

**MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TEN
October 26, 2016**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Ten was called to order by President Arlart on Wednesday, October 26, 2016, at 9:01 a.m. in Conference Room A of the Administration Building.

ROLL CALL

Present:	President/Secretary Arlart, Vice President Cummings, CFO Giles, Directors Phillips and Winkler, and Advisory Directors Houck and Thompson
Absent:	Directors Newman and Atkinson
GRF Representative:	Absent
Guests:	Six Mutual Ten shareholders
Staff:	Ms. Hopkins, Mutual Administration Director Ms. Miller, Finance Director (9:55 a.m.) Mr. Black, Building Inspector Ms. Day, Recording Secretary

INTRODUCTION

President Arlart welcomed the staff and guests to the meeting.

SHAREHOLDER(S') COMMENTS

Several shareholders made comments.

MINUTES

President/Secretary Arlart asked if there were any corrections to the Regular Monthly Meeting minutes of September 28, 2016. There being no corrections, the minutes were approved as printed.

President/Secretary Arlart asked if there were any corrections to the Special Meeting minutes of September 28, 2016; and October 17, 2016. There being no corrections, the minutes were approved as written.

BUILDING INSPECTOR

Building Inspector Black updated the Board on activity in the Mutual (attached). In addition, he opened the bid proposals for the Mutual's Tree Maintenance for 2017. It was the consensus of the Board to postpone action until the November Board Meeting.

BUILDING INSPECTOR (continued)

Inspector Black discussed roofing, the rain gutter cleaning, pipe cleaning, and tree pruning in the Mutual. Also discussed was Policy 7505.10 – Maintenance Responsibility which will be placed on the November Board Meeting agenda for further review.

Building Inspector Black left the meeting at 10:00 a.m.

(Recording Secretary Day took a break at 10:05 a.m. to 10:20 a.m.)

GUEST SPEAKER – Ms. Miller

Ms. Miller presented the proposed Mutual Ten 2017 Operating Budget.

Following a discussion, and upon a MOTION duly made by CFO Giles and seconded by Vice President Cummings, it was

RESOLVED, To accept the 2017 Operating Budget for Mutual Ten of \$645,606, resulting in a regular monthly Mutual assessment of \$194.93 per apartment per month, for an increase of \$31.14 per month over the total Mutual operating costs of 2016, as presented, and to adopt this budget forthwith.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by CFO Giles and seconded by Vice President Cummings, it was

RESOLVED, To authorize the Finance Department to open a new money market account at US Bank for Restricted Reserve funds and to transfer those funds to that account.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by CFO Giles and seconded by Director Winkler, it was

RESOLVED, To accept the NSBN Management Letter from the 2015 audit.

The MOTION passed.

Ms. Miller left the meeting at 11:00 a.m.

UNFINISHED BUSINESS

CFO Giles discussed the Reserve Study for 2017. Upon a MOTION duly made by CFO Giles and seconded by Vice President Cummings, it was

RESOLVED, To approve the "Updated No-Site Visit" Reserve Study by Association Reserve Orange County, dated fiscal year 2017.

The MOTION passed.

Ms. Hopkins reported that the Mutual Bylaws are ready to go to the Mutual attorney for review.

Advisory Director Houck discussed the ShakeOut drill performed on October 20, at 10:20 a.m. in the Mutual.

NEW BUSINESS

President Arlart discussed Directors having specific gmail addresses for Mutual business only.

The Board members discussed excess paper management. It was the consensus of the Board that Mutual Administration will no longer supply agenda packet copies to Directors and guests at Regular Monthly Board Meetings. This is to cut down on duplicates and for paper conservation.

CHIEF FINANCIAL OFFICER'S REPORT

CFO Giles presented his Mutual financial report (attached).

MUTUAL ADMINISTRATION DIRECTOR

Ms. Hopkins discussed Mutual Administration activity.

President Arlart called a break at 11:15 a.m. to 11:20 a.m.

October 26, 2016

ADJOURNMENT

President/Secretary Arlart adjourned the meeting at 11:20 a.m. and announced an Executive Session would follow to discuss member issues.



Attest

Ruthann Arlart, President/Secretary
SEAL BEACH MUTUAL TEN
cd:10/27/16
Attachments

NEXT MEETING: WEDNESDAY, NOVEMBER 30, 2016, at 9:00 a.m.

**BUILDING CAPTAINS AND SHAREHOLDERS: PLEASE DO NOT LEAVE THE
MONTHLY MINUTES AT EMPTY APARTMENTS. THANK YOU.**

**REMINDER: THE SWEEPING DAY FOR MUTUAL TEN'S TRUST STREETS IS THE
4th WEDNESDAY NIGHT OF EACH MONTH. PLEASE DO NOT PARK ON
INTERLACHEN, ST. ANDREWS, OR NORTHWOOD STREETS AT THIS TIME.**

**Mutual Ten shareholders can access the monthly minutes on
the Mutual website at:**

www.lwsb.com – go to “MUTUALS” – click on “Mutual 10”

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF OCTOBER 26, 2016**

10/26/16 RESOLVED, To accept the 2017 Operating Budget for Mutual Ten of \$645,606, resulting in a regular monthly Mutual assessment of \$194.93 per apartment per month, for an increase of \$31.14 per month over the total Mutual operating costs of 2016, as presented, and to adopt this budget forthwith.

RESOLVED, To authorize the Finance Department to open a new money market account at US Bank for Restricted Reserve funds and to transfer those funds to that account.

RESOLVED, To accept the NSBN Management Letter from the 2015 audit.

RESOLVED, To approve the "Updated No-Site Visit" Reserve Study by Association Reserve Orange County, dated Fiscal Year 2017.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (10) TEN

INSPECTOR: Kevin Black

MUTUAL BOARD MEETING DATE: October 26th, 2016

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
10-252F	flared bath skylight solar	both	08/04/16	09/09/16	no		M & M
10-250J	ductless heat pump	both	08/10/16	12/18/16	no		greenwood
10-260L	2 skylights, micro, lighting	both	08/22/16	10/28/16	no	framing/electrical 10/5/16	Los Al builders
10-249C	ducted HVAC repl.	both	08/29/16	11/30/16	no		greenwood
10-244G	counter tops new fixture/applia	both	09/12/16	920/16	yes		granite transformations

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
10-260I				4.27.16	5.9.16		
10-246D		06/22/16	07/11/16	07/12/16	07/22/16		
10-247B		09/08/16					
10-238C		09/13/16	09/30/16	09/30/16	10/12/16		
10-244F			09/22/16	09/28/16	10/10/16		

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

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (10) TEN

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **October 26th, 2016**

CONTRACTS and PROJECTS	
CONTRACTOR	PROJECT
JLS Landscaping	Mutual gardening and lawns - on going, (agenda items for repair landscap
Added items for service:	work orders have been sent to be completed in 30 days. BOD ok last mont
Sprinkler check this week - items found:	see hand out for repairs needed and also list of soon to be needed items
Class One Arboriculture	Tree Maintenance - completed and billed for spring trimming
Fenn Pest and Termite	Pest and Termite management - still in process of walking mutual (245)
Reserve Study Inc.	reserve study - completed
John Nelson Plumbing	contract for building re-pipe 244 - complete (see spreadsheet attached)
Tree Pruning RFP	RFP's have been sent, return date is 10/14/16 @4pm
Empire Pipe Cleaning	sewer cleaning set for 10/20/16 through 10/25/16, out bound only this year
Roofing	this is the last year of the contract.
	spoke with Mr. Rudge on Tuesday of last week about RFP packets

SHAREHOLER and MUTUAL REQUESTS	
Finance meeting held 9/28/16	
met with Petersons tree service 10/5/16	
sidewalk issues - 256C	add with 240C&D - will check mutual for more areas to do as a project
256B - inspection 10/12/16	
Physical Property meeting 10/17/16	

CFO Report - Mutual 10
September 30, 2016

Account Description	\$ Variance	% Variance	Explanation
Total Other Income	\$ 4,678	13.5%	Total Other income is better than budget due to Inspection Fees being over budget and Interest income under budget.
Utilities	\$ (7,395)	-10.4%	As in the past months Utilities are better than budget due to less use of electricty and water. However, water usage for June,July and August has increased.
Professional Fees	\$ (2,543)	-20.4%	Professional Fees are better than budget due to legal items in process and not billed.
Outside Services	\$ (17,635)	-11.8%	Outside Services are better than budget in all areas however this is expected to correct in future months with work in process and not paid.
Taxes & Insurance	\$ 10,649	20.4%	As in past months Insurance is over budget due to an accounting procedure which will correct by year-end.
Excess Inc / (Exp) Before Off-Bdgt Item	\$ 21,608	0.0%	September ended better than budget.
			As in past months the YTD ending September is better than budget however this variance is improving due to legal expenses and landscape extras being paid.

SEAL BEACH MUTUAL NO. 10
FINANCIAL STATEMENTS RECAP
For the 7 months ending July 31, 2016

July				YTD		
Actual	Budget	Variance	Account	Actual	Budget	Variance
67,596	67,592	0.0%	Regular Assessment	473,153	473,144	0.0%
17,399	17,399	0.0%	Reserve Funding	121,793	121,793	0.0%
84,995	84,991	0.0%	Total Regular Assessment	594,946	594,937	0.0%
563	582	-3.3%	Service Income	3,880	4,074	-4.8%
1,983	2,487	-20.3%	Financial Income	13,645	17,409	-21.6%
3,032	768	294.8%	Other Income	13,380	5,376	148.9%
5,578	3,837	45.4%	Total Other Income	30,905	26,859	15.1%
\$ 90,573	\$ 88,828	2.0%	Total Mutual Income	\$ 625,851	\$ 621,796	0.7%
39,785	39,785	0.0%	Trust Maintenance Cost	278,495	278,495	0.0%
6,743	7,905	-14.7%	Utilities	45,859	55,335	-17.1%
720	1,386	-48.1%	Professional Fees	5,226	9,702	-46.1%
16,183	16,550	-2.2%	Outside Services	102,430	115,850	-11.6%
7,040	5,804	21.3%	Taxes & Insurance	48,805	40,628	20.1%
17,399	17,399	0.0%	Contributions To Reserves	121,793	121,793	0.0%
\$ 87,870	\$ 88,829	-1.1%	Operating Expenses Before Off-Budget	\$ 602,608	\$ 621,803	-3.1%
\$ 2,703	(1)		Excess Inc / (Exp) Before Off-Bdgt Items	\$ 23,243	(5)	
			Depreciation (Off-Budget Item)			
\$ 2,702	\$ (1)		Excess Inc / (Exp) After Off-Bdgt Items	\$ 23,243	\$ (5)	
			Restricted Reserve			
(1,113)			Appliance Reserve	33,143		
669			Painting Reserve	132,830		
19,682			Roofing Reserve	1,542,297		
(35,735)			Emergency Reserve	230,978		
(11,407)			Infrastructure Reserve	198,026		
-				-		
\$ (27,904)			Total Restricted Reserve	\$ 2,137,274		

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TEN**

September 28, 2016

In accordance with the Corporation Bylaws, and pursuant to due notice to the Directors and Shareholders, a Special Meeting of the Board of Directors of Seal Beach Mutual Ten on September 28, 2016, was called to order by President Arlart at 2:30 p.m. in Building 5, Conference Room B.

Those members present were: President/Secretary Arlart, Vice President Cummings, CFO Giles, and Directors Atkinson, Phillips and Winkler, and Advisory Director Thompson. Director Newman and Advisory Director Houck were absent. Also present was Building Inspector Black.

The purpose of the meeting was to review the 2017 budget and Reserve Study.

The meeting was adjourned at 3:20 p.m.

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Attest

Ruthann Arlart, President/Secretary
SEAL BEACH MUTUAL TEN

cd:10/21/16

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TEN
October 17, 2016**

QUORUM NOT PRESENT

In accordance with the Corporation Bylaws, and pursuant to due notice to the Directors and Shareholders, a Special Meeting of the Board of Directors of Seal Beach Mutual Ten on October 17, 2016, was called to order by Vice President Cummings at 2:30 p.m. in Building 5, Conference Room B.

Those members present were: Vice President Cummings, CFO Giles, and Directors Atkinson, Phillips, and Advisory Director Houck. President/Secretary Arlart, Directors Winkler and Newman, and Advisory Director Thompson were absent. Also present were Building Inspector Black and one shareholder.

The purpose of the meeting was to discuss Physical Property Committee projects, and the opening of the 2017 Tree Maintenance bid proposals.

(The Tree Maintenance bid proposals were not opened since there was no quorum of Board members present.)

Building Inspector Black presented two email tree bid proposals.

The meeting was adjourned at 3:41 p.m.


Attest

Esther Cummings, Vice President
SEAL BEACH MUTUAL TEN

cd:10/21/16