BUILDING/UNIT _____

BUILDING CAPTAIN _____

MINUTES OF THE REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS SEAL BEACH MUTUAL FOURTEEN October 17, 2017

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Fourteen was called to order by President Melody at 1:01 p.m. on Tuesday, October 17, 2017, followed by the *Pledge of Allegiance*, in Building Five, Conference Room B.

SHAREHOLDER COMMENTS

Several shareholders made comments or introduced themselves.

ROLL CALL

Present:	President Melody, Vice President Jorgenson, Chief Financial Officer Faucett, Directors Stefun and Shaddow, and Advisory Director Bourhenne
Absent:	Secretary Simon and Director Moore
GRF Representative:	Mr. Lukoff
Guests:	Twenty-two shareholders of Mutual Fourteen
Staff:	Ms. Hopkins, Mutual Administration Director Ms. Miller, Finance Director (1:14 p.m.) Mr. Black, Building Inspector Ms. Day, Recording Secretary

President Melody welcomed staff members and guests.

MINUTES

President Melody asked if there were any corrections to the September 18, 2017, Regular Meeting minutes. There being none, the minutes were approves as printed.

NOTE: A correction was noted on page 6 of Policy 7502.14.1: Under 3.3.6 should be removed from the Policy.

SECRETARY/CORRESPONDENCE

President Melody read several pieces of correspondence from shareholders.

PRESIDENT'S REPORT

Mr. Melody presented his report (attached).

GUEST SPEAKER – Ms. Miller

Ms. Miller presented the proposed 2018 Mutual budget.

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

> RESOLVED, To accept the 2018 Operating Budget for Mutual Fourteen of $1,441,216, resulting in a regular monthly assessment of $366.16 per apartment per month, for an increase of $29.49 per month over the total regular assessment of 2017, as presented, and to adopt this budget forthwith.

The MOTION passed unanimously.

GUEST SPEAKER – Ms. Miller (continued)

Following a discussion, and upon a MOTION duly made by CFO Faucett and seconded by Director Shaddow, it was

> RESOLVED, To transfer $61,000 from the Contingency Operating Fund to the Infrastructure Reserve Fund.

The MOTION passed unanimously.

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

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

The MOTION passed unanimously.

Ms. Miller left the meeting at 1:40 p.m.

BUILDING INSPECTOR'S REPORT

Inspector Black presented his report (attached).

Following a discussion, and upon a MOTION duly made by CFO Faucett and seconded by Director Shaddow, it was

> RESOLVED, To approve the awning request from Unit 12–D.

The MOTION passed unanimously.

Inspector Black left the meeting at 1:56 p.m.

PHYSICAL PROPERTY COMMITTEE REPORT

Director Stefun had no report.

GRF REPRESENTATIVE'S REPORT

Mr. Lukoff presented his report (attached).

MUTUAL ADMINISTRATION DIRECTOR'S REPORT

Ms. Hopkins presented her report (attached).

UNFINISHED BUSINESS

There was no Unfinished Business to discuss.

President Melody called a break at 2:07 p.m. to 2:22 p.m.

NEW BUSINESS

President Melody asked for a motion to add an emergency item to the agenda. Upon a MOTION duly made by Director Stefun and seconded by Director Shaddow, it was

> RESOLVED, To add Emergency Item j. to the agenda under New Business for update on re-piping Buildings #2 and #3.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by Director Stefun and seconded by CFO Faucett, it was

> RESOLVED, To spend $12,000 on repainting Mutual Fourteen parking areas.

The MOTION passed unanimously.

NEW BUSINESS (continued)

Following a discussion, it was the consensus of the Board to postpone discussion regarding landscape improvements for further research.

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

> RESOLVED, To ratify phone poll to reschedule the November 21, 2017, Regular Board Meeting to Monday, November 13, 2017, at 1:00 p.m. in Building 5, Conference Room B.

The MOTION passed unanimously.

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

> RESOLVED, To utilize the new Service Maintenance request email protocol.

The MOTION failed due to no vote.

Following further discussion, and upon a MOTION duly made by Vice President Jorgenson and seconded by Director Shaddow, it was

> RESOLVED, To utilize the new Service Maintenance request email protocol or by phone.

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

Following a discussion, CFO Faucett made a MOTION to increase the tax holdback from the current $3,000 to $5,000. It was noted that this issue was passed at the September Board Meeting. The motion was withdrawn.

NEW BUSINESS (continued)

The Board members discussed amending Policy 7575.14 – Laundry Room Use (attached). Upon a MOTION duly made by Director Shaddow and seconded by CFO Faucett, it was

> RESOLVED, To amend Policy 7575.14 – Laundry Room Use on a preliminary basis until the 30–day posting period is completed.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by Director Shaddow and seconded by CFO Faucett, it was

> RESOLVED, To approve holiday gifts for GRF employees not to exceed $20 each, and department gifts either cookie trays or donut trays.

Following further discussion, the motion was withdrawn and the issue of holiday gifts for GRF employees is postponed until the next Regular Board Meeting.

Following a discussion, and upon a MOTION duly made by CFO Faucett and seconded by Director Shaddow, it was

> RESOLVED, To approve the posted policies at the next Regular Board Meeting in November.

The MOTION passed with one abstention (Jorgenson).

NEW BUSINESS (continued)

The Board members discussed rescinding Policy 7503 – Plumbing Stoppages. Upon a MOTION duly made by Director Shaddow and seconded by Director Stefun, it was

> RESOLVED, To rescind Policy 7503 – Plumbing Stoppages on a preliminary basis until the 30-day posting period is completed.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by Director Stefun and seconded by Director Shaddow, it was

> RESOLVED, To contract with California Re-pipe Specialists to re-pipe Buildings #2 and #3, and if successful, continue with the remaining 28 buildings in the Mutual.

The MOTION passed unanimously.

CFO/FINANCIAL REVIEW/BUDGET REPORT

Chief Financial Officer Faucett presented his report (attached).

VICE PRESIDENTS REPORT

Vice President Jorgenson submitted her report (attached).

COMMITTEE REPORTS

Landscape Report

President Melody presented his report (attached).

COMMITTEE REPORTS (continued)

Emergency Information Report

Director Shaddow presented her report (attached).

Caregivers Report

In Secretary Simon's absence, her report is attached.

Pet Report

In Director Moore's absence, there was no report.

SHAREHOLDER COMMENTS

No shareholders comments were made.

DIRECTORS COMMENTS

One Director made a comment.

ADJOURNMENT

President Melody adjourned the meeting at 3:38 p.m. and announced that there would be an Executive Session following the meeting to discuss member issues.

Attest, Lee Melody, President
SEAL BEACH MUTUAL FOURTEEN
cd:10/17/17
Attachments

NEXT MEETING: Tuesday, November 13, 2017, at 1:00 p.m., In Building 5, Conference Room B

RESOLUTIONS IN THE REGULAR MONTHLY MEETING OF OCTOBER 17, 2017

10/17/17 RESOLVED, To accept the 2018 Operating Budget for Mutual Fourteen of $1,441,216, resulting in a regular monthly assessment of $366.16 per apartment per month, for an increase of $29.49 per month over the total regular assessment of 2017, as presented, and to adopt this budget forthwith.

RESOLVED, To transfer $61,000 from the Contingency Operating Fund to the Infrastructure Reserve Fund.

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

RESOLVED, To approve the awning request from Unit 12–D.

RESOLVED, To add Emergency Item j. to the agenda under New Business for update on re-piping Buildings #2 and #3.

RESOLVED, To spend $12,000 on repainting Mutual Fourteen parking areas.

RESOLVED, To ratify phone poll to reschedule the November 21 Regular Board Meeting to Monday, November 13, at 1:00 p.m. in Building 5, Conference Room B.

RESOLVED, To utilize the new Service Maintenance request email protocol or by phone.

RESOLVED, To amend Policy 7575.14 – Laundry Room Use on a preliminary basis until the 30–day posting period is completed.

RESOLVED, To approve holiday gifts for GRF employees not to exceed $20 each, and department gifts either cookie trays or donut trays.

RESOLVED, To approve the posted policies at the next Regular Board Meeting in November.

RESOLVED, To rescind Policy 7503 – Plumbing Stoppages on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To contract with California Re-pipe Specialists to re-pipe Buildings 2 and 3, and if successful, continue with the remaining 28 buildings in the Mutual.

Presidents Report
October 17, 2017

Hello everyone. Welcome to the your regularly scheduled board meeting.

As most of you are aware, Jack, Julie, Donna and I were on vacation for half of the last month. I would like to thank Val Jorgenson and the other board members for filling in for us.

I'm happy to report that the board has selected California Re-pipe Specialists to re-pipe buildings 2 and 3 beginning September 23. Should they perform as expected and pass Kevin's inspections, we will continue with the remaining 28 buildings. The plan will be to do one building per week with completion by July of next year.

The Sunningdale Road repaving has been completed. It looks good and enables our shareholders and guest to even go faster than usual, which is the "down" side to repaving.

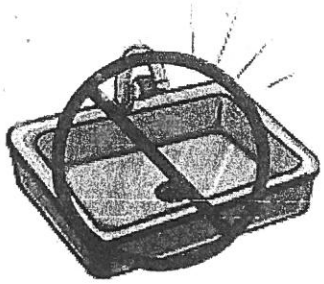
The re-roofing contract for 2017 will be completed before our next board meeting.

Attached is information from Mutual Administration on the proper use of garbage disposals. Following these guidelines can prevent most problems with your disposal.

Thank you all for your participation in your board meeting.

Respectfully submitted,

Lee W. Melody, President



Mutual Administration Report February 2017

PROPER USE OF GARBAGE DISPOSAL

When using the garbage disposal be sure to run plenty of water!

Follow these easy steps when using the garbage disposal:

1. Turn on the cold water
2. Turn on the disposal
3. Feed the material into the disposal a little at a time
4. When the hammering stops, turn off the disposal and keep the water running for one minute
5. Make sure to run the disposal every day, even though you are not putting it to normal use
6. If the disposal stops working, locate the RED re-set button on the bottom surface of the unit and hold for 30-seconds.

REMINDER

Please do not grind these items

Bones
Carrot peelings
Celery & Rhubarb Stalks
Coffee Grounds
Corn Cobs–Husks or Silks
Egg Shells
Onion Skins
Pea Pods
Potato Peelings
Grease
Pills
Glass
Rice
Any fibrous materials

If the disposal is not grinding as well as it should, grind some ice to sharpen the blades.

To deodorize the disposal grind some lemon, lime or orange rinds.

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이 음식 쓰레기 처리에 넣지 마십시오.

1. 쌀
2. 파스타
3. 셀러리
4. 아스파라거스
5. 양 인데
6. 차드
7. 양배추의 일종
8. 상 추
9. 감자 껍질
10. 어니언 스킨
11. 애플 코어
12. 달걀 껍질
13. 그리스
14. 커피 찌 꺼 기
15. 구 덩이 및 씨앗 과일
16. 뼈

차가운 물으로만 사용 합니다.
청소를 얼음 조각으로 실행 합니다.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(14) FOURTEEN** **INSPECTOR:** **Kevin Black**

DATE: **October 17th 2017**

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
14-25H	pocket door1	**both**	12/29/16	02/15/17	**no**		LW Décor
14-49G	full remodel w/ repipe	**both**	02/20/17	/31/17 chang	**9/29/17 finish**	footing 3/10/17, 6/20/17 rough	BJ and Co
14-48K	shower remodel	**both**	04/24/17	05/30/17	**no**	rough plumb,framing 4/17/17	bergkvist
14-29A	bath remodel/flooring- re-pip	**both**	03/30/17	07/25/17	**yes**	rough 4/25/17	Shik Builders 323.495.232 c.o.o #1 to
14-4B	ceiling fan	**both**	06/07/17	06/20/17	**no**		AC&R
14-17E	patio w/ awning	**both**	06/25/17	09/25/17	**no**		Kress
14-17D	patio w/awning	**both**	06/25/17	09/25/17	**no**		Kress
14-29A	carport cabinet	**GRF**	07/15/17	08/15/17	**no**		handyman mike banfield 818.357.3327
14-17C	3/4 bath/ windows/ closet	**Both**	08/07/17	12/15/17	**no**		nationwide painting 7/17/17 714.812.120
14-12E	ceiling drywall	**both**	08/09/17	09/09/17	**no**		rondell restoration gene 714.290.9325
14-21	re-roof	**both**	08/21/17	01/01/18	**no**		roofing standards
14-24	re-roof	**both**	09/05/17	01/01/18	**no**		roofing standards
14-25	re-roof	**both**	09/18/17	01/01/18	**no**		roofing standards
14-26	re-roof	**both**	10/02/17	01/01/18	**no**		roofing standards
14-54	re-roof	**both**	10/16/17	01/01/18	**no**		roofing standards
14-48C	full remodel, re-pipe	**both**	08/15/17	01/01/18	**no**	undere groound 9/1/17-rough	hadi
14-22B	washer dryer electrical, flare	**both**	04/01/17	10/01/17	**no**		mamuscia
14-53B	washer/dryer	**both**	09/11/17	10/01/17	**no**		kangs
14-02A	remodel/repipe	**both**	09/05/17	03/01/17	**no**		Kress
14-22A	ductless heat pump	**both**	10/13/17	11/13/17	**no**		alpine no attic access on this one
14-48I	flooring	**GRF**	10/06/17	11/06/17	**no**		bixby plaza
14-29G	carport cabinet	**GRF**	10/09/17	11/09/17	**no**		handyman mike banfield 818.357.3327
14-23F	front wall redo from 23G cras	**both**	10/10/17	01/18/18	**no**		kress

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
14-15L		08/05/16					
14-2J		08/10/16					
14-31D		**12/20/16**			**05/24/17**		
14-44G		**12/22/16**					
14-48J			07/31/17	07/31/17	**05/31/17**		
14-4L			09/21/17	09/27/17	**10/09/17**		
14-13G				09/12/17	**09/22/17**		
14-16K			09/25/17	09/26/17	**10/06/17**		
14-51G		**10/04/17**					
14-53B							on hold work being done

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

CONTRACTS

CONTRACTOR		PROJECT
Fenn Pest Control		termite and pest control - new contract, two days a week for service, -
		mondays 8-12 for pests - Wednesday 8 -4 for termites and pests
Bright View Landscape.	Landscape:	on going landscape
Roofing Standards	Roofing:	finaled bldgs. 18,20,22 - roofing complete for 25,26 and 21 working on 24
		54 will be the last one for this contract
	gutters:	
Kress Const.	Stove hoods:	complete with 18,20,22,25,26,21,24 bldg. 54 is the last one per contract
Advance Painting		complete up to bldg. 24
Californis Re-pipe Specialists	Re-piping :	soon to start on the 23rd at bldg. 2 and on the 30th for bldg. 3
ERC	Abatement:	set for the 19th on bldg. 2 and the 26th on bldg. 3
		notices will be posted 3 to 5 days in advance prior to work starting
Concrete :		still need to add up areas for costs
		best option. Keep in mind if there are plole lights, sweeps should be re-piped.
Fire Inspections		spreadsheet is completed, please contact me for a printed copy or email

Shareholder and Mutual Requests

14C- termites	
16D termites	
14-12D install awing - need BOD approval	
21 skylight insp	
54C ck shower	
24 post bldg. roofing	
5C inspection	
29A fire reinspection	
28G fire reinpsection	
31C fire reinspection	

Seal Beach Mutual 14
GRF Representatives Report
October 17, 2017

I was going to use this month's report to tell all of you about the GRF's recent actions. But instead, I find myself in what could be described as an uncomfortable position with a few members of this Board of Directors and maybe, even some of you, the GRF Members. President Melody's unexpected remarks to me last month, a second director's public emails as well as statements made by a third director places me in this awkward position and I believe I must respond.

To begin, let me address what Mr. Melody likes to call "fake news."

First, there are no plans to take away parking from Mutual 14 residents. There is however, some discussion as to what may or may not be necessary when the swimming pool complex is remodeled. It has been stated that Mr. Ankeny has said that the golf starter shack will be moved to the Clubhouse #1 parking lot. But as anyone who has served on the GRF Board knows, the Executive Director has no power to do this on his own. This power belongs to the Recreation Committee and the GRF Board of Directors.

It is important to remember that the Clubhouse #1 Parking Lot does not belong to Mutual 14. It is GRF property held in Trust to be used in the best interest of the entire community, not just for Mutual 14's benefit. In general though, parking is being increased throughout the community. Many unnecessary red curbs have been removed for an increase of at least 50 new parking spaces on our streets. There have been plans in the past - but not currently before any committee - to create even more parking adjacent to Clubhouse #1. This would use space next to our wood shop along Golden Rain Road.

Seal Beach Mutual 14
GRF Representatives Report
October 17, 2017

In related fake news, this parking was not planned for the use of our Security Department. All employees are required to park in their designated spaces (usually behind the amphitheater) and they will soon have a large yellow hanging placard to identify them.

Another erroneous parking-related rumor is about the possible relocation of the golf course starter shack to the Clubhouse #1 parking lot. Even if the Golf Starter Shack is moved to that location, the new spaces across the street will more than compensate for any loss. It was also rumored that water and sewer service alone for the starter shack would cost "mega thousands" of dollars. But you should know that in the past, this same space was used as the starter shack, and that water and sewer are already available in that location. The current location of the starter shack near the pool causes golfers from other Mutuals to park in the Health Care Center lot. I think that easing the crowded conditions in that parking lot to make it easier on our neighbors using the Health Care Center will be a positive outcome - not a negative one as was implied in the rumor. And as a bonus to this...it will discourage golfers from parking in our Mutual carports and driveway parking slots.

The second bit of "fake news" is that the GRF will refund to the Mutuals all of its' unspent funds at the end of the year. While this has happened in the past, it is not a requirement. In the past, the GRF Board sometimes has decided to split the funds between the Mutuals and reserves. There were even some years when none of the funds were refunded and the GRF Board, using its' legal authority, kept all of the overage, placing it in the reserve fund.

Seal Beach Mutual 14
GRF Representatives Report
October 17, 2017

What will happen this year has yet to be determined. As a matter of fact, it has not yet been discussed.

Many times in the past it has been suggested that expensive projects should be put up to a vote of the entire GRF membership. The impracticality and waste of money of having a vote on every major project speaks for itself, as the Davis-Stirling mandated costs of such a vote would cost $25,000 to $30,000 each time we voted.
Mutual 14 has started on a project to re-pipe our units. This will cost in excess of $500,000. Were any of you Mutual 14 shareholders asked about this expenditure? I was not. Was this project put up for a vote of the shareholders? Of course not. You elected a Board of Directors to make these decisions for you. You put your faith and trust in this board to do their fiduciary duty, to do reasonable inquiry and to use good business judgement on your behalf. I would like to believe that I have that same faith and trust from you.

There are those who say we do not need a new pool. There are those who say we do. There are those who say we should not have spent the money on the restoration of our historic globe. Some say we did the right thing. I recently saw a letter from a member claiming the street near him did not need repaving. I'm sure I could find someone in our mutual who thinks paving Sunningdale Road was also a waste of money.

As with any new amenity or improvement project, there are those who will look to the future and the desires of the current and future population and say "yes". And there will always be those

who say "NO! This is the way it has always been," or "This is the way it was when you bought here." Well, I don't use the Golf Course, but I recognize the benefit to the community that it is and I think it needs major improvement. I don't use the Library, but I would never dream of taking this facility away from the Membership.

Fun Fact!
When Leisure World was opened do you want to guess which amenity was the most popular among the Membership?
It was the Sewing Room!

And while on the subject of GRF expenditures, did you know that any new facility or amenity or piece of equipment has cost you nothing, that's right, NOTHING. $0.00 Money for new amenities such as the new multi-use court come from Membership fees paid by new Members just moving in to the community. So far this year, we have collected over $1,500,000 from new Members. Half of that money goes into our Reserve Fund keeping your GRF assessment down by over $12.00 per apartment per month. Other expenditures, such as repaving roads or Clubhouse revitalization comes from Reserves. But these Reserves have been built up over many, many years and paid for by Members who have either moved on or passed on. They saw no direct benefit from their assessments, but they thought of the future, and planned for it.

It was stated by a director that since GRF Directors represent the entire community, the entire community should elect the entire

board. Doing that would change nothing! The Davis-Stirling Act, and the California Trustee Code requires a GRF Director to act on behalf of, and in the best interest of the beneficiaries of the GRF Trust. This is very important so let me repeat this:

> **The Davis-Stirling Act, and the state of California Trustee Code requires a GRF Director to act on behalf of, and in the best interest of the beneficiaries of the GRF Trust.**

All the beneficiaries of the Trust. Not just the Mutual he or she was elected from. And who are the beneficiaries of the Trust? It is the 16 Mutual Corporations. Not the individual Members of the GRF or the individual Shareholders of the Mutuals, but the Mutual Corporations themselves.

The people at this table are elected by you and are accountable to you. Your GRF Director was also elected by you and is accountable to you. But your GRF Director is not accountable to this Mutual Board. I do not tell any Mutual Board Director how to vote on anything. I trust them to use good judgement knowing I will not always agree with them. Conversely, this Mutual Board has no authority to tell me how to vote on any matter. We both listen to the people who elected us. But, when voting, we must still use our own judgement, our own knowledge and our own conscience.

Did any of you notice that I have not referred to you as GRF Shareholders? There is a reason for this. It is because you are a shareholder in this Mutual. It is a stock cooperative. The law even refers to us as a "Mutual Benefit Corporation."

But, the Golden Rain Foundation has no shareholders. Only Members. Look at your Membership Certificate. When you bought your share in the Mutual does the GRF Certificate say "Shareholder" anywhere on it?

Whether or not you compare the Mutual Boards to our state legislatures and GRF directors to the U.S. Senate, or that the Declaration of Independence or the Constitution or the Federalist Papers do not mention our type of community governance is an interesting historical note, but it is not an argument. If I were a judge in a courtroom I would say that it is an interesting debating point but has no bearing whatsoever on this point of law or the issue at hand.

Last month at both the Finance Committee meeting and the GRF Board meeting, next year's budget of over $12,000,000 was passed. I think it's fair to say that there were fewer than 30 spectators at both meetings combined. I'm telling you this because the only way to know what is going on, and the issues behind any action is to attend meetings. I implore all of you, pick a subject that interests you. Whether it be Finance or Recreation, take a couple of hours out of your month and attend a meeting.

Do not rely on gossip, or fake news or the "he said that she said" second- hand information. Don't just accept emails at face value. Take a few minutes to ask direct questions from the people who know the answers.

The point of all this, ladies and gentlemen is that times change. You can't, as William F. Buckley tried, "to stand astride the

railroad tracks of history and yell "STOP" Think of your lives. Think of the changes in every area of your life that you have experienced. Were you afraid of the future? Did you wake up wishing that today was like some misty memory of a yesterday that never really was? Or did you wake up in the morning and read excitedly about new discoveries in every aspect of your world; computers, cell phones, the human genome or space travel?

When Leisure World opened in 1962, a 55 year old person would have been born in 1907. Back then, most homes did not have central heat or electric appliances, telephones or even piped in clean water. And as we know, in rural areas most bathrooms were still outside. Over the past 5 years we have had almost a 50% turnover of our residents. These new buyers represent a new generation. The baby boom generation. Our new residents want modern, up to date facilities. And we must provide them if we wish to remain and continue to be a viable, vital and vibrant community.

I believe, with all my heart, that we must look to the future. We must embrace it and not be afraid of it. The future is upon us whether we like it or not.

Respectfully Submitted

Barry Lukoff
Mutual 14 GRF Director

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.

Mutual 14 CFO Report October 17, 2017

Attached is our budget for next year, 2018. Again thanks to the budget committee, Jim Gilbert, Larry Lowman, Sandy Tessier and Bob Stefun for their many hours of hard work. The committee has recommended a $21.47 increase per unit in assessments. This will cover an increase in operating expenses and a decrease in income from investments and inspection fees. The rest will be used to complete the $1,250,000 plumbing replacement project and then finish roofing for about $1,008,000. We also are using $12,000 to sand and re-paint our curbs and parking areas. In the past, plumbing replacement had never been reserved or budgeted. Therefore we must use current assessments to complete these projects.

Our sumptuary recap which is attached shows we are $303 under budget as of October 1st.

Jack Faucett

CFO

P.O. Box 2069
Seal Beach CA 90740

Sep Actual	Sep Budget		2017 Y-T-D Actual	2017 Y-T-D Budget
76,040	76,040	Carrying Charges	684,363	684,360
34,391	34,391	Reserve Funding	309,516	309,519
110,431	**110,431**	**Total Regular Assessments**	**993,879**	**993,879**
737	1,296	Service Income	9,692	11,664
40,742	1,000	Financial Income	47,536	9,000
4,060	3,050	Other Income	32,951	27,450
45,539	**5,346**	**Total Other Income**	**90,179**	**48,114**
155,970	**115,777**	**Total Mutual Income**	**1,084,058**	**1,041,993**
47,458	47,458	GRF Trust Maintenance Fee	427,122	427,122
9,518	8,551	Utilities	72,182	76,959
411	1,309	Professional Fees	49,368	11,781
0	66	Office Supplies	306	594
22,322	17,240	Outside Services	154,159	155,160
7,908	6,763	Taxes & Insurance	71,102	60,867
34,391	34,391	Contributions to Reserves	309,516	309,519
122,007	**115,778**	**Total Expenses Before Off-Budget**	**1,083,755**	**1,042,002**
33,963	**(1)**	**Excess Inc/(Exp) Before Off-Budget**	**303**	**(9)**
6,085	0	Depreciation Expense	39,421	0
27,878	**(1)**	**Excess Inc/(Exp) After Off-Budget**	**(39,118)**	**(9)**
		Restricted Reserves		
2,061	0	Appliance Reserve Equity	22,030	0
2,928	0	Painting Reserve	59,489	0
5,436	0	Contingency Operating Equity	144,777	0
12,068	0	Roofing Reserve	978,195	0
(779)	0	Infrastructure Reserve	145,211	0
21,714	**0**	**Total Restricted Reserves**	**1,349,702**	**0**

Seal Beach Mutual Fourteen
Operating Budget
Year Ended December 31, 2018

328 Apartments	Average Monthly Per Apartment			Operating Budget In Dollars		
	2018	2017	Change	2018	2017	Change
Electricity	5.08	5.61	(0.53)	19,995	22,081	(2,086)
Water	12.87	12.42	0.45	50,656	48,885	1,771
Trash	8.19	8.04	0.15	32,236	31,645	591
Total Utilities	**26.14**	**26.07**	**0.07**	**102,887**	**102,611**	**276**
Management Fee	0.56	0.56	0.00	2,204	2,204	0
Legal Fees	3.05	3.05	0.00	12,005	12,005	0
Investment Fees	0.51	0.38	0.13	2,007	1,496	511
Total Professional Fees	**4.12**	**3.99**	**0.13**	**16,216**	**15,705**	**511**
Landscape - Contract	25.15	25.15	0.00	98,990	98,990	0
Landscape - Extra Services	6.35	5.92	0.43	24,994	23,301	1,693
Painting	1.02	0.38	0.64	4,015	1,496	2,519
Pest Control	2.45	2.00	0.45	9,643	7,872	1,771
Structural Repairs	6.35	4.05	2.30	24,994	15,941	9,053
Miscellaneous Services	1.57	1.57	0.00	6,180	6,180	0
Escrow Expense	0.00	0.00	0.00	0	0	0
Office Supplies	0.13	0.20	(0.07)	512	787	(275)
Standard Service	12.70	13.49	(0.79)	49,987	53,097	(3,110)
Total Services	**55.72**	**52.76**	**2.96**	**219,315**	**207,664**	**11,651**
State & Federal Taxes	0.55	0.47	0.08	2,165	1,850	315
Property & Liability Insurance	22.25	20.15	2.10	87,576	79,310	8,266
Total Taxes & Insurance	**22.80**	**20.62**	**2.18**	**89,741**	**81,160**	**8,581**
Operating Expenses	**108.78**	**103.44**	**5.34**	**428,159**	**407,140**	**21,019**
Income from Services						
Merchandise Sales	0.00	0.00	0.00	0	0	0
Laundry Machines	2.29	3.95	(1.66)	9,013	15,547	(6,534)
Total Services Income	**2.29**	**3.95**	**(1.66)**	**9,013**	**15,547**	**(6,534)**
Financial Income						
Interest Income	2.03	3.05	(1.02)	7,990	12,005	(4,015)
Interest Income Allocation	0.00	0.00	0.00	0	0	0
Late Charges	0.25	0.15	0.10	984	590	394
Inspection Fees	6.10	9.15	(3.05)	24,010	36,014	(12,004)
Miscellaneous	0.00	0.00	0.00	0	0	0
Total Financial Income	**8.38**	**12.35**	**(3.97)**	**32,984**	**48,609**	**(15,625)**
Operating Income	**10.67**	**16.30**	**(5.63)**	**41,997**	**64,156**	**(22,159)**
Net Operating Cost	**98.11**	**87.14**	**10.97**	**386,162**	**342,984**	**43,178**
Reserve Funding	**115.35**	**104.85**	**10.50**	**454,027**	**412,688**	**41,339**
Total Mutual Operating Costs	**213.46**	**191.99**	**21.47**	**840,189**	**755,672**	**84,517**
Allocated Trust Cost	**152.70**	**144.69**	**8.01**	**601,027**	**569,500**	**31,527**
Regular assessment	**366.16**	**336.68**	**29.49**	**1,441,216**	**1,325,172**	**116,044**

Property taxes are assessed to the stockholder's unit and are added to the regular assessment and become part of the monthly payment. Accordingly, they are excluded from the operating budget.

Seal Beach Mutual Fourteen
Assessment And Reserve Funding Disclosure Summary

1) The current regular assessment per ownership interest per month is $ 366.16 and the portion allocated to reserves per ownership interest per month is $ 115.35 .

2) Neither the board nor the members have approved additional assessments for any purpose.

3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major component during the next 30 years?

Yes X No _____

4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

5) All major components are included in the reserve study and are included in its calculations.

6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated required amount to be in the reserve fund at the end of the 2017 fiscal year is $2,766,853 based in whole or in part on the last reserve study or update prepared by the board as of 9/01/2017. The projected reserve fund cash balance at the end of the 2017 fiscal year is $1,204,412 reserves being 43.5% funded at this date.

7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated required amount to be in the reserve fund, the projected fund balance of those years, taking into account only assessments approved for the current year with the assumption that assessments will remain the same in future years, and the percentage funded at the end of each of the next five years. The projected fund balance and percentage funded shown does not include projected expenditures.

Year	Required Funding	Projected Fund Bal.	% Funded
2018	$1,517,251	188,189	12.4%
2019	1,227,648	158,811	12.9%
2020	837,176	52,930	6.3%
2021	979,576	511,353	52.2%
2022	1,121,970	968,731	86.3%

This financial representation set forth in this summary is based on the best estimates of the board at this time and is further predicated on the board maintaining the current Reserve Funding Plan.

MUTUAL 14
VICE PRESIDENT REPORT
OCTOBER 17, 2017

Leisure World Meals (formerly known as Emergency Meals) will cease delivering meal at the end of October. The necessary funding is not available.

Meals are available weekdays for a suggested donation of $3 for seniors at the Seal Beach Community Center. Call 430-6079 for information.

Meals on Wheels of Long Beach is continuing to deliver meals weekdays at a cost of $8 for two meals. Call 439-5000.

On Tuesdays and Thursdays, meal trucks have food available in the Clubhouse 6 parking lot. Look at the big sign on the corner for times.

Finbars Restaurant is making dinners available on Mondays. The menu and prices are listed in the Leisure World newspaper. Orders must be phoned or emailed in by 2 p.m. on Fridays.

Leisure World is a a community for active seniors. However, some residents prefer to not cook their main meals.

Valerie Jorgenson

Valerie Jorgenson 562-296-5428 vjorgenson@outlook.com
Mutual 14 Vice President

Landscape Report

October 17, 2017

First, I would like to thank Erik Soderholm and Larry Loman for filling on landscape for me while I was on vacation.

As mentioned last month, we have reviewed de-thatching and found that it is cost prohibitive at this time.

Again, as I reported last month, the grass is turning brown in certain areas. This is due to the fact that Mutual 14 has 13 types of grass, one of them being Kikuyu which turns brown at this time of year. It's not dead but looks like if it is. If you think your lawn looks bad, take a look at my front yard. But, the good news is that your landscape committee has asked Brite View for a quote on removing and replanting those areas that need help badly. We are waiting for an evaluation and quote that will remedy the situation.

Once again, I ask that you contact your Director with any questions, comments or requests regarding landscaping which will be communicated to Landscape Management.

Respectfully submitted,

Lee W. Melody

Landscape Chair

WHO SAYS CALIFORINA DOESN'T HAVE SEASONS'?

While the East Coast is bathing in fall colors and people are flocking to New England to see the fall foliage we too are entering into our Fall Season. Only ours' is called FIRE SEASON it's that time of the year when our trees and scrubs are brown from being dried out in the summer drought. The Santa Ana's winds start to blow in to bring the warm air off the desert. A spark from a car, a careless smoker tosses a cigarette out the window and before you know it our Fire Season is off and running.

Last week was a nail biter for our family. Our oldest son's house was 2 miles from the Canyon 2 fire and as it grew in strength my daughter in law asked me what should she prepare to take with her. She already had the marriage license, birth certificate's and social security numbers. I told her to make sure she had her house papers, mortgage and insurance papers packed also. We were blessed that their home stayed safe. Sadly others in that area were not so fortunate.

This panic mode that I witnessed got me to thinking, we should have at the very least copies of our important papers perhaps in our kids house or a another relative's home in case something happens to our properties. Many times I have read the suggestion that we keep copies in our carport or trunk. I think we need to be more prudent and make sure we have copies in a safety deposit box or at a relative's house, even our carports have gone up in flames.

We too have the potential to have fires in here that could and have destroyed multiple units. . Usually in here often caused by forgetting food on the stove. Just last month we had a potential for a fire like the Canyon Fire. A careless thoughtless driver tossed a cigarette out the car window near Burning Tree and Golden Rain. We as a Mutual were so fortunate that an observant shareholder noticed the smoke and flames and lent her hose. Thankfully it reached out to the street and we were able to put the fire out before it spread. We were so lucky the winds were not blowing; otherwise this small fire could have potentially been a disaster for our mutual, and perhaps other mutuals.

I am including on the back of this paper an emergency checklist to help you get things ready. It's a great reminder, and way better to do it when we are not under the stress of a real evacuation. Take the simple steps of at least having a copy of all your important papers, medical cards, credit cards and bankcards placed in a secure environment.

Sincerely,

Maryann Shaddow

Emergency Prep Chair

Emergency Plan Checklist

10 ESSENTIAL ACTIONS

1. ☐ Learn the threats in your area
2. ☐ Identify meeting places
   - Outside of your home
   - Outside of your neighborhood
3. ☐ Select your out-of-state contact
4. ☐ Know your evacuation routes
   - Exits and alternate ways to leave home
5. ☐ Know the location of utility shut-offs
   - Water
   - Gas
   - Electricity
6. ☐ Know the policies of schools, day-care and adult-care centers
   - Emergency shelter/supplies
   - Transportation
7. ☐ Identify safe spots in each room to take cover, if needed
   - Under sturdy tables and desks
   - Against interior walls
8. ☐ Extra medications
9. ☐ Make special provisions for:
   - Children
   - Seniors
   - Pets
   - People with Disabilities
   - Non-English speaking
10. ☐ Schedule annual disaster drills

Emergency Supplies Checklist

10 ESSENTIAL SUPPLIES

Emergency Supply Kit

1. ☐ Water (three weeks supply—Remember pets)
2. ☐ Food (three weeks supply of non-perishable foods and manual can opener— remember pets)
3. ☐ First aid kit and manual
4. ☐ Flashlights (and extra batteries)
5. ☐ Radio (and extra batteries)
6. ☐ Medications (over-the-counter, prescriptions, and prescription lists)
7. ☐ Cash and important documents (small bills and coins, deeds, insurance papers, medical cards, etc.)
8. ☐ Clothing and sturdy shoes
9. ☐ Tools (adjustable wrench, fire extinguisher, sturdy gloves, whistle)
10. ☐ Sanitation and hygiene supplies

*See **www.espfocus.org** for more detailed information*

Evacuation Checklist

10 ESSENTIAL ITE

1. Emergency Supply Kit
2. Out-of-State Contact List
3. Cash and Credit Cards
4. Important Documents
   - ☐ Social Security card
   - ☐ Drivers license
   - ☐ Passport
   - ☐ Medical card and recor
   - ☐ Insurance information
5. Change of Clothing
   - ☐ For each family membe
6. Personal Hygiene Items
   - ☐ Toothbrush and toothpa
   - ☐ Shampoo and soap
   - ☐ Lotion
   - ☐ Deodorant
   - ☐ Kleenex and toilet tissu
7. Family Photos
8. Baby Items
   - ☐ Diapers
   - ☐ Formula
   - ☐ Food
   - ☐ Change of clothing
9. Special Needs Items
   - ☐ Wheelchair, canes, & wa
   - ☐ Medications
   - ☐ Hearing aids (& extra bat
10. Pet Care Items
    - ☐ Identification & immuni
    - ☐ Carrier or cage
    - ☐ Muzzle and leash
    - ☐ Food and water

October 17, 2017 Caregiver Report

I am not going to bore you with numbers each month. Suffice it to say that some Caregivers leave and are replaced by others. As long as they register it isn't a problem. However, be very aware that if you have a Caregiver who is no longer employed, take that pass and return it to Stock Transfer. Caregivers must be registered in each Mutual they work in, so taking their pass away isn't an issue if they are working elsewhere.

As is my custom, if there is a Caregiver who only works evenings after 5 PM or weekends/holidays when the Stock Transfer Office is closed, I will still be happy to take a picture of that caregiver and his/her application and arrange for registration. I haven't received any requests for this service during the past month.

As a reminder: It is the Shareholder's physician, not the Mutual who determines the need for a Caregiver. Of late, it has been noted that shareholders appear to physician shop in order to find one who will state the need for a Caregiver. This is doing a disservice to themselves and to their neighbors and other Mutual 14 shareholders. I do not authorize Caregivers. I only attempt to insure they are providing the services for which they are hired. The registrations and photo IDs are a security/safety measure, and tell all of us who live in this Mutual whether or not an individual is on our property and using our facilities appropriately. If a physician states that a Shareholder requires 24-hour care, and the Shareholder hires a Caregiver for 24-hour care, it is expected that the Caregiver will be with the Shareholder for the entire 24-hour period. That means, that if the Caregiver goes to the market or laundry, he/she either takes the Shareholder or arranges for alternative coverage. There have been instances where a Shareholder has been left alone and fallen out of bed or a chair with no one in attendance. The Caregiver would be held responsible. This is simply a matter of safety. If a physician states that a Shareholder requires 24-hour care, and the Shareholder elects to have only part time care, that is the Shareholder's choice. If that is the case, it is expected that the Caregiver will put part time on the application. However, it is very important that you know that if a Caregiver applies for 24 hrs, they must be with their shareholder that entire time.

Those of you with Caregivers, please remind them to leave their entry pass on the dashboard of their car when parking in our Mutual, not their photo ID.

Respectfully submitted,

Susan D Simon, Chair
(561) 702-9249
sdwsimon42@gmail.com

MUTUAL OPERATIONS

AMENDED DRAFT

RESIDENT REGULATIONS

Laundry Room Use – Mutual Fourteen

1. Laundry room facilities are available for use solely by residents of their respective Mutual only. The only exception to this is that a caregiver may use the laundry room facilities to do a resident's laundry.

    a. Residents must oversee and instruct the caregivers when the resident's laundry is being done.
    b. Caregivers may not wash their own laundry in the Mutual's laundry room.

2. Residents are responsible for any damage to the laundry room facilities when they or their caregiver is doing the resident's laundry.

3. Laundry room facilities are available for use between the hours of 7 a.m. and 9 p.m. only.

4. Washers or dryers must be loaded properly, i.e. maintain the proper amount of items in the machines so as not to overload the machines. Improper loading may cause damage to the machines due to being unbalanced.

    a. If there is uncertainty about the load, stay with the machine to ensure that the load is properly balanced. If necessary, rearrange the load in the machine.

5. Read all labels for laundry products to ensure that the product type is correct and the amount is appropriate.

    a. Front-loading washers generally require about half the amount needed for a top-loading washer.

6. For front-loading washers, wait until the cycle is completed and the light has gone out **before** opening the machine door. Expensive damage can occur to the machine, which will be the responsibility of the resident, if the door is forced open before the cycle is completed.

7. Laundry room facilities are to be used for washing and/or drying only. Clothing or fabrics may not be dyed or tinted in the washers or dried in the dryers.

8. Any clothing or fabric that has been cleaned in a flammable liquid may not be washed in the washers or dried in the dryers.

9. The following items may not be washed in the washers or dried in the dryers: rubber- or plastic-backed mats, rugs or runners, sneakers, fiberglass curtains, sleeping bags,

MUTUAL OPERATIONS

AMENDED DRAFT

RESIDENT REGULATIONS

Laundry Room Use – Mutual Fourteen

heavy blankets, quilts, comforters, pet bedding, or car covers.

10. Hand-washed clothing or other items may not be placed in the dryers due to the excess amount of water contained in them. Use the exterior clothesline for hand-washed items, if desired.

11. Clothing or other items with metal buttons, clips, etc. must be placed in a small cloth bag or pinned inside a pillowcase before being placed in the dryer.

12. Clothing or other items that have not been removed from a dryer within 30 minutes of completion may be removed from the dryer by the next person waiting to use the machine.

13. ~~When a washer or dryer is "out of order," notify a Director. Directors' names are posted in each laundry room.~~ **When a washer or dryer is out of order, notify National Wash, using the 800 number posted in each laundry room, and identifying the washer or dryer by unit # posted on the machine.**

14. The trash containers in the laundry rooms are for lint and dryer sheets only. Detergent containers, bleach, softener bottles, or other trash must be disposed of in an outside white trash bin.

15. Clean the dryer filter after each use, and dispose of lint in the trash containers.

16. Help keep the laundry rooms clean.

17. Smoking is prohibited in the laundry rooms and the clothes drying area outside the laundry rooms.

18. Laundry room doors are to remain closed when laundry room is not in use.

MUTUAL ADOPTION	AMENDMENTS
FOURTEEN: 10-25-05	08-26-09

(Draft created 10-10-17 cd)

MUTUAL OPERATIONS

RESCIND MUTUAL FOURTEEN

RESIDENT REGULATIONS

Plumbing Stoppages – Except Mutual Two, Three, Nine, Eleven, and Seventeen

The following Mutual pays the charges for back-to-back kitchen sink stoppages:

Six
Seven
Fifteen
Sixteen

The following Mutual pays the charges for all stoppages except when caused by shareholder/resident neglect or misuse:

One (effective 04-27-78)
Four (effective 03-03-86)
Five (effective 02-21-73)
Ten (effective 11-27-85)
Twelve (effective 04-18-84)
Fourteen (effective 01-15-96)

The following Mutual pays the charges for all stoppages, including toilet stoppages, except if caused by shareholder's/resident's negligence:

Eight (effective 08-26-85)

Note: All toilet stoppages in Mutuals Two, Three, Six, Seven, Fifteen, and Sixteen are charged to shareholder/resident.

MUTUAL ADOPTION

Adopted: April 27, 1978

AMENDMENTS

Oct 16 80
Apr 18 84
Aug 26 85
Nov 27 85
Apr 21 86
Jan 15 96
Feb 11 13 (Mutual 3 See Policy 7503.3)
Feb 21 13 (Mutual 2 See Policy 7503.2)
Mar 21 13
Jun 13 16 (Mutual 9 See Policy 7503.9)
Aug 18 16 (Mutual 11 See Policy 7503.11)

Proper format changes made on 09-06-16

(Draft created 10-11-17 cd)

DRAFT

SIGN-IN SHEET

BOARD OF DIRECTORS MEETING
MUTUAL NO. FOURTEEN
DATE: October 17, 2016

	GUEST NAME
1.	Sara Spannenberg
2.	Ben Watada
3.	Linda Corp
4.	Nita Lambert
5.	Larry Lowman
6.	Judy Schroeder
7.	Joan B. Smith
8.	Betty Burrows
9.	Sue Worthington
10.	Robert Castro
11.	Midge Castro
12.	Ellen Brannigan
13.	Flo Dart
14.	Julie Faucett
15.	Muriel Luther
16.	Pat Anderson
17.	Bruce Anderson
18.	Marian Soderholm
19.	Ellen Larsen
20.	Linda Banez
21.	Ken Harpham
22.	Donna Melody