

BUILDING NO: _____

BUILDING CAPTAIN'S APT: _____

**MINUTES OF THE REGULAR MONTHLY MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL THREE
November 10, 2016**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Three was called to order by President Rutledge at 9:15 a.m. on Friday, November 10, 2016, following an open forum for shareholders to comment and then the *Pledge of Allegiance*, in Conference Room A of the Administration Building.

Meeting rules – President Rutledge reminded those present to turn off their cell phones, no tape recording of the meeting, and all be courteous and respectful as issues are discussed.

ROLL CALL

Present: President Rutledge, Vice President Ginthner, Secretary Weaver, CFO Campbell, and Directors Harris, Lugenbeal, and Uzan, and Advisory Director Strawn

GRF Representative: Ms. Stone

Guests: Eight Mutual Three shareholders

Staff: Mr. Ankeny, Executive Director
Mr. Guerrero, Security Chief (9:41 a.m.)
Mr. Van Horn, Building Inspector
Ms. Day, Recording Secretary

President Rutledge welcomed the guests and staff to the meeting.

MINUTES

President Rutledge asked if there were any corrections to the Regular Meeting minutes of October 14, 2016. There being no corrections, the minutes were approved as printed.

President Rutledge asked if there were any corrections to the Special (Agenda) Meeting Minutes of November 1, 2016. There being no corrections, she declared them approved as written.

BUILDING INSPECTOR'S REPORT

Inspector Van Horn updated the Board on the activity in the Mutual (attached).

Inspector Van Horn left the meeting at 9:21 a.m.

GRF REPRESENTATIVE

Ms. Stone discussed activity on the GRF Board.

Ms. Stone left the meeting at 9:33 a.m.

OLD BUSINESS

The Board members discussed tree being planted at Building 31 and the west end of Building 35.

Vice President Ginthner discussed revised Policy 7425.3 – Garden Areas. Upon a MOTION duly made by Vice President Ginthner and seconded by Director Harris, it was

RESOLVED, To approve forwarding Policy 7425.3 – Garden Areas to the Mutual attorney for review.

The MOTION passed with three “no” votes.

NEW BUSINESS

Vice President Ginthner stated she is looking at a variety of trees for replacements at Buildings 12 and 13.

GUEST SPEAKER – Mr. Guerrero

Mr. Guerrero discussed Policy 7582 – Towing Vehicles and how the Board will handle the towing of vehicles in the Mutual.

Mr. Guerrero left the meeting at 10:09 a.m.

NEW BUSINESS (continued)

Following a discussion, and upon a MOTION duly made by President Rutledge and seconded by Vice President Ginthner, it was

RESOLVED, To authorize the GRF Executive Director or Mutual Administration Director to issue two (2) additional Guest Passes, in accordance with GRF Policy 5536.1-33. Each Guest Pass shall carry a unique identification number with a monthly report provided by the GRF Stock Transfer Office to the Mutual Board of Guest Passes issue noting the Shareholder/Member name as responsible party for the Guest.

The MOTION passed with one “no” vote.

NEW BUSINESS (continued)

Following a discussion, Director Harris stated that painting "STOP" signs at carports are postponed until the next Board Meeting.

Following a discussion, and upon a MOTION duly made by President Rutledge and seconded by Secretary Weaver, it was

RESOLVED, To accept the proposal to split the A and the B sides of the Mutual laundry rooms, meaning the A side (2 boards) for Mutual business, and the B side (1 board) for shareholder business, and to purchase the appropriate amount of replacement bulletin boards to accomplish that, not to exceed \$500.

The MOTION passed.

President Rutledge called a break at 11:00 a.m. to 11:15 a.m.

Following a discussion, and upon a MOTION duly made by President Rutledge and seconded by Vice President Ginthner, it was

RESOLVED, To renew Mutual Three's Mr. C's Towing Agreement for 2017.

The MOTION passed.

CHIEF FINANCIAL OFFICER'S REPORT

CFO Campbell is attaching the approved Mutual Three Operating Budget for 2017.

MUTUAL ADMINISTRATION DIRECTOR

In Ms. Hopkins absence, Mr. Ankeny updated the Board on GRF activity.

DIRECTOR COMMENTS

Director Harris reported he had 80 calls last month.

SHAREHOLDER COMMENT

One shareholder made a comment.

November 10, 2016

ADJOURNMENT

President Rutledge adjourned the meeting at 11:34 a.m. and announced that there would be an Executive Session following to discuss member issues.

Richard Weaver

Attest

Richard Weaver, Secretary
SEAL BEACH MUTUAL THREE
cd:11/17/16

NEXT MEETING: Thursday December 9, at 9:15 a.m.

To have the Mutual Three Board of Directors
minutes e-mailed to you monthly,
please send your request to:
linda@mutual3.com

**RESOLUTIONS IN THE REGULAR
MONTHLY MEETING OF NOVEMBER 10, 2016**

11/10/16 RESOLVED, To approve forwarding Policy 7425.3 – Garden Areas to the Mutual attorney for review.

RESOLVED, To authorize the GRF Executive Director or Mutual Administration Director to issue two (2) additional Guest Passes, in accordance with GRF Policy 5536.1-33. Each Guest Pass shall carry a unique identification number with a monthly report provided by the GRF Stock Transfer Office to the Mutual Board of Guest Passes issue noting the Shareholder/Member name as responsible party for the Guest.

RESOLVED, To accept the proposal to split the A and the B sides of the Mutual laundry rooms, meaning the A side (2 boards) for Mutual business, and the B side (1 board) for shareholder business, and to purchase the appropriate amount of replacement bulletin boards to accomplish that, not to exceed \$500.

RESOLVED, To renew Mutual Three's Mr. C's Towing Agreement for 2017.

NOTICE TO SHAREHOLDERS: The Board suggests use of the laundry rooms Monday through Friday before 12 noon and after 6:00 p.m. or on the weekends. This will save the Mutual on electrical costs.

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (03) THREE

INSPECTOR: Dave Van Horn

MUTUAL BOARD MEETING DATE: **NOVEMBER 10, 2016**

CONTRACTS	
CONTRACTOR	PROJECT
FENN TERMITE & PEST CONTROL	2015-2017
JOHNS LANDSCAPE SERVICE	1 YR 2016 MUTUAL THREE HAS SENT OUT BID PACKETS 10/2016
EMPIRE PIPE CLEANING	2014-2016

SPECIAL PROJECTS	
CONTRACTOR	PROJECT
5 A, SET UP TIME & DATE FOR WATER HEATER R/R	10/21/2016
17 I, SPECIAL INSPECTION	10/18/2016
19 H, CHECKED ON WORK, NO PERMIT ON FILE	10/27/2016 BOARD ACTION??

Seal Beach Mutual Three
Operating Budget
Year Ended December 31, 2017

432 Apartments	Average Monthly Per Apartment			Operating Budget In Dollars		
	2017	2016	Change	2017	2016	Change
Electricity	5.56	6.56	(1.00)	28,823	34,007	(5,184)
Water	12.42	13.67	(1.25)	64,385	70,865	(6,480)
Trash	8.04	7.94	0.10	41,679	41,161	518
Total Utilities	26.02	28.17	(2.15)	134,887	146,033	(11,146)
Management Fee	0.56	0.56	0.00	2,903	2,903	0
Legal Fees	2.32	1.16	1.16	12,027	6,013	6,014
Legal - Litigation	0.00	0.00	0.00	0	0	0
Investment Fees	0.00	0.08	(0.08)	0	415	(415)
Total Professional Fees	2.88	1.80	1.08	14,930	9,331	5,599
Custodial Services	0.77	0.77	0.00	3,992	3,992	0
Landscape - Contract	21.24	20.45	0.79	110,108	106,013	4,095
Landscape - Extras	2.40	2.40	0.00	12,442	12,442	0
Green Waste Bins	0.87	0.86	0.01	4,510	4,458	52
Bait Stations	0.17	0.17	0.00	881	881	0
Painting	0.50	0.20	0.30	2,592	1,037	1,555
Pest Control	1.08	1.09	(0.01)	5,599	5,651	(52)
Structural Repairs	2.31	0.77	1.54	11,975	3,992	7,983
Miscellaneous Services	0.65	0.50	0.15	3,370	2,592	778
Escrow Expense	0.00	0.00	0.00	0	0	0
Office Supplies	0.03	0.03	0.00	156	156	0
Standard Service	10.32	10.32	0.00	53,499	53,499	0
Total Services	40.34	37.56	2.78	209,124	194,713	14,411
State & Federal Taxes	0.60	0.25	0.35	3,110	1,296	1,814
Property & Liability Insurance	20.15	20.94	(0.79)	104,458	108,553	(4,095)
Total Taxes & Insurance	20.75	21.19	(0.44)	107,568	109,849	(2,281)
Operating Expenses	89.99	88.72	1.27	466,509	459,926	6,583
Income from Services						
Merchandise Sales	0.00	0.00	0.00	0	0	0
Laundry Machines	4.80	4.80	0.00	24,883	24,883	0
Total Services Income	4.80	4.80	0.00	24,883	24,883	0
Financial Income						
Interest Income	4.00	4.08	(0.08)	20,736	21,151	(415)
Interest Income Allocation	0.00	0.00	0.00	0	0	0
Gain / Loss in Investments	0.00	0.00	0.00	0	0	0
Other Taxable Income	0.00	0.00	0.00	0	0	0
Late Charges	0.20	0.14	0.06	1,037	726	311
Inspection Fees	4.73	4.73	0.00	24,520	24,520	0
Miscellaneous	0.07	0.07	0.00	363	363	0
Total Financial Income	9.00	9.02	(0.02)	46,656	46,760	(104)
Operating Income	13.80	13.82	(0.02)	71,539	71,643	(104)
Net Operating Cost	76.19	74.90	1.29	394,970	388,283	6,687
Reserve Funding	100.64	97.14	3.50	521,718	503,574	18,144
Capital Fund	1.00	0.50	0.50	5,184	2,592	2,592
Total Mutual Operating Costs	177.83	172.54	5.29	921,872	894,449	27,423
Allocated Trust Cost	144.69	144.15	0.54	750,073	747,274	2,799
Regular assessment	322.52	316.69	5.83	1,671,945	1,641,722	30,223

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 Three
Replacement Reserve Summary
 Budget Year 2017

While preparing the annual operating budget, the board reviews the conditions and assumptions regarding the common interest of the Mutual. This review consists of updating the replacement cost and remaining useful life of the Mutual's common interest property. This data is used to develop reserve requirements using the formula set forth in Civil Code 5570 (b) (4). The board expects to finance all replacements through regular assessments to the shareholders. Accordingly, the board does not plan any special assessments.

Component	Estimated			Reserve Funding			
	Useful Life	Remaining Life	Replacement Cost	Required Funding	Estimated Beg. Bal.	Planned 2017 Funding	Estimated % Funded
Paint	5 - 10	0 - 5	313,500	194,000	194,000	42,000	
Roof	25 - 30	0 - 20	3,325,000	2,586,083	1,758,811	180,006	
Infrastructure	1 - 20	0 - 13	2,081,950	526,836	397,606	171,552	
Total			5,720,450	3,306,920	2,350,418	393,558	83.0%

**MINUTES OF THE SPECIAL (AGENDA) MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL THREE**

November 1, 2016

A Special Meeting of the Board of Directors of Seal Beach Mutual Three was called to order by President Rutledge at 11:05 a.m. on Tuesday, November 1, 2016, in Building 5 Physical Property Conference Room.

Those members present were: President Rutledge, Secretary Weaver, CFO Campbell, and Directors Harris, and Lugenbeal. Vice President Ginthner and Director Uzan were absent

The purpose of the meeting was to discuss agenda items for the November 10, 2016, Regular Monthly Board Meeting.

President Rutledge adjourned the meeting at 12:05 p.m.



Attest

Richard Weaver, Secretary
SEAL BEACH MUTUAL THREE

ka:11/02/16