

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL EIGHT
August 22, 2016**

The Meeting was called to order by President Thompson on Monday, August 22, 2016, at 1:30 p.m. in Conference Room A of the Administration Building.

ROLL CALL

Present: President Thompson, Vice President/CFO Berg, Secretary Curtin, and Directors Kline and Winslow

Guests: Eighteen Mutual Eight shareholders

Staff: Mr. McGuigan, GRF Representative
Ms. Hopkins, Mutual Administration Director
Mr. Hurtado, Building Inspector
Mrs. Aquino, Recording Secretary

INTRODUCTION

President Thompson welcomed the staff and guests to the meeting.

MINUTES

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

RESOLVED, To approve the Regular Meeting
Minutes of July 25, 2016, as printed.

The MOTION passed.

BUILDING INSPECTOR

Building Inspector Hurtado updated the Board on activity in the Mutual (attached).

Building Inspector Hurtado left the meeting at 1:47 p.m.

EMERGENCY AGENDA ITEM

Following a discussion, and upon a MOTION duly made by Director Kline and seconded by Secretary Curtin, it was

RESOLVED, To add an emergency item to the agenda under new business.

The MOTION passed.

NOMINATING COMMITTEE REPORT

No report.

UNFINISHED BUSINESS

Following a discussion, and upon a MOTION duly made by Director Kline and seconded by Director Winslow, it was

RESOLVED, To adopt Policy 7502.8 - Carport Regulations.

The MOTION passed.

UNFINISHED BUSINESS (continued)

Following a discussion, and upon a MOTION duly made by Secretary Curtin and seconded by Director Winslow, it was

RESOLVED, To sole source with John's Landscaping.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Vice President/CFO Berg and seconded by Director Kline, it was

RESOLVED, To amend the Code of Conduct for Mutual Eight. To include that no Board Member shall implement either a resolution or a policy unless it is duly passed by a majority of the Board members, properly recorded in a set of minutes, and distributed to the membership of the Mutual.

The MOTION passed.

Following a discussion and upon a MOTION duly made by President Thompson and seconded by Director Kline, it was

RESOLVED, To accept the revisions and correction to the Mutual Eight Code of Conduct, and to adopt in concept and working conditions for all Directors of Mutual Eight.

The MOTION passed, with one abstention (Vice President/CFO Berg).

President Thompson called a break at 2:58 p.m. to 3:13 p.m.

UNFINISHED BUSINESS (continued)

Following a discussion, it was the consensus of the Board to postpone review of encroachment policies until the September Board Meeting so they can be reviewed by the attorney.

Following a discussion, and upon a MOTION duly made by Vice President/CFO Berg and Seconded by Secretary Curtin, it was

RESOLVED, That Policy 7409.G – Feeding Wildlife be enforced in Mutual Eight in the following manner; within the next 30 days the GRF Inspector is to identify all the locations where the bird seed feeders are placed, either on trees or hanging on patios. The list will be conveyed to the President who will request that Mutual Administration send letters to shareholders where feeders are located informing them to either remove the bird feeder or replace it with a hummingbird feeder within 30 days. At the conclusion of the next 60 days all traditional bird feeders will be removed by the Physical Property Inspector.

The Motion passed.

Vice President/CFO Berg updated the Mutual on SmartBurners Fire suppression and let the Board know that they have placed in the budget for the year 2017.

UNFINISHED BUSINESS (continued)

Following a discussion, it was the consensus of the Board to postpone SmartBurners until the next Board Meeting so that further research is can be done.

UNFINISHED BUSINESS (continued)

Following a discussion, and upon a MOTION duly made by Director Winslow and seconded by Vice President/CFO Berg, it was

RESOLVED, To accept Mr. C's Towing Agreement in Mutual Eight.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Director Kline and seconded by Secretary Curtin, it was

RESOLVED, To not give out Mutual Board contact information.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Secretary Curtin and seconded by Director Winslow, it was

RESOLVED, To adopt Policy 7403.G – Skylights & Sola Tubes until after the 30-day posting period has been completed.

The MOTION passed.

President Thompson stated that the budget adoption timeline is moving forward, and will be ready for review at the October 2016 meeting.

EMERGENCY MOTION

Following a discussion, and upon a MOTION duly made by Director Winslow and seconded by Secretary Curtin, it was

RESOLVED, To pay for the four transformer fences that have already been installed.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Director Winslow to not place any more fences around the transformer boxes, the motion failed because there was no second.

GRF REPRESENTATIVE

GRF Representative McGuigan updated the Mutual on GRF activity.

CORRESPONDENCE

Secretary Curtin reviewed correspondence received.

ANNOUNCEMENTS

President Thompson went over announcements.

DIRECTORS COMMENTS

Several Directors made comments.

Secretary Aquino left the meeting at 4:17 p.m.

ADJOURNMENT

President Thompson adjourned the meeting at 4:21 p.m. and announced an Executive Session would follow to discuss member issues.

Attest, Dan Curtin, Secretary
SEAL BEACH MUTUAL EIGHT

ka: 8/30/16
Attachments

(These minutes are tentative minutes, subject to approval by the Board of Directors, at the next Board of Directors Meeting)

NEXT MEETING: MONDAY, SEPTEMBER 26, 2016
Meeting starts at 1:30 p.m.

To have the Mutual Eight Board of Directors minutes e-mailed to you monthly, please send your request to: mutual8webmaster@gmail.com

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

08/22/16 RESOLVED, To approve the Regular Meeting Minutes of July 25, 2016, as printed.

RESOLVED, To add an emergency item to the agenda under new business.

RESOLVED, To adopt Policy 7502.8 - Carport Regulations.

RESOLVED, To sole source with John's Landscaping.

RESOLVED, To amend the Code of Conduct for Mutual Eight. To include that no Board Member shall implement either a resolution or a policy unless it is duly passed by a majority of the Board members, properly recorded in a set of minutes, and distributed to the membership of the Mutual.

RESOLVED, That Policy 7409.G – Feeding Wildlife be enforced in Mutual Eight in the following manner; within the next 30 days the GRF Inspector is to identify all the locations where the bird seed feeders are placed, either on trees or hanging on patios. The list will be conveyed to the President who will request that Mutual Administration send letters to shareholders where feeders are located informing them to either remove the bird feeder or replace it with a hummingbird feeder within 30 days. At the conclusion of the next 60 days all traditional bird feeders will be removed by the Physical Property Inspector.

RESOLVED, To accept Mr. C's Towing Agreement in Mutual Eight.

RESOLVED, To not give out Mutual Board contact information.

RESOLVED, To adopt Policy 7403.G – Skylights & Sola Tubes until after the 30-day posting period has been completed.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (08) EIGHT

INSPECTOR: George Hurtado

MUTUAL BOARD MEETING DATE: August 22, 2016

PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GR/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
202E	washer/dryer, flush beam	yes	05/25/16	09/30/16	no		Mamuscia Construction
192B	heat pump	yes	06/13/16	08/30/16	no		Greenwood
205J	heat pump	yes	07/01/16	08/19/16	no		Alpine A/C
193H	asbestos abatement	yes	07/14/16	07/21/16	no		Pacific Environmental
196A	heat pump	yes	07/14/16	09/10/16	no		Alpine A/C
187C	heat pump	yes	07/12/16	08/21/16	no		Alpine A/C
196H	central air	yes	07/12/16	10/05/16	no		Greenwood
187H	patio cabinet	yes	07/28/16	08/10/16	no		Greco
181C	heat pump	yes	07/28/16	09/15/16	no		Alpine A/C
186I	windows, slider	yes	08/04/16	10/01/16	no		California Energy

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (08) EIGHT

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MUTUAL BOARD MEETING DATE: August 22, 2016

[illegible]

NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation
FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

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INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (08) EIGHT

INSPECTOR: George Hurtado

MUTUAL BOARD MEETING DATE: August 22, 2016

CONTRACTS

CONTRACTOR	PROJECT
Hutton Painting	Mutual wood trim project
John's Landscape	Mutual gardening
So Cal Fire Protection	laundry room fire extinguishers
Empire Pipe and Supply	Mutual sewer cleaning
Fenn	termites and pests
Jurado Construction	PVC partitions @ Edison vaults
Advance Painting	paint for diamond plate vault covers

SPECIAL PROJECTS

CONTRACTOR	PROJECT
Hutton Painting	Mutual wood trim project (touch ups)
Jurado Construction	PVC partitions @ Edison transformers
Advance Painting	paint for diamond plate vault covers

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (08) EIGHT

INSPECTOR: George Hurtado

MUTUAL BOARD MEETING DATE: August 22, 2016

APARTMENT VISITS

192B checked escrow issues
182 laundry solar inverter problem
187C checked heat pump
205J checked heat pump
196A checked heat pump
199G checked for termites
202G checked entry sidewalk, slippery
191 laundry checked slippery sidewalk
202J checked broken drawer
186B checked for termites
186I met with shareholder regarding windows
183D met with shareholder regarding deco blocks

MUTUAL OPERATIONS**RESIDENT REGULATIONS****Carport Regulations - Mutual Eight****A. Carport Use**

1. Carports are to be used for parking of self-propelled land vehicles in operating condition. Any stored items in the carports must be completely contained in the carport cabinets except as permitted in paragraph 4 below.
2. Current fire regulations prohibit the storage of fuel oil or any combustible material in the carport areas.
3. All vehicles, when parked in the carports, must be headed in. When parked, vehicles shall not extend beyond the edge of the roof drip line of the carport. Property, including secondary storage facilities, shall not interfere with the shareholder's vehicle fitting under the edge of the carport roof drip line. This may require removal of secondary storage facilities at owner's expense even if the secondary storage facilities have been approved by the Board and meet the design of this regulation.
4. The following property may be stored or used as storage under upper cabinets:
 - a. One bicycle, tricycle, folding shopping cart, hand cart, and stepladder of up to 8 feet, or, a combination of three such items; or
 - b. An enclosed 100+ gallon garden type container having dimensions of not less than approximately 23" x 24" x 50" and which shall be opaque and of a neutral earth tone color; or,
 - c. Secondary storage cabinets as described in Section E; or,
 - d. Bypass sliding doors as described in Section F.

Other property including motorcycles, motor bikes, mopeds, electric carts, bicycles, tricycles, etc., must not be parked between self-propelled vehicles because that would infringe upon another occupant's vehicle space.

B. Carport Assignments

1. Carport assignments are controlled by the Mutual Corporation and a record of assignments is kept in the Stock Transfer Office of the Golden Rain Foundation.
2. Residents who want to change carport assignments must obtain the Mutual Board of Directors' approval so the change can be recorded in the Stock Transfer Office.
3. The request for carport re-assignment, if approved, is only temporary, and is valid only so long as both participating parties agree to the temporary change. One party determining to withdraw from the agreement may do so as may the successor owner of that party's apartment. The Mutual Corporation retains, at all times, the authority to revoke and cancel this temporary change of carport assignment, at its discretion. The re-assignment of carport spaces, herein provided, will automatically become null and void in the event of a sale of the stock representing either apartment, with absolutely no exceptions to the rules herein provided.

Budget Report: August 22, 2016

The Budget Orientation Session was held on July 29, 2016 for the Mutual CFOs and any Board Member who wished to attend. For Mutual 8, the budget committee (Camille, Clarence Fuqua, and myself) were in attendance. On August 18, Mr. Fuqua and I met with Carolyn Miller to draft a budget both for operating needs as well as reserve needs. We expect additional input from our professional reserve specialist and from our GRF Inspector. This information is unlikely to change the budget. Additionally, we have outstanding costs to be added for insurance and the GRF Assessment. The Mutual 8 expected increase in assessment will be somewhere around 4.15.

The Mutual 8 assessment will include monies reserved for Smart Burners (or some other form of fire retardant); monies for Emergency Supplies (as provided by Dan and Tony); and monies needed for Landscape Extras (as suggested by Ron). Additional Reserves were needed to be allocated for distribution pipes and sewer pipes.

Mutual 8 income is expected to be slightly less due to the reduced laundry fees and possibly encroachment fees. As part of the budget package, I will be asking for Board approval to take some of our Reserve money that is projected for use in *5 or more years* and put it into a CDAR account to accumulate a small amount of interest. We will continue to replace Municipal Bonds as they become due, but there is some additional income that can be conservatively invested. It cannot be spent to supplement our expenses, but it can be placed in an FDIC insured account.

At our Oct. Board meeting (Oct. 24), the final budget will be voted upon.

**Ruth G. Mullins Berg, PhD, RN, CPNP
CFO/VP Mutual 8**

**Financial Officer/Vice President's Report
August 22, 2016**

Madam President, Directors, members, and Guests:

Thank you for coming to the August, 2016 meeting. For the month ending July 31, 2016, Mutual 8's income and expenditures were all below budget. The total Net Worth on Mutual 8 is 3,925,030.00 Please refer to the Financial Overview and Recap which will be posted on the web site tomorrow. Following the new procedure for minutes, there does not seem to be a need to review each item.

We are having an increase in dry rot expenses which I have transferred from Roofing Reserves since they primarily were in areas considered to be roofs. Remember that expenses are usually seen in the months following when they actually occurred since it takes time for invoices to be approved and checks to be signed and recorded as paid.

The financial statement indicates the investment update of the Mutual, primarily from BNY Mellon. As per the Mutual Banking Policy, a bond was due and therefore another bond was bought.

Please read the 2017 budget review which is attached. The 2017 budget will be approved at the Oct. meeting.

If you have any questions relating to financial operations, please call or email me.

Ruth G. Mullins Berg, PhD, RN, CPNP

562-936-1274; rgmullins@sprintmail.com

Financial Overview

Income

Month (7/31/2016)

This Month

Year-to-date

Total current income & contributions to capital

(Including Regular Assessment, Reserve Funding, Service Income, Interest income)

<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
112,860	112,675	788,819	788,725
Variance: 185		Variance: 94	

Excess income after off-budget items: (11,507)

Expenses

(Including Trust Maintenance, Utilities, Professional Fees, outside services, Taxes, Insurance, Contribution to Reserves, Depreciation)

<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
105,465	112,673	777,312	788,711
Variance: 6,208		Variance: 11,399	

Annual unused budget: 574,792

Restricted Reserves

Appliance Reserve: 34,379

Painting Reserve: 3,021

Roofing Reserve: 1,608,869

Emergency Reserve: 62,103

Infrastructure Reserve: 154,445

**Total:
1,871,619**

Total Net Worth & Liabilities

3,925,030

Investment Account Activity

Market value: + *Accrued income*

1,261,522

Income This Period: 4,226 Year-to-date: 28,948

Estimated annual income: 53,632

<u>Bond sold:</u> Az. State Transn Bd.	Bond Purchased: Wa St Ctfs
100,000	59,232

P.O. Box 2069
Seal Beach CA 90740

Jul Actual	Jul Budget		2016 Y-T-D Actual	2016 Y-T-D Budget
80,973	80,973	Carrying Charges	566,811	566,811
26,699	26,698	Reserve Funding	186,890	186,886
107,671	107,671	Total Regular Assessments	753,702	753,697
1,081	1,500	Service Income	7,658	10,500
1,595	1,507	Financial Income	9,799	10,549
2,513	1,997	Other Income	17,661	13,979
5,189	5,004	Total Other Income	35,118	35,028
112,860	112,675	Total Mutual Income	788,819	788,725
50,164	50,164	GRF Trust Maintenance Fee	351,148	351,148
7,165	8,613	Utilities	52,193	60,291
631	1,124	Professional Fees	4,831	7,868
12,935	18,763	Outside Services	120,657	131,341
8,871	7,311	Taxes & Insurance	61,592	51,177
26,699	26,698	Contributions to Reserves	186,890	186,886
106,465	112,673	Total Expenses Before Off-Budget	777,312	788,711
6,395	2	Excess Inc/(Exp) Before Off-Budget	11,507	14
148	0	Depreciation Expense	1,036	0
6,247	2	Excess Inc/(Exp) After Off-Budget	10,471	14
		Restricted Reserves		
3,053	0	Appliance Reserve Equity	34,380	0
1,800	0	Painting Reserve	3,021	0
(288)	0	Roofing Reserve	1,608,870	0
(304)	0	Emergency Reserve Equity	62,103	0
3,661	0	Infrastructure Reserve	154,446	0
7,922	0	Total Restricted Reserves	1,862,819	0