

**MINUTES OF THE REGULAR MONTHLY MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FOURTEEN
July 18, 2023**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Fourteen was called to order by Vice President Stefun at 1:00 p.m. on Tuesday, July 18, 2023, followed by the *Pledge of Allegiance* via Zoom Video and Building 5, Conference Room B.

SHAREHOLDER COMMENTS

Several shareholders made a comment.

ROLL CALL

Present: Vice President Stefun, Chief Financial Officer Rosenfeld, Secretary Holbrook, Director Nevin, Directors Supple, and Skinner.

GRF Representative: Mr. Melody

Guests: Eleven Mutual Fourteen shareholders (via zoom)
Twenty-two Mutual Fourteen shareholders (in-person)

Staff: Mr. Weaver, Sr. Director of Facilities (via zoom)
Ms. Hopkins, Mutual Administration Director (via zoom)
Mr. Meza, Building Inspector
Ms. Barua, Senior Portfolio Specialist (via zoom)
Ms. Equite, Assistant Portfolio Specialist
Ms. Celestine, Assistant Portfolio Specialist

MINUTES

The Regular Meeting Minutes of June 20, 2023 were approved as written.

BUILDING INSPECTORS REPORT

Building Inspector Meza presented his report (attached).

Following a discussion and upon a MOTION duly made by Chief Financial Officer Rosenfeld and seconded by Director Supple, it was

MOTION FAILED to approve the Bait Stations proposal from Fenn Termite and Pest Control, at a cost not to exceed \$12,420. Funds to come from Infrastructure and authorize the President to sign any necessary documentation.

The **MOTION FAILED** unanimously.

Building Inspector Meza left the meeting at 2:37 p.m.

SECRETARY/CORRESPONDENCE

Secretary Holbrook received several correspondences.

Organizational of Mutual 14 Board of Directors and Committees

Following a discussion and upon a MOTION duly made by Vice President Stefun and seconded by Chief Financial Officer Rosenfeld, it was

RESOLVED to respectfully accept the resignation of Lee Melody as President and Director from the Mutual Fourteen Board of Directors.

The MOTION passed unanimously.

GRF GENERAL PROJECT UPDATES

GRF representative Mr. Melody presented his report (attached).

Organizational of Mutual 14 Board of Directors and Committees

Secretary Holbrook presented the resumes submitted by three shareholders; Nancy Reid was appointed by secret ballot to the Mutual 14 Board of Directors for the remaining 2023-2024 term of office.

Following a discussion, Vice President Stefun assigned Director Skinner as Physical Property Co-Chair.

Jack Nevin was nominated President by secret ballot to the Mutual 14 Board of Directors for the remaining 2023-2024 term of office.

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

RESOLVED to appoint Mary Ann Shaddow and Jack Faucett as Advisory Directors to the Mutual 14 Board of Directors for the 2023-2024 term in office.

The MOTION passed unanimously.

PRESIDENT'S REPORT

No report.

VICE PRESIDENT'S REPORT

Vice President Stefun provided an update.

Building Inspector Meza entered the meeting at 2:02 p.m.

CHIEF FINANCIAL OFFICER'S REPORT

Chief Financial Officer Rosenfeld presented her report (attached).

CONSENT CALENDAR

Following a discussion and upon a MOTION duly made by Chief Financial Officer Rosenfeld, and seconded by Director Supple, it was

RESOLVED that the Board authorizes the following transfers funds, per detailed and dated resolutions, by consent calendar.

Transfer/ Invoice Date	Amount	Originating/Destination Accounts or Payee
06/08/2023	\$ 91, 221.78	US Bank Checking to GRF – US Bank Checking
06/20/2023	\$33, 195.50	US Bank Checking to US Bank Non-Restr. Money Mkt

The MOTION passed unanimously.

UNFINISHED BUSINESS

Following a discussion and upon a MOTION duly made by Director Skinner and seconded by Director Supple, it was

RESOLVED to propose a rule change by amending Section 4.2.1 – Patio Approval Process of the Rules and Regulations and approve 28-day posting of notice of the proposed rule change. The proposed rule change will be considered by the board at the next scheduled meeting following review of any shareholder comments received.

The MOTION passed unanimously.

Building Inspector Meza left the meeting at 2:37 p.m.

NEW BUSINESS

Following a discussion and upon a MOTION duly made by Chief Financial Officer Rosenfeld and seconded by Director Skinner, it was

RESOLVED to approve that the review of the Mutuals' operating accounts, reserve accounts, current year's actual operating revenues and expenses compared to the current year's budget, the latest account statements prepared by financial institutions where the mutual has its operating and reserve accounts, and the income and expense statement for the mutual's operating and reserve accounts have been approved; and, further, that per Civil Code Section 5500(a)-(f), the check register, monthly general ledger, and delinquent assessment receivable reports have been reviewed for the months of April and May 2023.

The MOTION passed unanimously.

**BOARD OF DIRECTORS
MUTUAL FOURTEEN**

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Following a discussion and upon a MOTION duly made by Vice President Stefun and seconded by President Nevin, it was

RESOLVED to amend the Mutual 14 Board of Directors Code of Conduct.

The MOTION passed unanimously.

PORTFOLIO SPECIALIST'S REPORT

Assistant Portfolio Specialist Equite presented her report. (attached)

COMMITTEE REPORTS

Physical Property Committee
Vice President provided an update.

Landscape Committee
President Nevin presented report (attached).

DIRECTORS COMMENTS

Several Directors made a comment.

ANNOUNCEMENTS

- a. **ANNUAL PICNIC:** Wednesday, July 19, 2023, at 11:30-2:00 p.m. held in Clubhouse 1
- b. **NEXT BOARD MEETING:** Tuesday, August 15, 2023, at 1:00 p.m. held in Building 5, Conference Rm B and Zoom/Video Conference Call.

ADJOURNMENT

Vice President Stefun adjourned the meeting at 2:59 p.m. and announced that there would be an executive session following the meeting.

National Suicide Prevention Hotline Link and phone number -
<https://988lifeline.org/current-events/the-lifeline-and-988/>
Phone Number # 1-800-273-TALK (8255)

EXECUTIVE SESSION SUMMARY

The Mutual Board met in Executive Session on, July 18, 2023, at 3:17 p.m., and took the following actions:

The Board approved the Executive Session Meeting Minutes of April 18, 2023 and Special Executive Meeting Minutes of June 8, 2023.

1. Legal Matters
 - a. Several legal matters were discussed.
2. Contracts

**BOARD OF DIRECTORS
MUTUAL FOURTEEN**

July 18, 2023

- a. No contracts were discussed.
- 3. Assessments / Delinquencies
 - a. Several letters were drafted.
 - b. Several files were closed.
 - c. Several files to monitor.
- 4. Disciplinary Hearings
 - a. One disciplinary hearing occurred.

The Executive Session was adjourned at 3:51 p.m.



Attest, Ron Holbrook, Secretary
SEAL BEACH MUTUAL FOURTEEN
DE/CC: 07/18/23

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (14) Fourteen	INSPECTOR: Mike Meza
MUTUAL BOARD MEETING DATE: JULY, 2023	

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR
13-L	RETRO WINDOWS	BOTH	03/20/23	06/30/23	NONE		MP CONSTRUCTION
17-B	CEILING FAN	BOTH	06/28/23	07/28/23	NONE		OGAN CONSTRUCTION
26-A	UNIT REMODEL	BOTH	03/29/23	05/31/23	NONE	DRYWALL 06/12/23	PNI CONSTRUCTION
28-K	RETRO WINDOWS	BOTH	07/01/23	12/01/23	NONE		RYDEN CONSTRUCTION
33-C	ROOM ADDITION	BOTH	02/14/23	07/28/23	NONE	FINAL 07/10/23	BA CONSTRUCTION
52-K	INSTALLING SKYLIGHT	GRF	07/17/23	08/25/23	NONE		MARCO CONSTRUCTION
54-D	REPAIR BAY WINDOW	GRF	04/17/23	06/30/23	NONE	FINAL 06/30/23	JOHN BERGKVIST
54-D	SHOWER REMODEL	BOTH	06/05/23	07/31/23	NONE	FINAL 06/21/23	JOHN BERGKVIST

ESCROW ACTIVITY

Unit #	NMI	PLI	NBO	FI	FCOEI	ROF	ACTIVE, CLOSING, CLOSED, NMI
							7 7 3 1
2-F		11/02/22	04/11/23	04/11/23	04/25/23	5/16/23	
13-D	01/27/2023						
13-E		11/16/22	06/09/23	06/09/23	06/15/23		
13-H		01/19/23	05/24/23	05/31/23	06/14/23		
17-B		01/06/23	01/25/23	01/30/23	02/13/23	03/14/2023	
18-A		06/27/23					
19-H		07/27/22					
21-H		02/02/23	03/03/23	03/03/23	03/15/23		
23-F		10/26/22	04/19/23	04/20/23	05/04/23		
24-B		01/06/23					
24-E		08/25/22	03/14/23	03/21/23	04/04/23		
24-H		06/22/23					
27-H		04/03/23					
28-I		06/27/23					
32-H		09/02/22					
33-B		12/27/22	02/16/23	02/24/23	03/10/23		
53-E		12/27/23	02/08/23	02/16/23	03/03/23	03/16/23	
53-K		02/23/23	06/08/23	06/09/23	06/23/23		

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

CONTRACTS

CONTRACTOR	PROJECT
J&J LANDSCAPE OCTOBER 31, 2024	Landscaping & Irrigation
EMPIRE PIPE DECEMBER 31, 2022	Annual inspection Out going line only
FENN MAY 31, 2026	Pest and rodent control services
FENN PEST CONTROL 2025	Bait station (pending BOD approval)

SPECIAL PROJECTS/ REQUEST

Contractor	Discription of Work

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (14) Fourteen		INSPECTOR: Mike Meza
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MUTUAL BOARD MEETING DATE:	JULY, 2023	
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17-F	New Patio (pending BOD approval)

SHAREHOLDER AND MUTUAL REQUEST

21-F Inspect for termites in bathroom	Inspect mutual sidewalks
17-F Inspect for water damage	Bird proof carport 152- space 1
18-I Termites in living room	
17-B Toilet and basin stoppage	
17-F Remove toilet to inspect flange	
02-F Meet with contractor	
48-G Schedule painter for repair work	
52-L Inspect repair work at fascia	
27-H Meet with shareholder regarding escrow work	
23-C Meet with contractor	
02-E Termite damage around skylight opening	
19-J Insect in unit	

July CFO Meeting Report

Mutual 14 is still waiting on June financials, but based on May 31 month end financials total reserves are \$1,108,671.34. Last year at this time reserves were \$844,958. Hopefully, we will get the June financials before July ends.

On a better note, our off-site reserve study has been completed. Mutual 14 is 70.9% funded, which is excellent and puts Mutual 14 in a strong financial standing. What this means to the shareholders is that there is minimal risk of having a special assessment of maintenance being deferred. Mutual has a low risk of any cash flow problems.

In the past Appliance and Contingency reserves were considered non-restricted reserves and were not accounted for in our reserve studies. A change in the law last year advised that all reserves were now restricted. The reserve funds can still be moved within the reserve.

Mutual 14 has very little appliance expenditures, so it was recommended by the finance committee to eliminate the appliance reserve bucket and put those funds in the newly named contingency/sewers bucket. Painting, Roofing and infrastructure remain unchanged.

With the addition of those funds to our reserve balance our reserve funding strength went from a percentage in the 60,s to 70.9%, which is a strong position. Our reserve balance at the start of 2024 will be \$1,046,694 and to be fully funded at 100% that balance is \$1,477,178 and will be reached in 2028. Please remember though that a reserve is not like your bank account, we should have enough in our reserves to cover expenditures both expected and unexpected and plan for the immediate future not for the next generation. To be at 100% in my opinion is collecting too much money. It is my opinion that Mutual 14 is in a strong financial position at 70.9%.

Respectfully Submitted

Adrienne



Balance Sheet - Comparative - Reserve

Seal Beach Mutual Fourteen

End Date: 05/31/2023

	Current Balance at 5/31/2023	Prior Month Balance at 04/30/2023	Change
Assets			
CASH - OPERATING			
10-1123300-000 Bank Name - CD - XXXX	\$ 355.38	\$ -	\$ 355.38
Total CASH - OPERATING:	\$ 355.38	\$ -	\$ 355.38
CASH - RESERVES			
11-1122000-000 US Bank - Money Market - 2630	\$ 321,339.43	\$ 315,697.12	\$ 5,642.31
11-1122100-000 US Bank - Restricted MM - 9716	167,498.92	134,180.26	33,318.66
11-1122400-000 Mellon Trust - Bonds - 2760	541,320.19	541,397.44	(77.25)
11-1123000-000 BNY Mellon - CD - 8859 (6mo 3.97%)	105,227.22	105,227.22	-
Total CASH - RESERVES:	\$ 1,135,385.76	\$ 1,096,502.04	\$ 38,883.72
Total Assets:	\$ 1,135,741.14	\$ 1,096,502.04	\$ 39,239.10
Liabilities & Equity			
LIABILITIES			
20-2111700-000 Project Commitments- Reserves	\$ 21,200.00	\$ 21,200.00	\$ -
Total LIABILITIES:	\$ 21,200.00	\$ 21,200.00	\$ -
APPROPRIATED ADDITIONAL PIC			
33-3310000-000 General Investment Equity	\$ 136,049.71	\$ 136,049.71	\$ -
33-3320000-000 Appliance Reserve Equity	16,391.21	20,314.66	(3,923.45)
33-3330000-000 Painting Reserve Equity	219,992.76	215,526.09	4,466.67
33-3365000-000 Contingency Operating Equity	195,751.20	191,653.95	4,097.25
33-3375000-000 Roofing Reserve Equity	509,869.71	486,013.13	23,856.58
33-3377000-000 Infrastructure Reserve Equity	62,344.75	57,472.50	4,872.25
33-3377100-000 Infrastructure Reserve Reductions	(31,728.00)	(31,728.00)	-
Total APPROPRIATED ADDITIONAL PIC:	\$ 1,108,671.34	\$ 1,075,302.04	\$ 33,369.30
Net Income / (Loss)	\$ -	\$ -	\$ -
Total Liabilities & Equity:	\$ 1,129,871.34	\$ 1,096,502.04	\$ 33,369.30

Mutual 14 Board Meeting

Tuesday 7/18/23

Landscape Chairman Report

All is good and we are reacting to the heat. Sprinklers are being adjusted to allow increased watering and avoid runoff issues with intermittent scheduling. Watering is Tuesday, Friday and Sunday AM, midnight and 2 am for 8 minutes, up from 6, 4 minutes each.

J&J will be fertilizing in 2 weeks. Our contract is for twice a year but we could increase to a third time if the board feels it would be necessary.

Yes, I am getting many "thank you's" for our gardening service. Jose himself now works on Saturdays as does his crew. He is very quick to react and is always positive.

Respectively submitted,

Jack Nevin

Mutual 14

GRF Representative Report

The new management committee structure is currently in place and our meetings are on Tuesdays and Thursdays of each month. The schedule can be found on the LWSB.com website and they are also listed in the newspaper.

The new CINC program is rolling out and once again information can be found in the above listed locations.

Leisure World Security is currently issuing parking tickets on all GRF Trust Streets (the ones with names). There are fines attached for violators.

The new gate access system is moving forward and more information will be forthcoming.

I would suggest if you are interested in GRF happenings that you watch the GRF meetings or come in person. Meetings are live streamed on the GRF website for those not able to attend.

Should you have any questions regarding GRF please don't hesitate to contact me as your representative.

Respectfully submitted,

Lee Meiody

REMINDER!

Mutual 14

Annual Picnic

**Wednesday, July 19th
11:30 a.m. to 2 p.m.
Clubhouse 1**



Hamburgers, hotdogs, cold drinks and paper goods are provided. Please bring a side dish, salad or dessert to share. Please have your side dishes at the picnic by

12 p.m.

***Bring your \$\$ for the Neighbor 2 Neighbor
50/50 raffle***

See you there!