

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIFTEEN
March 19, 2018
Meeting begins at 9:00 a.m.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE
2. SHAREHOLDER COMMENTS (2-3 minutes per shareholder. Agenda items only)
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):
 - Mr. Crossley, GRF Representative.
 - Ms. Miller, Director of Finance
 - Ms. Hopkins, Mutual Administration Director
 - Mr. Antisdell, Building Inspector
 - Ms. Pandit, Recording Secretary
5. APPROVAL OF MINUTES:
Regular Meeting Minutes of February 20, 2018
6. BUILDING INSPECTOR'S REPORT Mr. Antisdell
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (p. 3)
7. GRF Representative Mr. Crossley
8. **GUEST SPEAKER – Director of Finance** **Ms. Miller**
 - a. Review and Acceptance of the draft 2017 Audited Financial Statements (p. 5)
9. **UNFINISHED BUSINESS**
 - a. Ratify rescinded/posted Policy 7701 – Personal Property Insurance and ratify adopted/posted Policy 7701.15 – Personal Property Insurance (p. 7-9)
10. **NEW BUSINESS**
 - a. Appointment of Merger Committee (p. 11)
 - b. Appointment of Fire Inspection Committee (p. 13)
 - c. Discuss rescinding Policy 7410 – Fire & Safety Inspections and adopting Policy 7410.15 – Fire & Safety Inspections (p. 15-19)
 - d. Painting/Improving of mailboxes in Breezeways
 - e. Beautification of Carports
 - f. Discussion regarding Physical Property Hotline
 - g. Approve the Anguiano Lawn Care (formerly John's Landscape) Contract (p. 21)

STAFF SECRETARY BREAK 11:00 a.m.

(Wednesday, March 14, 2018 ka)

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Mutual Corporation No. Fifteen

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: REVIEW AND ACCEPTANCE OF THE DRAFT 2017 AUDITED FINANCIAL STATEMENTS (GUEST SPEAKER ITEM A)
DATE: MARCH 19, 2018
CC: MUTUAL FILE

On March 19, 2018, Ms. Miller, Director of Finance, will review the Financial Statements as of the year ending December 31, 2017, by the Independent Accountant's Report as submitted by CliftonLarsonAllen (CLA).

I move to accept that the Board of Directors of Seal Beach Mutual Fifteen, upon a presentation of the Financial Statements as of December 31, 2017, for the year then ended, and the proposed Accountant's Report as submitted by CliftonLarsonAllen (CLA), hereby accepts the above mentioned Financial Statements and reports therein, and to authorize the President to sign the Management Representation Letter.

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Mutual Corporation No. Fifteen

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: RATIFY RESCINDED/POSTED POLICY 7701 – PERSONAL PROPERTY INSURANCE AND RATIFY ADOPTED POSTED POLICY 7701.15 – PERSONAL PROPERTY INSURANCE (UNFINISHED BUSINESS ITEM A)
DATE: MARCH 19, 2018
CC: MUTUAL FILE

At the January 16, 2018, Board meeting Policy 7701 – Personal Property Insurance was rescinded and Policy 7701.15 – Personal Property Insurance (attached) was adopted and the 30-day posting requirement has been met.

I move to ratify rescinded/posted Policy 7701 – Personal Property Insurance and ratify adopted Policy 7701.15 – Personal Property Insurance.

MUTUAL OPERATIONS**RESCIND MUTUAL FIFTEEN****PHYSICAL PROPERTY****Personal Property Insurance - Mutual Four, Eight, and Fifteen Only**

Effective April 1, 2009, Mutuals Four, Eight, and Fifteen shareholders, whether residing in their apartment or not, shall carry personal property insurance to cover the personal contents of their apartment, to cover any damage to their apartment for which they are responsible, and to cover any damage, for which they are responsible, to adjacent apartments.

The following paragraph replaces paragraph one for Mutual Four only:

Effective January 2, 2010, Mutual Four shareholders, whether residing in their apartment or not, shall carry personal property insurance to cover the personal contents of their apartment, to cover any damage to their apartment for which they are responsible, and to cover any damage, for which they are responsible, to adjacent apartments.

The Golden Rain Foundation and Mutual Corporation are not responsible for personal property, or damage to personal property stored or parked on the street or in the carport, such as vehicles and other property stored in or under the storage cabinets.

Shareholder shall obtain sufficient coverage for additional living expenses should the shareholder be unable to occupy their apartment while repairs are made to their apartment.

Shareholder shall obtain personal liability insurance in an amount sufficient for the indemnification of other persons who may be injured on their property. If shareholder owns a pet, \$300,000 in personal liability coverage is recommended. If shareholder does not own a pet, it is recommended that the personal liability coverage be \$200,000.

Shareholder should consider obtaining sufficient coverage to insure the value of any artwork, jewelry, antiques or other items that would not normally be covered by an average policy for personal property.

Upon obtaining personal property insurance, and upon annual renewal of the policy, Shareholder shall provide proof of insurance to the Stock Transfer Office in the form of the policy declarations page.

MUTUAL ADOPTION

Four:	10 Nov 09
Six:	25 May 10 (See Policy 7586.G.6)
Eight:	28 Sept 09
Twelve:	14 May 09 (See Policy 7701.12)
Fifteen:	17 Aug 09

MUTUAL OPERATIONS**ADOPT DRAFT****PHYSICAL PROPERTY****Personal Property Insurance - Mutual Fifteen**

Effective April 1, 2009, Mutual Fifteen shareholders, whether residing in their apartment or not, shall carry personal property insurance to cover the personal contents of their apartment, to cover any damage to their apartment for which they are responsible, and to cover any damage, for which they are responsible, to adjacent apartments.

Effective January 2, 2010, Mutual Fifteen shareholders, whether residing in their apartment or not, shall carry personal property insurance to cover the personal contents of their apartment, to cover any damage to their apartment for which they are responsible, and to cover any damage, for which they are responsible, to adjacent apartments.

The Golden Rain Foundation and Mutual Corporation are not responsible for personal property, or damage to personal property stored or parked on the street or in the carport, such as vehicles and other property stored in or under the storage cabinets.

Shareholder shall obtain sufficient coverage for additional living expenses should the shareholder be unable to occupy their apartment while repairs are made to their apartment.

Shareholder shall obtain personal liability insurance in an amount sufficient for the indemnification of other persons who may be injured on their property. If shareholder owns a pet, \$300,000 in personal liability coverage is recommended. If shareholder does not own a pet, it is recommended that the personal liability coverage be \$200,000.

Shareholder should consider obtaining sufficient coverage to insure the value of any artwork, jewelry, antiques or other items that would not normally be covered by an average policy for personal property.

MUTUAL ADOPTION**FIFTEEN:**

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Mutual Corporation No. Fifteen

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPOINTMENT OF MERGER COMMITTEE (NEW BUSINESS ITEM A)
DATE: MARCH 19, 2018
CC: MUTUAL FILE

I would like to appoint: _____, (Chair) _____

_____ to the Merger Committee.

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Mutual Corporation No. Fifteen

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPOINTMENT OF FIRE INSPECTION COMMITTEE (NEW BUSINESS ITEM B)
DATE: MARCH 19, 2018
CC: MUTUAL FILE

I would like to appoint: _____, (Chair) _____

_____ to the Fire Inspection Committee.

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Mutual Corporation No. Fifteen

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: DISCUSS RESCINDING POLICY 7410 – FIRE & SAFETY INSPECTIONS AND
ADOPTING POLICY 7410.15 – FIRE & SAFETY INSPECTIONS
(NEW BUSINESS ITEM C)
DATE: MARCH 19, 2018
CC: MUTUAL FILE

On January 15, 1973, Policy 7410 – Fire & Safety Inspections was adopted by the Mutual Board of Directors.

At the March 19, 2018, the Board of Directors will rescind Policy 7410 – Fire & Safety Inspections and adopt Policy 7410.15 – Fire & Safety Inspections.

I move to rescind Policy 7410 – Fire & Safety Inspections and adopt Policy 7410.15 – Fire & Safety Inspection on a preliminary basis until the 30-day posting period is completed.

MUTUAL OPERATIONS**RESCIND MUTUAL FIFTEEN****PHYSICAL PROPERTY****Apartment Fire/Safety Inspection****Annual Inspection:**

WHEREAS, The Board of Directors of this Corporation is bound by the terms of a Regulatory Agreement with FHA/HUD to maintain the physical structure of the apartment building in the Mutual in good repair and in such condition as will preserve the health and safety of its occupants,

WHEREAS, The Occupancy Agreement between each Stockholder and the Corporation provides that the Board may make an inspection of the dwelling unit at any reasonable hour of the day, and

WHEREAS, It is the desire of this Board that such situations be discovered and rectified before harm can come to residents or to the structure; now, therefore, be it

RESOLVED, That the Golden Rain Foundation Community Facilities Manager is authorized and instructed to institute an annual Fire/Safety Inspection of the dwelling units of this Corporation, using appropriate City and County Health, Fire and Building Codes as a basis for developing a checklist of possible violations, and assigning staff members from Physical Property, Security and/or other appropriate departments to work with members of this Board in conducting such an inspection.

RESOLVED FURTHER, that violations of City or County Codes shall be reported by the Golden Rain Foundation Community Facilities Manager to the appropriate City or County agency for such remedial action as is provided under the Code.

Biennial Inspection:

RESOLVED, That the resolution adopted by this Mutual on (see below) authorizing the institution of an Annual Fire/Safety Inspection of Mutual apartments be amended to read "...the Golden Rain Foundation Community Facilities Manager is authorized and instructed to institute a biennial Fire/Safety Inspection of the dwelling units of this Corporation..."

(Oct 17)

MUTUAL OPERATIONS**RESCIND MUTUAL FIFTEEN****PHYSICAL PROPERTY**Apartment Fire/Safety Inspection

<u>Mutual</u>	<u>Annual Inspection</u>	<u>Biennial Inspection</u>
ONE	01-22-87, 04-23-15***	
TWO	05-15-75 , 04-19-79	
THREE	02-20-73 , 11-14-86 , 08-11-17****	
FOUR	12-04-72 , 12-01-86	
FIVE	12-20-72 , 02-19-75 (See Policy 7410.05 – Feb 17)	
SIX	12-08-72 , 12-05-86	
SEVEN	01-19-73 , 10-19-07**	02-21-75
EIGHT	12-11-72 , 11-24-86	
NINE	01-08-73 , 02-10-75 (See Policy 7410.09 – June 2016)	
TEN	11-20-72 , 02-27-75	
ELEVEN	12-21-72 , 03-20-75	
TWELVE	(See Policy 7410.12)	
FOURTEEN	12-08-72 , 11-21-86	03-31-89
FIFTEEN	01-15-73 , 02-03-75	
SIXTEEN	1972, 09-18-00*	02-13-75
SEVENTEEN	(See Policy 7410.17)	

*In 1972, Mutual Sixteen had annual Inspections; in 1975, the Mutual changed to biennial inspections and, in 2000, the Mutual reverted back to annual inspections.

**On 10-19-07, Mutual Seven reverted back to annual inspections. (Nov. 24, 2014)

***Mutual One will have the fire/safety inspections in Buildings 1 through 35 every odd year and in Buildings 36 through 70 every even year, to begin in 2015.

****In 1974, Mutual Three had annual Inspections, in 1986, the Mutual changed to biennial inspections and, on August 11, 2017, the Mutual reverted to annual inspections.****

(Oct 17)

MUTUAL OPERATIONS**ADOPT DRAFT****PHYSICAL PROPERTY****Apartment Fire/Safety Inspection - Mutual Fifteen****Annual Fire/Safety Inspection:**

- 1) The Board of Directors of the Mutual Corporation is required to maintain the physical structure of each apartment building and carport in good repair.
- 2) The Occupancy Agreement between the shareholder and the Mutual Corporation provides that an apartment or carport may be inspected at any reasonable hour of the day. The inspection shall be conducted by one Mutual Director and a Golden Rain Foundation Physical Property Inspector.
- 3) The Physical Property Supervisor shall prepare an annual inspection schedule every year which lists the assigned inspector's name, start date, year (odd/even), items to be inspected, estimated days needed, the number of buildings and carports to be inspected, and any other pertinent information.
 - a) Shareholders will be notified in writing at least three (3) days prior to the date their apartment and carport will be inspected.
- 4) The Physical Property Inspector shall prepare an Inspection Report for each apartment and carport to be inspected and the Mutual President shall assign a Director to accompany the Physical Property Inspector to inspect each apartment and carport.
 - a) If the Inspection Report is clean, meaning there are no City or County violations that need to be corrected, the report shall be returned to the Physical Property Department and filed.
 - b) If the Inspection Report contains violations of City or County codes that are the shareholder's responsibility, the Physical Property Inspector will advise the shareholder, in writing, of the violation(s) to be corrected and establish a re-inspection date.
 - c) If the Inspection Report contains violations of City or County codes that are the Mutual's responsibility, the Mutual Director will generate a work order to correct the violations.

MUTUAL OPERATIONS**ADOPT DRAFT****PHYSICAL PROPERTY****Apartment Fire/Safety Inspection - Mutual Fifteen**

- 5) On the established re-inspection date, the Physical Property Inspector and Mutual Director shall re-inspect the apartment or carport. If the shareholder has not corrected the violation(s) as listed on the report, the Physical Property Inspector will advise the Mutual Board which, in turn, may take the following suggested action(s):
- a) Take immediate action to eliminate the fire/safety violation(s) in the apartment or carport at the shareholder's expense. If the shareholder refuses to proceed or pay to have the violation(s) corrected, the President shall proceed with the actions listed under paragraph (5) (b).
 1. The alleged violations(s) in the apartment or carport may be photographed or videotaped by the Physical Property Inspector or Safety/Emergency Coordinator, if necessary.
 - b) After informing the Administrative Services Manager in writing of the violation(s), and the shareholder's refusal to correct the violation(s), the Mutual Administration Manager will write a letter to the shareholder advising them that they have ten (10) days to eliminate the safety/fire hazard, and that a 2nd re-inspection will occur on the 10th day.
- 6) On the 2nd re-inspection, the Physical Property Inspector and Mutual Director will advise the Mutual Administration Manager and Physical Property Department if the violation(s) have been corrected.
- a) If the violation(s) are not corrected after the 2nd re-inspection, the Mutual Administration Manager will advise the Mutual Board and the Mutual Board may proceed to follow the actions of *Regulation 7590.2, Notice to Quit, Of Default and Termination of Occupancy Agreement*.

ANNUAL DOPTION DATE**AMENDED**

Fifteen 01-15-73

02-03-75

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Mutual Corporation No. Fifteen

MEMO

TO: MUTUAL BOARD OF DIRECTORS
FROM: MUTUAL ADMINISTRATION
SUBJECT: APPROVE THE ANGUIANO LAWN CARE (FORMERLY JOHNS LANDSCAPE)
CONTRACT (NEW BUSINESS ITEM G)
DATE: MARCH 19, 2018
CC: MUTUAL FILE

I move to approve the \$2,500 increase in the total monthly contract price for Anguiano Lawn Care (formerly Johns Landscape) for the total monthly cost of \$15,713.50, to be paid for the remainder of the contract ending in December 2019