

**MINUTES OF THE REGULAR MONTHLY MEETING  
OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL TWELVE  
October 8, 2015**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by President Welch at 9:01 a.m. on Thursday, October 8, 2015, followed by the *Pledge of Allegiance*, in the Administration Building Conference Room A.

**ROLL CALL**

Present: President Welch, Vice President/CFO Ferraro, Secretary Findlay, and Directors Thomas, Fluharty, and Anderson

Absent: Director Jaeger-Hudson

GRF Representative: Mrs. Damoci

Guests: Ten shareholders of Mutual Twelve

Staff: Mrs. Weller, Mutual Administration Director  
Ms. Miller, GRF Controller (9:55 a.m.)  
Mr. Salazar, Building Inspector  
Mrs. Westphal, Recording Secretary

President Welch welcomed guests and staff to the meeting.

**SHAREHOLDERS' COMMENTS**

President Welch invited shareholders present to speak to the Board.

**GOLDEN RAIN FOUNDATION REPRESENTATIVE'S REPORT**

GRF Representative Damoci presented her report (attached). The *Recap of the GRF Board Meeting* and the *Committee Chair Reports* attached to the GRF Board minutes may be read in *The NEWS*.

**MINUTES**

There being no corrections to the minutes of the Regular Monthly Meeting of September 10, 2015, upon a MOTION duly made by Secretary Findlay and seconded by Vice President/CFO Ferraro, the minutes were declared approved as written.

**BUILDING INSPECTOR'S REPORT**

Building Inspector Salazar reviewed his written report summary (see attached).

Inspector Salazar said that the painting is going well and upon an inspection, he made note of all areas of touch-up work.

**BUILDING INSPECTOR'S REPORT (continued)**

Inspector Salazar said the sewer re-pipe project is on hold for now, rain gutter installation is in process, and turf repairs are ongoing.

He reported that the contractor for grounds and sprinkler restoration at Units 64-C and 60-A is ready to meet with the Board and Inspector Salazar will set up this meeting.

Following a discussion, and upon a MOTION duly made by Secretary Findlay and seconded by Director Anderson, it was

RESOLVED, To amend Policy 7494.12 – Decorative Exterior Wall Finishes and Gates on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Secretary Findlay and seconded by Director Anderson, it was

RESOLVED, To amend Policy 7495 – Bay Windows on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Secretary Findlay and seconded by Vice President/CFO Ferraro, it was

RESOLVED, To amend Policy 7496.12 – Building Exterior and Common Area Modifications on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

Following a discussion, and upon a MOTION duly made by Secretary Findlay and seconded by Vice President/CFO Ferraro, it was

RESOLVED, To approve \$135 per carport trash bin end, up to 15, for bolting wheel stops where the wall is being broken when the trash bins are pushed into the wheel stops.

The MOTION failed due to a roll call vote tie (“yes” votes: Ferraro, Findlay, Fluharty/”no” votes: Welch, Thomas, Anderson).

Building Inspector Salazar left the meeting at 10:10 a.m.

**GUEST SPEAKER – Carolyn Miller**

(The recording secretary left the meeting for a break at 10:10 a.m. – 10:25 a.m.)

Ms. Miller presented the Mutual Ten 2016 Operating Budget to the Board members.

Upon a MOTION duly made by Vice President/CFO Ferraro and seconded by Director Anderson, it was

RESOLVED, To accept the 2016 Operating Budget for Mutual Twelve of \$1,792,361, resulting in a regular monthly assessment of \$330.45 per apartment per month, for an increase of \$24.77 per month over the total regular assessment of 2015, as presented, and to adopt this budget forthwith.

The MOTION passed with a roll call vote of the Board members (“yes” votes: Welch, Ferraro, Findlay, Thomas, Anderson/”no” votes: Fluharty).

Ms. Miller left the meeting at 10:31 a.m.

Following a discussion, and upon a MOTION duly made by Vice President/CFO Ferraro and seconded by Secretary Findlay, it was

RESOLVED, To transfer the GRF 2014 refund of \$47,897 from the Operating Reserve Account to the restricted Infrastructure Reserve Account to be applied to the 2016 budget year and therefore is included in the projected beginning balance as of January 1, 2016, as per the Reserve Study dated August 20, 2015.

The MOTION passed with a roll call vote of the Board members (“yes” votes: Welch, Ferraro, Findlay, Thomas, Anderson/”no” votes: Fluharty).

**MUTUAL ADMINISTRATION DIRECTOR’S REPORT**

Mrs. Weller presented her report (attached).

**EMERGENCY PREPAREDNESS COORDINATOR’S REPORT**

Emergency Preparedness Coordinator David Nell presented his report (attached).

**ANNOUNCEMENTS**

President Welch announced that there will be a Mutual and GRF Board Training Seminar on December 7, 2015, Clubhouse Two, 9:00 a.m. – 4:00 p.m. The topics of discussion are Fair Housing, rules and regulations, IDR and ADR, and Alzheimer’s and dementia (communication tips).

**ANNOUNCEMENTS (continued)**

President Welch announced that on October 16 the Landscape Council will have a presenter talking about plants. Also, he has an August and September sales report if anyone is interested in seeing it.

Director Anderson reported that shareholders' doors (non-standard) and aluminum window frames may be painted on weekends at the shareholder's cost.

**OLD BUSINESS**

Following a discussion about some minor changes to Policy 7731.12 – Internal Dispute Resolution – IDR, and upon a MOTION duly made by Vice President/CFO Ferraro and seconded by Secretary Findlay, it was

RESOLVED, To ratify Policy 7721.12 – Internal Dispute Resolution – IDR.

The MOTION passed.

**NEW BUSINESS**

Some items of New Business were discussed under the Building Inspector's Report.

Following a discussion, and upon a MOTION duly made by Secretary Findlay and seconded by Vice President/CFO Ferraro, it was

RESOLVED, To amend Policy 7701.1.12 – Personal Liability and Property Insurance on a preliminary basis until the 30-day posting period is completed.

The MOTION passed.

Vice President/CFO Ferraro reported that on May 26, 2015, the Board authorized Class One Arboriculture to prepare a comprehensive evaluation assessment and inventory report on Mutual Twelve trees due to the new requirement that the Mutual Corporation have a "certified" arborist to determine the necessary maintenance of all trees on Mutual property. The \$5,000 fee was approved and expensed in the 2015 budget Landscape Extras.

In reviewing the budget, this expenditure is an off-budget item and can be categorized as an Emergency/Contingency (defined as: a chance happening or concurrent of events) expenditure to comply with current legal requirements on trees within a community interest development.

Upon a MOTION duly made by Vice President/CFO Ferraro and seconded by Secretary Findlay, it was

**NEW BUSINESS (continued)**

RESOLVED, To transfer the Class One Arboriculture charge of \$5,000 from the 2015 operating budget Landscape Extras Account to the restricted Emergency/Contingency Reserve Account.

The MOTION passed.

**PRESIDENT'S REPORT**

President Welch submitted a report to be attached to the minutes.

**CFO'S REPORT**

Vice President/CFO Ferraro submitted a report to be attached to the minutes.

**SECRETARY'S REPORT**

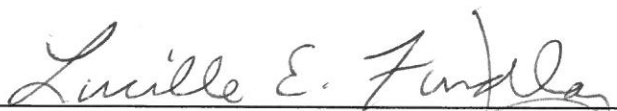
Secretary Findlay submitted a report to be attached to the minutes.

**EXECUTIVE SESSION**

Member issues were discussed in Executive Session.

**ADJOURNMENT**

President Welch adjourned the meeting at 11:50 a.m. and announced that following there would be an Executive Session to discuss member issues.

  
Attest, Lucille Findlay, Secretary  
SEAL BEACH MUTUAL TWELVE

pw:10/14/15  
Attachments

**(These are tentative minutes, subject to approval by the Board of Directors at the next Regular Board of Directors Meeting.)**

**NEXT MEETING: NOVEMBER 12, 2015**

**RESOLUTIONS IN THE REGULAR  
MONTHLY MEETING OF OCTOBER 8, 2015**

10/8/15 RESOLVED, To amend Policy 7494.12 – Decorative Exterior Wall Finishes and Gates on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To amend Policy 7495 – Bay Windows on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To amend Policy 7496.12 – Building Exterior and Common Area Modifications on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To accept the 2016 Operating Budget for Mutual Twelve of \$1,792,361, resulting in a regular monthly assessment of \$330.45 per apartment per month, for an increase of \$24.77 per month over the total regular assessment of 2015, as presented, and to adopt this budget forthwith.

RESOLVED, To transfer the GRF 2014 refund of \$47,897 from the Operating Reserve Account to the restricted Infrastructure Reserve Account to be applied to the 2016 budget year and therefore is included in the projected beginning balance as of January 1, 2016, as per the Reserve Study dated August 20, 2015.

RESOLVED, To ratify Policy 7721.12 – Internal Dispute Resolution – IDR.

RESOLVED, To amend Policy 7701.1.12 – Personal Liability and Property Insurance on a preliminary basis until the 30-day posting period is completed.

RESOLVED, To transfer the Class One Arboriculture charge of \$5,000 from the 2015 operating budget Landscape Extras Account to the restricted Emergency/Contingency Reserve Account.

**SPECIAL MEETING ANNOUNCEMENTS AND AGENDAS  
ARE POSTED IN LAUNDRY ROOM 57 (D SIDE).  
FOR INFORMAL INDIVIDUAL NOTICE OF SPECIAL MEETINGS,  
CONTACT SECRETARY FINDLAY.**

**1. MUTUAL ESCROW ACTIVITY: See Attachment**

**2. PERMITTED CONSTRUCTION ACTIVITY: See Attachment**

**3. MUTUAL PROJECTS:**

- Ground Vault, Grates & Walkway Posts Paint: On hold until after exterior painting project
- Irrigation Controls Installation – Applying for SoCal Water\$mart Rebate: Clarification per proposal price for Controller D wiring
- Exterior Paint Project: Start date begins Monday, 8/24/2015: Change order: Start Date September 2, 2015. Buildings 6, 7 & 8; 9, 10 & 11; 34, 35 & 36; 37, 38 & 39; have been completed and inspected
- Sewer Maintenance & Re Pipe: Proposed price of \$40,000 for sewer re lining at buildings:
  - 34 at 20' for \$8,000
  - 36 at 30' for \$12,000
  - 40 at 25' for \$10,000
  - 65 at 25' for \$10,000
- Gutter Installation: Start Date: September 2, 2015. Buildings 6, 7 & 8; 9, 10 & 11 are receiving gutters/downspouts in concert with Hutton painting

**4. CONTRACTS**

- Ground vault, grates & walkway posts sleeves awarded to: Walkway lights post sleeves awarded to Service Maintenance Department
- Irrigation controls installation awarded to: S.C. Yamamoto
- Exterior paint project awarded to Hutton
- Sewer maintenance and re pipe awarded to: PENDING
- Gutter installation awarded to: Roofing Standards

**5. MUTUAL REQUESTS/VISITS**

**6. SPECIAL INSPECTIONS**

- 

**7. FIRE INSPECTIONS**

- Tentatively Scheduled for July-August of 2017

**8. PHYSICAL PROPERTIES MAINTENANCE INSPECTIONS**

- Pending



Mutual 12 Escrow Activity		Date	Documentation
<b>New Member Inspections (NMI)</b>			
<b>Pre Listing Inspections (PLI)</b>			
8J		8/6/2015	
59H		8/7/2015	
11B		9/2/2015	
67C		9/14/2015	
34L		9/14/2015	
61H		9/15/2015	
71E			
76D		9/29/2015	
62L		9/30/2015	
77K		9/24/2015	
<b>New Buyer Oreintaitons (NBO)</b>			
11B		9/11/2015	
6H		9/15/2015	
70J		9/29/2015	
34L		10/2/2015	
<b>Final Inspections (FI)</b>			
72E		8/6/2015	
56C		8/10/2015	
8F		8/28/2015	
11B		9/11/2015	
6H		9/22/2015	<u>M12 6H FI Docs</u>
<b>Final COE Inspections (FCOEI)</b>		<b>COE Date</b>	
72E		9/8/2015	<u>M12 72E COE ROF Docs</u>
11J		9/8/2015	<u>M12 11J COE ROF Docs</u>
11B		9/28/2015	
<b>Release of Funds (ROF)</b>			
11J		9/8/2015	<u>M12 11J ROF Docs</u>
72E		9/8/2015	
37A		9/17/2015	<u>M12 37A ROF Docs</u>
11B		10/8/2015	
<b>Mutual 12 Escrow Activity</b>		<b>Date</b>	<b>Documentation</b>

Mutual 12 Permit Activity Log 2015 Week 41		Contractor Requirements for Projects <\$4,999.99	Contractor Requirements for Projects >\$5,000.00	Mutual Policies per Construction Activities						GRF Permit-Required List
Color Legend:										
Planned										
Completed										
Building Units	Job Scope	Contractor	Plan Review Submitted	Permit Application Date	Start Date	Ground Inspection	Rough Inspection	Final Inspection	Change Orders	Due Date & Actual Completion Date
36D	Awning Installation	AAA Awnings	Yes	7/8/2015	8/7/2015					8/7/2015 & On Hold Until After Painting Project
55J	Awning Installation	AAA Awnings	Yes	7/10/2015	8/8/2015					8/8/2015 & On Hold Until After Painting Project
76G	Heat Pump Replacement	Greedwood HVAC	Yes	7/20/2015	7/24/2015			10/9/2015 Pending	No	9/10/2015 & 10/9/2015
41D	Washer and Dryer Installation	Bergvist Construction	Yes	7/20/2015	9/28/2015	9/30/2015		10/8/2015	No	10/18/2015 & 10/3/2015
Building Units	Job Scope	Contractor	Plan Review Submitted	Permit Application Date	Start Date	Ground Inspection	Rough Inspection	Final Inspection	Change Orders	Due Date & Actual Completion Date
44G	Heat Pump Replacement	Greedwood HVAC	Yes	9/14/2015	10/5/2015					12/20/2015 &
66C	Electrical Outlet Installation	Ogan Construction	Yes	9/30/2015	9/29/2015					9/31/2015 &
65B	Heat Pump Replacement	Greedwood HVAC	Yes	9/28/2015	10/15/2015					1/1/2016 &
67D	Heat Pump Install	Greedwood HVAC	Yes	9/28/2015	10/22/2015					1/30/2016 &
37A	Bathroom Upgrade	Premium Remodeling	Yes	10/9/2015	10/15/2015					11/09/2015 &
34B	Carport Cabinet Instal	Greco	Yes	10/6/2015	10/10/2015					10/20/2015 &

Carole Damoci  
Mutual 12 Representative  
October 8<sup>th</sup>, 2015

We will begin the wall behind the nursing home in the next few weeks. The wall along the channel behind the RV lot will be done after that. This leaves the Westminster Blvd. wall. It's scheduled to be built next year but I don't think it will be started till 2017.

The Amphitheater Thursday night shows have ended. As the sub-committee on entertainment, Larry Blake, GRF Representative from Mutual 1, and I have picked the entertainment for the past 2 years and had been named to do that for next summers' shows also. Unfortunately Larry passed away 4 days after the last show. He will be very much missed. Paula Snowdon, Director from Mutual 2, has stepped up to help me next season. We've already had our first meeting.

We're still looking at the possibility of having a dog park inside the walls of Leisure World behind clubhouse 2 and will be researching it further.

We're looking forward to having a fall festival the end of October. Look for the information in today's newspaper.

The budget season is in full swing. The GRF needs to up their assignments by \$4.32 for 2016. From 2009 till 2016 we've only raised the assignment an average of 1% a year.

As always, if there is anything I can do for you, or if you have any questions, please feel free to contact me.

Respectfully submitted,  
Carole S. Damoci  
562-405-4965



*It's Fall in Our Hometown*

# The Mutual Administration Director's Report

Carol Weller

Fall is here.....but it's still soooooo hot!



Reduce exercise.....

Drink plenty of liquids - Please watch out for yourself, your neighbors and your pets Drink plenty of water and stay out of the heat.

Hot Weather



brings out



thirsty- hungry



critters:



Please keep dog food and water bowls inside and not on you patio.



**The Leisure World Globe** is the sum of our parts....

who we are and where we come from. It is a beacon standing sentry over our lives within these walls; representing our voices and our place in the world. The GRF Board of Directors has voted to send the globe project forward to the finish line.

## Liability Insurance is your Responsibility



Fire



Water Damage



Natural Disaster

If you are uninsured and it is determined that you are the cause of a fire or water damage resulting in large scale serious damage to your apartment, or your neighbor's apartment or to the structure of the building or surrounding buildings, and common areas, you may be held financially responsible for those losses.

**THE MUTUAL INSURANCE DEDUCTIBLE IS \$50,000.00**

Practice fire safety....stove-top fires can be deadly and devastating to those persons involved, as well as very costly. A pot or pan left carelessly on an active burner can cause damage to an entire building and its surroundings.

## EMERGENCY PREPAREDNESS REPORT – David Nell

The Great California Shakeout is October 15, 2015, at 10:15 a.m. President Welch assigned Ms. Findlay and Ms. Ferraro to assist me with duties on Shakeout Day. With their help, the instructions for the Building Captains were prepared and organized into packages and delivered to the Mutual Twelve Parcel Directors on October 6. Each package contains instructions for Building Captains, all shareholders of Mutual Twelve, and the Directors. Remember that each shareholder is responsible for meeting his or her needs in case of a real disaster.

An emergency preparedness radio training meeting was attended by five Directors, the Mutual Emergency Preparedness Council Chair Ms. Kuhl, and me on September 30. We each brought our Mutual Twelve-provided walkie/talkie radio. We learned how to use the radio and how to program it. The radio will be used to communicate with the Radio Club personnel to report the Disaster Inspection Report (DIR) data detailing fires, infrastructure damage, and persons injured.

### Leisure World Mutual Emergency Preparedness Council (EPC)

On October 2, 2015, I attended a meeting of EPC representatives from the Leisure World Mutuels. We were asked to report what we were going to do for the Shakeout practices on October 15. I was very surprised to hear the various activities and to learn that many Mutuels do not have Building Captains. All agreed that the Disaster Inspection Reports are very important because of lawsuits that may be filed in the case of a real disaster.

Our next meeting is on November 6, 2015, at 10:00 a.m. An outline of an emergency preparedness manual to assist Mutuels that are reorganizing their emergency procedures is the primary agenda item.

Respectfully submitted,

David Nell



## EMERGENCY SUPPLY CHECKLIST

Stocking up now on emergency supplies can add to your safety and comfort during and after an earthquake. Store enough supplies for at least 72 hours.

### Survival

- Water — 1 gallon per person per day
- First aid kit, freshly stocked
- First aid book
- Food (packaged, canned, no-cook, baby food, special diets)
- Can opener (non-electric)
- Blankets or sleeping bags
- Portable radio, flashlight and spare batteries
- Essential medications, spare eyeglasses
- Fire extinguisher — A-B-C type
- Cash and change
- Food and water for pets
- Baby supplies: formula, bottle, pacifier, Soap and baby powder, clothing, blankets, baby wipes, disposable diapers, canned food and juices

### Tools and Supplies

- Axe, shovel, broom
- Adjustable wrench for turning off gas
- Tool kit including a screwdriver, pliers and a hammer
- Coil of 1/2" rope
- Plastic tape, staple gun and sheeting for window replacement
- Bicycle
- City map

### Safety and Comfort

- Sturdy shoes
- Heavy gloves for clearing debris
- Light sticks
- Change of clothing
- Knife or razor blades
- Garden hose for siphoning and firefighting
- Tent
- Communication kit: paper, pens, stamps

### Cooking

- Plastic knives, forks, spoons
- Paper plates and cups
- Paper towels
- Heavy-duty aluminum foil
- Camping stove for outdoor cooking (caution: before using fire to cook, make sure there are no gas leaks; never use charcoal indoors)

### Sanitation Supplies

- Large plastic trash bags for waste; tarps and rain ponchos
- Large trash cans
- Bar soap and liquid detergent
- Shampoo
- Toothpaste and toothbrushes
- Feminine hygiene supplies
- Toilet paper
- Household bleach



For additional information, contact the OCFA/Community Relations and Education Section at 714-573-6200. Or visit the OCFA website at [www.ocfa.org](http://www.ocfa.org)

## **MUTUAL 12 PRESIDENT'S REPORT**

**OCTOBER 8, 2015**

**JOE WELCH, PRESIDENT**

Painting is moving along pretty much on schedule. We're doing our best to catch up with rain gutters.

Those of you who are cooperating with flowerbed cut backs and flowerbed tree removals are a great help to getting the job done.

For those who have been wondering when Mutual green belt trees that have had to be removed will be replaced, we plan to start planting the first part of January 2016. Our new arborist, James Korman says that is a good time and we will have money in our Tree Account.

So far shareholders have been asking for trees that will cause the same problems for shareholders 15 to 20 years from now that the trees we're taking out are causing us.

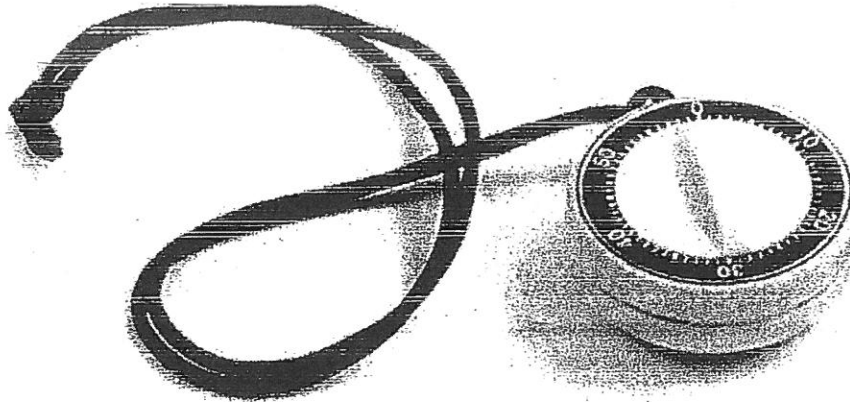
- Almost \$3,000 to grade a green belt area raised by a tree so rain water runs toward the walkway instead of the apartments.
- \$40,000 to line root filled common area sewers.
- Thousands of dollars for removing trees. Several were threatening foundations.
- Costly root barriers to save a few trees.

We're counting on Class One Arboriculture to help us plant the right trees for the future of Mutual 12.

## Rope Timer Available Again.

Call Purchasing 431-6586 Ext 306, 307, 308, or 309  
to be sure they're in stock.

To use the timer, turn the dial all the way around and  
back to the desired number of minutes.



A timer on a rope you set and forget.

The back is magnetic, so when you are not using it,  
simply stick it on the stove or refrigerator.

Extra-long and loud ring.

Cost - \$7.60



**Things to know from the CFO/VP** October 2015 Regular Meeting

As reported in these minutes, the Board has reviewed the operating budget with the goal of providing efficient operations and funding adequate reserves to meet long-term requirements. As a result of this review, effective January 1, 2016 the monthly assessment will be \$330.45 as follows:

Mutual 12 Operating costs and reserve funding	\$186.30
Golden Rain Foundation Allocated costs	\$144.15

The complete pro-forma budget and annual policy statements will be distributed in the Golden Rain News delivered on November 12. Please pull out both Mutual 12 and Golden Rain Foundation disclosures for your review and to retain in your records.

Attached is the graph prepared by Association Reserves that reflects the 2016 budget reserve balances, funding, and anticipated expenditures going forward. Please note that during the next 7-8 years the reserve funds will be heavily utilized for roofing replacements, partial carport pavement replacement and the ever present plumbing, piping and sewer issues related to our 50 year old community.

Also attached is the detailed, September, 2015 Financial Statement Report on Operations. There is good news and bad news. We are doing a great job on conserving water and electricity with a savings of about \$10,000 overall. But, the Professional Fees are estimated to be over budget by about \$5,000. The Outside Services, which includes the major categories of Landscape, Structural Repairs, and Service Maintenance Repairs or Replacements, is also projected to be over budget by about \$7,000. Taking all into consideration and assuming no extraordinary events, there may be a small "loss" or "excess expenses to income" before depreciation, an off budget expense.

Reserve Accounts:	<u>9/30/15</u>	<u>2015 Projects Pending Payment</u>	
Painting	\$ 295,116	\$242,000	Painting exterior all bldgs (Termite dry rot \$31,958 was paid)
Roofing	\$2,629,511	\$130,020	Gutters/Downspouts
Infrastructure	\$ 477,745	\$ 30,000	Water heater replacements
		\$ 27,900	Irrigation Smart controllers
		\$ 67,445	Separation of irrigation system
		\$ 40,000	Reline clay lateral sewers 4 bldgs

Respectfully submitted:

Susan Ferraro  
CFO/VICE PRESIDENT  
MUTUAL TWELVE

The following chart shows your Reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted contribution rate, compared to your always-changing Fully Funded Balance target.

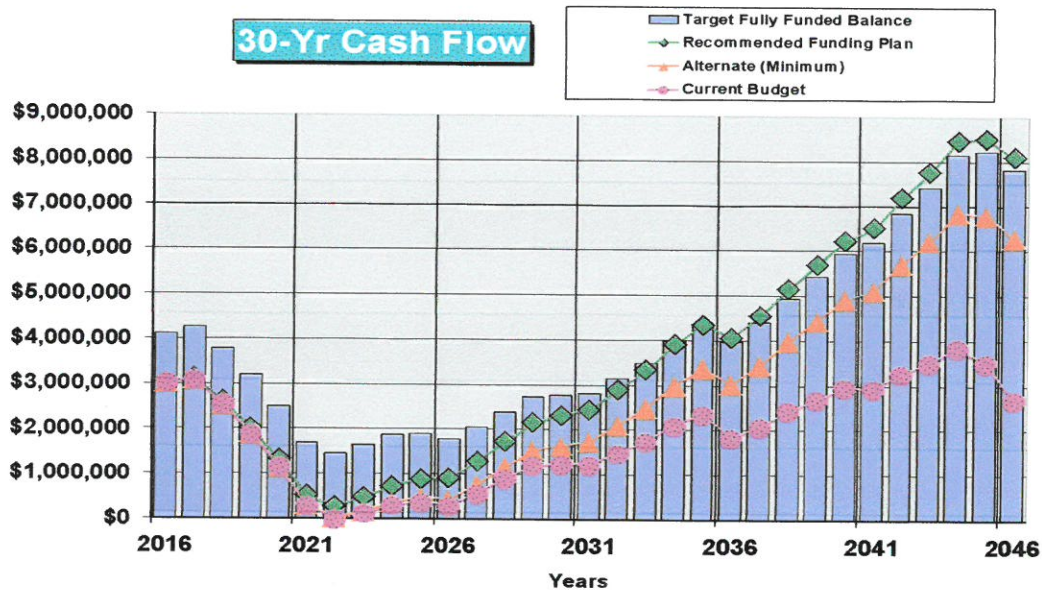


Figure 3

This figure shows this same information, plotted on a [Percent Funded](#) scale.

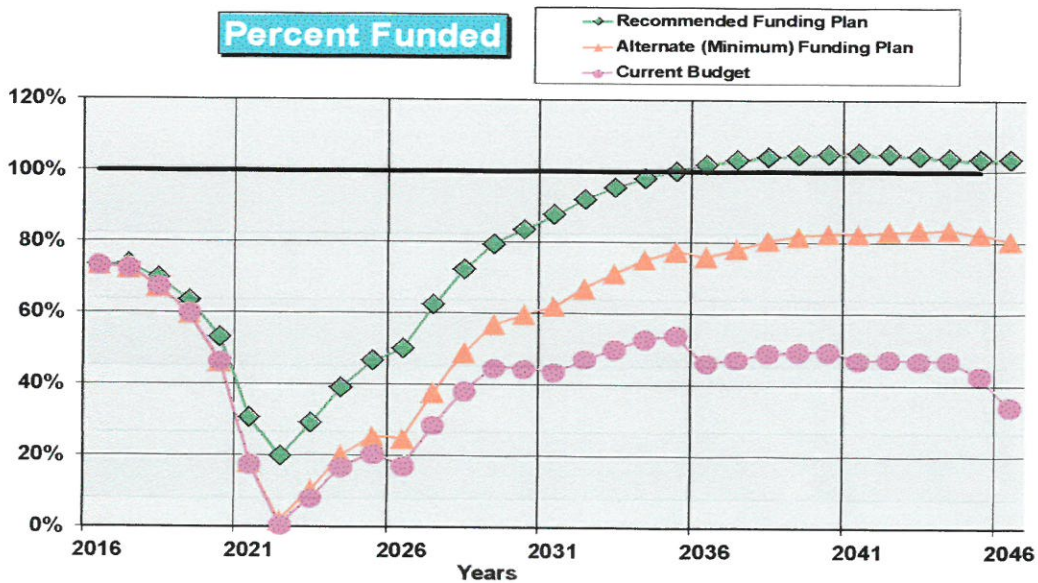


Figure 4

1012 Seal Beach Mutual No. Twelve  
Budget Comparison - Mutuals  
09/30/2015

P.O. Box 2069  
Seal Beach CA 90740

Sep Actuals	Sep Budget	Budget Variance	Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance	Annual Budget	Annual Unused Budget
63,081	63,081	0	7210000	Trust Maintenance Costs	569,153	569,153	0	758,397	189,244
63,081	63,081	0		GRF Trust Maintenance Fee	569,153	569,153	0	758,397	189,244
2,493	3,015	522	6420000	Utilities	23,212	27,135	3,923	36,178	12,966
6,396	6,355	(41)	6423000	Electricity	50,966	57,195	6,229	76,261	25,295
3,557	3,571	14	6424000	Water	31,794	32,139	345	42,850	11,056
12,447	12,941	494		Trash	105,972	116,469	10,497	155,289	49,317
253	253	0	6430000	Total Utilities	2,277	2,277	0	3,037	760
2,986	375	(2,611)	6434000	Professional Fees	8,869	3,375	(5,494)	4,502	(4,367)
158	294	136	6435000	GRF Management Fee	2,014	2,646	632	3,526	1,512
3,397	922	(2,475)		Legal Fees	13,160	8,298	(4,862)	11,065	(2,095)
9,980	9,980	0	6475000	Bank Service Fees	89,820	89,820	0	119,762	29,942
763	1,252	489	6475500	Total Professional Fees	23,473	11,268	(12,205)	15,024	(8,449)
232	457	225	6477100	Outside Services	1,764	4,113	2,349	5,478	3,714
117	529	412	6477200	Landscape Maint. - Contract	577	4,761	4,184	6,346	5,769
3,840	1,668	(2,172)	6477300	Landscape Maint. - Extras	13,705	15,012	1,307	20,015	6,310
780	167	(613)	6477400	Painting	2,988	1,503	(1,485)	2,007	(981)
0	18	18	6512000	Pest Control	215	162	(53)	217	2
(28,212)	4,502	32,714	7552000	Structural Repair	38,565	40,518	1,953	54,023	15,458
(1,119)	0	1,119	7552200	Miscellaneous Services	22,363	0	(22,363)	0	(22,363)
1,119	0	(1,119)	5394000	Escrow Expense - W/O	(22,363)	0	22,363	0	22,363
(12,500)	18,573	31,073		Service Maintenance-Standard	171,106	167,157	(3,949)	222,872	51,766
				Maintenance Replacements					
				Transfers from Funded Resvs					
				Total Outside Services					

1012 Seal Beach Mutual No. Twelve  
 Budget Comparison - Mutuals  
 09/30/2015

P.O. Box 2069  
 Seal Beach CA 90740

Sep Actuals	Sep Budget	Budget Variance	Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance	Annual Budget	Annual Unused Budget
393	222	(171)	6720000	Taxes & Insurance	6,699	1,998	(4,701)	2,658	(4,041)
9,560	8,104	(1,456)	6730000	State & Federal Taxes	86,036	72,936	(13,100)	97,252	11,217
9,953	8,326	(1,627)		Property & Liability Insurance	92,735	74,934	(17,801)	99,910	7,176
13,296	40,762	27,466		Total Taxes & Insurance	382,972	366,858	(16,114)	489,136	106,164
500	500	0	7620000	Total Operating Expense	4,500	4,500	0	6,000	1,500
4,094	4,094	0	7630000	Contributions to Capital	36,847	36,846	(1)	49,129	12,282
23,486	23,486	1	7675000	Appliance Reserve From Assessments	211,370	211,374	5	281,826	70,457
9,613	9,613	0	7677000	Painting Reserve From Assessments	86,514	86,517	3	115,352	28,838
37,692	37,693	1		Roofing Reserve From Assessments	339,230	339,237	7	452,307	113,077
114,069	141,536	27,467		Infrastructure Reserve From Assessments	1,291,355	1,275,248	(16,107)	1,699,840	408,485
				Total Contributions to Capital					
				Total Expenses					

P.O. Box 2069  
Seal Beach CA 90740

	Sep Actuals	Sep Budget	Budget Variance	Acct #	Description	Y-T-D Actual	Y-T-D Budget	Budget Variance	Annual Budget	Annual Unused Budget
<b>OPERATING INCOME</b>										
	35	0	35	5110000	Income From Services	140	0	140	0	(140)
	35	0	35		Refrigerator Resales	140	0	140	0	(140)
	1,623	1,000	623	5397000	Financial Income	13,450	9,000	4,450	12,000	(1,450)
	1,072	1,391	(319)	5397500	Taxable Interest Income - Mutual	15,040	12,519	2,521	16,693	1,653
	2,695	2,391	304		Tax Exempt Interest Income	28,490	21,519	6,971	28,693	203
	86	18	68	5610000	Total Financial Income	470	162	308	217	(253)
	1,901	999	902	5921000	Other Income	10,000	8,991	1,009	11,987	1,987
	10	81	(71)	5980000	Late Charges	435	729	(294)	976	541
	1,997	1,098	899		Inspection Fees	10,905	9,882	1,023	13,180	2,275
	4,727	3,489	1,238		Miscellaneous Income	39,535	31,401	8,134	41,873	2,338
					Total Other Income	10,905	9,882	1,023	13,180	2,275
					Total Operating Income	39,535	31,401	8,134	41,873	2,338
	500	500	0	5120000	Contributions To Capital	4,500	4,500	0	6,000	1,500
	4,094	4,094	0	5130000	Appliance Reserve Contributions	36,847	36,846	1	49,129	12,282
	23,486	23,486	(1)	5175000	Painting Reserve Contributions	211,370	211,374	(5)	281,826	70,457
	9,613	9,613	0	5177000	Roofing Reserve Contributions	86,514	86,517	(3)	115,352	28,838
	37,692	37,693	(1)		Infrastructure Reserve Contributions	339,230	339,237	(7)	452,307	113,077
	100,134	100,353	(219)	5111000	Total Contributions To Capital	904,382	904,601	(219)	1,205,660	301,278
	100,134	100,353	(219)		Regular Assessments	904,382	904,601	(219)	1,205,660	301,278
	142,553	141,535	1,018		Carrying Charges	1,283,148	1,275,239	7,909	1,699,840	416,692
	28,484	(1)	28,485		Total Income and Contributions to Capit.	(8,208)	(9)	(8,199)	0	8,208
					Excess Inc/(Exp) Before Off-Budget Items					
					Off-Budget Items					
	0	0	0		Total Off-Budget Items	0	0	0	0	0
	28,484	(1)	28,485		Excess Inc.Exp. After Off-Budget Items	(8,208)	(9)	(8,199)	0	8,208

Secretary's Report October 8, 2015

### Laundry Rooms

Currently, due to painting, there's some inconvenience reviewing documents. President Welch has ordered new boards, two for each laundry room, so information can be better displayed.

Each time I visit laundry rooms to post information, I find several with doors and windows open. Hopefully an early morning shareholder won't find they've entered a coyote den because the door remained open all night! When I was removing a wall sign prior to painting, a spider that had taken up residence under a laundry room window bit me.

### Shareholder Insurance

This month several policies have been amended. We've added some important information to Policy 7701.12 Personal Liability and Property Insurance. Vice President/CFO Ferraro and I have done a lot of research and participated in meetings in an effort to understand what we, as shareholders, are responsible for and what the Mutual or the Mutual's insurance will pay. Call one of us if you want to discuss information.

Recently I attended a club meeting where some local insurance agents who had reviewed a summary of what the Mutual's insurance covers answered questions of shareholders in attendance. They were not advertising their agency. In fact, when I asked for a card after the meeting, I found that they were agents of a different insurance company than I had thought. I came away believing a number of shareholders including myself are over insured. For one thing, those agents do not believe earthquake insurance is worth buying. As a result I'm going to review my earthquake policy. They also said that they believe many of us can have basic coverage for less than \$160 per year. Those agents made a presentation to another Mutual. I recommend they be invited to speak to Mutual 12 shareholders.

If you're liable for damage, you or your insurance company pays \$50,000 in a major event. You are responsible for the whole thing if you cause damage less than \$50,000.

Respectfully submitted, Lucille Findlay

