February 23, 2015 (See Policy 7505.8)
NINE: Rescinded on June 13, 2016
FOURTEEN: Rescinded on October 11, 2000 (See Policy 7431.14)

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

SERVICE MAINTENANCE

Communications

1. The Service Maintenance Supervisor will determine if a matter needs to be called to the attention of the Physical Property representative of the Mutual involved or if it can be routinely handled. If the matter is one that needs to be taken up with the Service Maintenance Supervisor, an advance appointment should be arranged.

2. When a department head or supervisor is invited to attend a Mutual Board meeting, delays will be eliminated if advance information on the subject to be discussed is provided. Necessary materials and information relating to the subject under discussion can then be brought to the meeting by the department head or supervisor.

3. Questions pertaining to overcharges or other matters pertaining to Accounting should be taken up by telephone with the office of the Controller. If further explanation is necessary following the telephone call, an appointment will be arranged with the appropriate person.

Mutual Nine – rescinded on 03-14-16

(Jun 87)

MUTUAL OPERATIONS

RESCIND MUTUAL SEVENTEEN

ACCOUNTING DEPARTMENT

Standardization Committee

On December 8, 1971, the Presidents' Council appointed three members of a joint committee to work with representatives of the Physical Property Council and the Purchasing Agent with the assignment of making recommendations of standardization for replacement equipment.

On December 2, 1971, the Physical Property Council appointed three members to the joint committee.

Recommendations of the committee will be found in Sections 7452 et seq. The first recommendations were made to the Presidents' Council in March 1972 and to the Physical Property Council in May 1972.

Both councils recommended the continuance of the joint committee.

President's Report, September 5th, 2017

Other than the excessive heat we have been experiencing recently there hasn't been much excitement in the Mutual, for which we are truly thankful.

Unfortunately we had another bicycle stolen from Building 2 a couple of weeks ago. I know most of you lock your bicycles but the average chain or cable doesn't really bother a serious thief who is usually equipped with bolt cutters which make short work of such locks. There are some special case-hardened steel chain/cable locks which present more of a challenge, but about the only kind of lock which offers a substantial level of protection is the solid steel large U-Bolt type. And it's no good just putting a lock around the frame and a wheel….they just pick up the whole bicycle, lock and all, and load it into a vehicle. The lock needs to be fastened to a solid piece of the building, like one of the bike racks we have installed, or even a large eye bolt fastened in the wall with a heavy duty expansion shield, to be really effective.

On these nice sunny days it behooves us to be extra careful when driving into the buildings to avoid hitting a pedestrian who may just be walking out of the lobby into the garage area. Until you are into the shadow of the building it is almost impossible to see things or people just inside the entrance. It's a good idea to stop at the bottom of the entrance ramp, put your lights on and proceed very slowly to your parking space. And if you are walking in the garage be very wary of cars entering the building. Some of our residents appear to be frustrated Indianapolis 500 race car drivers!

Kudos to Social Activities Chair Cathy Gassman and her helpers for a great Mutual picnic which was enjoyed by over 100 people a few weeks ago. Fortunately, even though a lot of people showed up that had not RSVP'd, there was plenty of food to go around and nobody went home hungry. Some even went home richer than they came thanks to the Bingo games afterwards. Great job Cathy.

CFO Nick and I have been working on the budget for 2018, along with the GRF Finance Director, and we have pretty well completed the draft version. Actual finalization will have to wait until the GRF approves their final version, which will not be until September 26th. When that happens we will be in a position to add the two amounts (Mutual and GRF) and the final total will be voted on at the October 3rd Board meeting.

You may notice that the agenda contains a list of policies which are no longer applicable to our Mutual. I'm working with the Administration Office to clean up all our policies so that we will end up with a book that contains only Mutual 17 policies that we can give to each owner.

Peter

Peter Hayes, President

Physical Property Report, September 5th, 2017

We recently discovered that the propane tanks which hold fuel for the emergency generators were supposed to be certified periodically, so David Harris and I took them to a propane company in North Long Beach to have them certified. After waiting a few days we called to see if they were ready (they had told us it would only take a day or two) only to be told that they were "too old to be certified". Would have been nice if they had told us when we dropped them off! Anyway we made another trip to pick them up and are now looking for a suitable source to purchase a new set of tanks.

David completed painting another balcony a couple of weeks ago, and we also changed about 20 or so fluorescent light tubes, which seems to be about the average number we do in a month.

We recently installed another bicycle rack in Building 2 and I have another one on order which will also be installed in Building 2 when it arrives.

One of the baffles on the drum of a drier in Building 1 broke off, probably due to overloading, but David Harries was able to successfully repair it.

Peter -

Mutual 17 Treasurer's Report

September 5, 2017

As of July31, 2017 our year-to-date income was $307,281, which is $439 less than was budgeted. Our year-to-date expenses were $309,551 which is $1,817 more than was budgeted. So our year-to-date expenses exceeded our income by $2,271 as reflected in the Financial Statement Recap which is attached.

Nick Massetti

1017 Seal Beach Mutual No. Seventeen
Financial Statement Recap
07/31/2017

P.O. Box 2069
Seal Beach CA 90740

Jul Actual	Jul Budget		2017 Y-T-D Actual	2017 Y-T-D Budget
36,024	36,011	Carrying Charges	252,088	252,077
6,199	6,198	Reserve Funding	43,395	43,386
42,223	**42,209**	**Total Regular Assessments**	**295,483**	**295,463**
1,401	1,668	Financial Income	10,306	11,676
40	83	Other Income	1,491	581
1,441	**1,751**	**Total Other Income**	**11,797**	**12,257**
43,665	**43,960**	**Total Mutual Income**	**307,281**	**307,720**
18,231	18,231	GRF Trust Maintenance Fee	127,617	127,617
7,191	5,845	Utilities	37,973	40,915
569	821	Professional Fees	3,970	5,747
11,568	10,328	Outside Services	75,810	72,296
2,970	2,539	Taxes & Insurance	20,787	17,773
6,199	6,198	Contributions to Reserves	43,395	43,386
46,728	**43,962**	**Total Expenses Before Off-Budget**	**309,551**	**307,734**
(3,063)	**(2)**	**Excess Inc/(Exp) Before Off-Budget**	**(2,271)**	**(14)**
275	0	Depreciation Expense	1,928	0
(3,338)	**(2)**	**Excess Inc/(Exp) After Off-Budget**	**(4,199)**	**(14)**
		Restricted Reserves		
958	0	Painting Reserve	195,926	0
2,248	0	Roofing Reserve	234,662	0
839	0	Emergency Reserve Equity	773,998	0
2,153	0	Infrastructure Reserve	219,365	0
6,199	**0**	**Total Restricted Reserves**	**1,423,951**	**0**

Landscape Report
September 5, 2017
Regine Schuacher

After a lengthy vacation, I inspected the landscaping and all is well. Noe, our gardener has been doing a fine job.

Later on this month I will do my usual walk-about with the supervisor for Bright-View and we will determine what, if anything, will need special attention.

SOCIAL CHAIR - CATHY GASSMAN

September, 2017

No condolence cards sent.

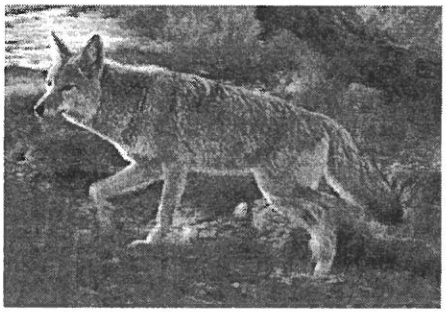
The annual picnic was, again, a huge success. The festivities were enjoyed by 130 residents and guests. A heartfelt thanks to all who helped make our picnic memorable.

Our Holiday Party is scheduled for Saturday, December 16th.

Mutual Administration Director's Report

SEPTEMBER 2017

Coyote Safety



Coyotes in populated areas are typically less fearful of people. They have been known to attack pets and approach people too closely.

Coyotes are skilled hunters; we must be strong, motivated, and most importantly, **proactive**.

But what does being proactive mean?

- We must continue to haze the coyote. Do not turn your back and run. By running you are seen as prey.
- We must not feed wildlife. Bird feeders on your property will attract rats, squirrels, and rabbits which will attract coyotes to your home.
- We must keep food and trash off our patios.
- We must protect our pets.

Small pets can easily become coyote prey. Cats and small dogs **should never be allowed outside alone.** It's highly recommended that small pets always be accompanied by their owner and dogs must be on a 6 foot leash. Do not use a retractable leash. Your pet can get too far away from you with a retractable leash. One may want to see their dog scamper around on a long retractable leash, but that is only placing the pet in harm's way and is a violation of policy.

Long Beach Animal Care Services recommends calling them at (562) 570-7387 (PETS) to report all coyote sightings and to determine if an Animal Control Officer is needed. Sightings can also be reported online using the link below:

(http://www.longbeach.gov/acs/wildlife/living_with_urban_coyote.asp)

IF A COYOTE IS POSING AN IMMINENT THREAT TO LIFE, CALL 911.