

**MINUTES OF THE REGULAR MONTHLY MEETING  
OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL TWELVE  
October 12, 2023**

The Regular Meeting of the Board of Directors of Seal Beach Mutual Twelve was called to order by Vice President Sprague at 9:00 a.m. on Thursday, October 12, 2023, Building 5, Conference Room B and via Zoom Video/Conference Call Meeting.

**SHAREHOLDERS' COMMENTS**

Several shareholders made comments.

**ROLL CALL**

Present: President Carson, Vice President Sprague, Secretary Milek, Chief Financial Officer Ferraro, Director Hoover, and Director Addis

Absent: Director Hogan

GRF Representative: Ms. Damoci (via zoom)

Guest: Six Mutual Twelve Shareholder (in-person)  
Three Mutual Twelve Shareholders (via zoom)

Staff: Ms. Hall, Sr. Director Member Services (via zoom)  
Mr. Antisdell, Building Inspector  
Mr. Scutti, Building Inspector  
Ms. Barua, Sr. Portfolio Specialist  
Ms. Kong, Administrative Assistant

**OPERATING BUDGET**

Sr. Director of Member Services, Ms. Hall presented the 2024 Budget.

Following a discussion, and upon a MOTION duly made by President Carson and seconded Vice President Sprague, it was

RESOLVED to approve the 2024 Operating Budget for Mutual Twelve at \$1,505,581 resulting in a regular monthly Mutual Assessment of \$277.58 per apartment per month, for an increase of \$6.31 per month over the total Mutual operating cost of 2023 as presented and to adopt this budget forthwith.

The MOTION passed unanimously.

Following questions, Ms. Hall left at 9:23 a.m.

**GRF REPRESENTATIVE**

GRF Representative, Ms. Damoci provided an update on GRF projects.

**MINUTES**

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Vice President Sprague, it was

RESOLVED to approve the Regular Meeting Minutes of September 14, 2023 as presented.

The MOTION passed unanimously.

**BUILDING INSPECTOR'S REPORT**

Building Inspector, Mr. Antidel introduced new Building Inspector Thomas Scutti after presenting his report (attached).

Following questions, Mr. Antidel and Mr. Scutti left the meeting at 9:53 a.m.

**UNFINISHED BUSINESS**

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Secretary Milek, it was

RESOLVED NOT to have any documents removed from the public LWSB Mutual Twelve Website and posted only to CINC for Mutual 12 resident viewing only.

The MOTION passed unanimously.

**NEW BUSINESS**

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Vice President Sprague, it was

RESOLVED to approve the August 2023 financial statements as reviewed per California Civil Code Section 5500 (a)-(f) for audit as presented.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded Chief Financial Officer Ferraro, it was

RESOLVED to ratify resolution dated 9/14/23, "RESOLVED to approve the 3-year contract from 2023-2025 with Empire Pipe Cleaning to clean sewer pipes at a total cost not to exceed \$11,071.97. Funds to come from Sewer Expense and authorize the President to sign any necessary documentation.

October 12, 2023

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Secretary Milek, it was

RESOLVED to approve the \$200,000 CD maturing at US BanCorp. Be reinvested in a CD for a term not to exceed one year at the current prevailing interest rate.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Vice President Sprague, it was

RESOLVED to respectfully accept gift of landscape improvements, plantings, and vinyl fence near LR 60.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Secretary Milek, it was

RESOLVED to respectfully accept gift of tree from unit 78C.

The MOTION passed unanimously.

Following a discussion, and upon a MOTION duly made by President Carson and seconded by Director Addis, it was

RESOLVED to approve the propose rule change amending Rule 12-7415-1 Patio Regulations to add Section 9 Exclusive Use Common Area Patios 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.

#### **EMERGENCY COORDINATOR'S REPORT**

Vice President Sprague presented the Emergency Coordinator Report (attached).

#### **SECRETARY / CORRESPONDENCE**

Secretary Milek received no correspondence. President Carson received one correspondence.

#### **CHIEF FINANCIAL OFFICER'S REPORT**

Chief Financial Officer Ferraro presented her report (attached).

### **PORTFOLIO SPECIALIST REPORT**

Sr. Portfolio Specialist Barua presented her report (attached).

### **ANNOUNCEMENTS**

- a. **NEXT BOARD MEETING: Thursday, November 9, 2023, at 9:00 a.m. Location: Administration Building, Conference Room B and via Zoom Video/Conference Call Meeting.**

### **COMMITTEE REPORTS**

#### Governing Documents Committee

CFO Ferraro presented her report (attached).

#### Luncheon Committee

CFO Ferraro did not provide an update.

#### Landscape Committee

Secretary Milek presented her report (attached).

#### Physical Properties Committee

President Carson presented his report (attached).

#### Pets & Caregivers

Director Addis provided an update.

#### Financial Review Committee

CFO Ferraro did not provide an update.

### **DIRECTORS' COMMENTS**

Several Directors made comments.

### **SHAREHOLDERS' COMMENTS**

One shareholder made a comment.

### **ADJOURNMENT**

There being no further business to conduct, President Carson adjourned the meeting at 10:31 a.m. and announced there would be an Executive Session following the meeting.

### **EXECUTIVE SESSION SUMMARY**


The Board met in Executive Session on October 12, 2023, and took the following actions:

October 12, 2023

The Board approved the Regular Executive Session Meeting Minutes of September 14, 2023.

1. Legal Matters
  - a. Legal matters were discussed.
2. Contracts
  - a. Contracts were discussed.
3. Assessments / Delinquencies
  - a. Several Assessment/Delinquencies discussed.
4. Disciplinary Hearings
  - a. Two disciplinary hearing were discussed.

The Executive Session was adjourned at 11:57 a.m.



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Attest, Darlene Milek, Secretary  
SEAL BEACH MUTUAL TWELVE  
DK: 10/12/2023  
Attachments

**SPECIAL MEETING ANNOUNCEMENTS AND AGENDAS ARE POSTED IN LAUNDRY ROOM 57 (D SIDE). FOR INFORMAL INDIVIDUAL NOTICE OF SPECIAL MEETINGS, CONTACT SECRETARY MILEK AT [darlene.milek@mutual12.org](mailto:darlene.milek@mutual12.org) OR EMAIL PRESIDENT CARSON AT [RICH.CARSON@MUTUALTWELVE.ORG](mailto:RICH.CARSON@MUTUALTWELVE.ORG)**

	A	B	C	D	E	F	G	H	I
1	<b>INSPECTOR MONTHLY MUTUAL REPORT</b>								
3	MUTUAL: <b>(12) TWELVE)</b>			INSPECTOR: <b>JERRY ANTISDEL</b>					
4	MUTUAL BOARD MEETING DATE: <b>OCTOBER 12 / 2023</b>			Print Date: <b>OCTOBER 04/2023</b>					
5	<b>PERMIT ACTIVITY</b>								
6	UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	START DATE	COMP. DATE	CHANGE ORDER	FINAL INSPECTION	CONTRACTOR / COMMENTS	
574	6-I	SCREEN DOOR	GRF	08/25/23	10/10/23	NO	NONE	LW DÉCOR	
577	9-D	REMODEL	BOTH	09/13/22	09/13/23	YES	NONE	CAL CUSTOM INTERIORS	
642	11-D	CART PAD	GRF	09/20/23	10/04/23	NO	ON HOLD	FOUR STAR LANDSCAPE	
646	34-D	FLOORING	GRF	09/22/23	12/22/23	NO	NONE	B&B CARPETS	
647	37-B	BATH SKYLIGHT	GRF	09/21/23	10/21/23	NO	NONE	SOLATUBE HOME	
649	37-F	AWNINGS	GRF	12/01/23	12/01/23	NO	NONE	AAA AWNINGS	
658	43-G	SOLAR PANELS	BOTH	09/19/23	11/19/23	NO	NONE	SUN SOLAR ENERGY HOLDING	
695	47-H	HEAT PUMP	BOTH	09/05/23	12/15/23	NO	NONE	GREENWOOD	
700	55-B	ADDING A BATH AT DEN	BOTH	05/01/23	09/30/23	NO	NONE	MAMUSCIA	
768	59-C	HEAT PUMP	BOTH	08/02/23	11/02/23	NO	NONE	GREENWOOD	
769	62-A	REMODEL	BOTH	07/28/23	12/30/23	NO	NONE	MP CONSTRUCTION	
770	62-A	HEAT PUMP	BOTH	09/26/23	11/26/23	NO	NONE	ALPINE	
772	64-H	FLOORING	GRF	09/15/23	10/30/23	NO	NONE	KARYS CARPET	
773	66-A	FLOORING	GRF	09/05/23	10/30/23	NO	09/28/23 FINAL	KARYS CARPET	
774	68-B	TOP TUBE	BOTH	08/20/23	10/20/23	NO	NONE	SO CAL HOME UPGRADES	
775	68-B	WINDOWS/DOOR	BOTH	08/01/23	12/31/23	NO	09/25/23 FINAL	BODIES GLASS	
776	68-B	REMODEL	BOTH	07/31/23	07/31/24	NO	JOB WAS ON HOLD	CAL CUSTOM INTERIORS	
780	73-H	HEAT PUMP	BOTH	10/02/23	01/02/24	NO	NONE	GREENWOOD	
781									
783									
831									
833	GREY AREAS HAVE BEEN SIGNED OFF								
899	<b>ESCROW ACTIVITY</b>								
900		NMI	PLI	NBO	FI	COE DATE	ROF		
1026	6-C		08/03/23						
1027	7-B		08/23/23						
1030	11-G		06/23/22						
1041	39-C		08/01/23						
1042	39-E		06/22/23						
1043	40-A		02/24/23						
1057	43-E		08/03/23						
1075	45-H		09/29/23						
1076	62-A		04/04/23	07/10/23	07/10/23	07/24/23	09/25/23		
1080	63-G		09/29/23						
1081	64-E		09/29/22						
1087	64-H		07/13/23	08/30/23	08/31/23	09/15/23			
1088	66-A		07/12/23	07/24/23	08/01/23	08/15/23			
1090	73-H		04/11/23	08/10/23	08/14/23	08/28/23			
1091	76-L		06/12/23	07/24/23	07/24/23	08/07/23			
1092									
1134	GREY AREAS HAVE BEEN SIGNED OFF								
1135	NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation								
1136	FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds								

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4	MUTUAL BOARD MEETING DATE: <b>OCTOBER 12 / 2023</b>			Print Date: <b>OCTOBER 04/2023</b>					
1159	<b>PROJECTS AND CONTRACTS</b>								
1424	8-A DISCUSS AND VOTE TO APPROVE BID FROM FOUR STARS LANDSCAPE FOR 2023 TREE TRIMMING								
1425	8-B DISCUSS AND VOTE TO AUTHORIZE FOUR STARS LANDSCAPE TO CLEAN RAIN GUTTERS								
1426	8-C DISCUSS AND VOTE ON REPLACEMENT OF TRANSFORMER WALL WITH VINYL FENCING AT 39-F								
1427	8-D DISCUSS AND VOTE ON NEW PROPOSAL FOR ROOFING BERKVIST DRY ROT AND KRESS FOR HOOD REPLACEMENT								
1428	8-E UPDATE ON ALL TERMITE REPAIRS								
1429	8-F UPDATE ON START DATE FOR ROOFING								
1430	8-G UPDATE ON BUILDING SIGNS FROM ALL AMERICAN SIGNS								
1431	8-H UPDATE ON MJ JURADO PAINTING OF T,S AND L,S AND STOPS								
1453	FENN BAIT STATIONS FOR THREE YEARS CONTRACT GOOD UNTIL JULY 31 ST 2026								
1468	LANDSCAPE CONTRACT WITH FOUR STARS GOOD UNTIL 2024								
1470	FENN TERMITE AND PEST CONTROL CONTRACT GOOD UNTIL JUNE 30TH 2026								
1646	<b>CALLS AND VISITE TO UNITS</b>								
2003	59								

## CFO REPORT REGULAR MEETING – October 12, 2023

For those who did not attend in person at this meeting, here is a summary of the budget discussed and approved at this meeting.

### 2024 BUDGET (Effective January 1, 2024):

The monthly assessments per apartment per month for Mutual 12 will increase by \$6.31 to \$277.58 an increase of 2.33% from 2023, allocated as follows:

M12 Operating costs	\$-2.91	
M12 Reserves	<u>\$ 9.22</u>	
Total Increase	\$ 6.31	2.33% increase over 2023
GRF Trust Costs	<u>\$20.02</u>	
COMBINED INCREASE	\$26.33	5.67% combined increase over 2023.

**Operating Expenses:** Overall the operating expenses increased by \$1.28 mostly due to increase in Federal and State income taxes related to Interest income due to the interest rates rising rapidly from .05% to 5.0% over the past year. Also noted is the Laundry Rooms average monthly expense for repairs, maintenance and replacement of washers and dryers is no longer needed saving approximately \$2.91.

**Operating Income:** The projected increase in income of \$4.19 offsets the expenses resulting in a overall decrease. This is based upon assumption that the interest rates will remain steady through 2024. Also, the budget now includes income from the Laundry Rooms that provides for an additional \$1.94 of revenue which was not in previous budgets.

**Reserves:** It became necessary to re-evaluate the projected costs to convert the remaining carport driveways at Glenview Rd. and Twin Hills from asphalt to concrete. Costs per square foot of concrete including material and labor have doubled (100% increase) from just a few years ago. M12 has substantial square footage in these areas. These increased replacement cost estimates were added to the 2024 Reserve Study making it more realistic estimate of the necessary funds required to maintain our Mutual.

The complete detailed budget will be mailed to all shareholders mid-November.

### Monthly Report for August 2023:

The Mutual 12 Financial Review Committee recently met and reviewed the August 31, 2023 detailed financial statements and accompanying information, as required. Additionally, each member of the Board of Directors has received a copy of the full report for their individual review and comments.

The numbers: **Cash in the Bank:** \$ 176,856 (Checking Account-Operations)

### **Reserves:**

General Investments	\$ 253,258
Appliance	\$ 46,248
Painting	\$ 239,253
Roofing	\$1,697,188
Infrastructure	\$ 424,824
Emer/Contingency	\$ 261,758
Capital Fund	<u>\$ 2,064</u>
Total Reserves	\$2,924,593



**Reserve Commitments:** (\$ 7,300) (Restore Carport Driveway Markings)  
**Net Available Reserves** \$ 2,917,293

**Shareholder Receivables** \$ 47,674 (1 Estate Account in collection with attorney, and 2 accounts owing more than \$1800.00 to be collected upon sale or transfer)

**Operating Income and Expense Notes:**

Mutual Income:	\$ 47,257	Positive Variance
Mutual Expenses:	\$ <u>7,076</u>	Positive Variance
Mutual Excess Income:	\$ <u>48,333</u>	

Respectfully submitted,  
Susan Ferraro  
Mutual 12 CFO

*Susan Ferraro*