



**OPEN MEETING**

**REPORT OF THE SPECIAL MEETING OF THE THIRD LAGUNA HILLS MUTUAL  
MAINTENANCE AND CONSTRUCTION COMMITTEE**

**Wednesday 29, 2019 – 9:30 AM**

**Laguna Woods Village Community Center Board Room  
24351 El Toro Road**

**MEMBERS PRESENT:** Cush Bhada – Chair, Bunny Carpenter, John Frankel, Rosemarie diLorenzo, Jon Pearlstone, and Advisor: Steve Leonard

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Ernesto Munoz – Staff Officer, Laurie Chavarria, Betty Parker, Jose Campos, Velny Soren, Guy West, Ian Barnette, Brett Crane, Chris Laugenour, Jeff Parker, Siobhan Foster

**1. Call to Order/Establish a Quorum**

Chair Bhada called the meeting to order at 9:30 AM and stated that the meeting is being held pursuant to notice duly given and established that a quorum of the Committee was present.

**2. Acknowledgement of Media**

The media was not present.

**3. Approval of the Agenda**

The agenda was approved as written.

**4. Chair's Remarks**

Chair Bhada remarked that he will keep the meeting under control and that he would like to see the proposed budget stay the same as 2019 or with very little increase.

**5. Member Comments (Items Not on the Agenda)**

- Martin Rosencrans (4010-3B) commented on climate change and the need for an enclosed pool or outdoor heaters.

Chair Bhada, and Director di Lorenzo replied briefly to the member comment.

## **6. Department Head Update**

Staff Officer Ernesto Munoz provided an update on the upcoming budget projections and the slight increase to the proposed operating and reserve budgets for next year.

### **Items for Discussion and Consideration:**

## **7. Review Maintenance Service Levels, 2020 Proposed Business Plan, Version B**

Staff Officer Ernesto Munoz introduced the M&C Department's Division Managers, and proceeded to present the proposed Operating Fund budget for 2020.

*Janitorial Service:* Director's diLorenzo and Pearlstone asked about the significant yearly increase in costs since 2016 although the service level has not been increased. Discussion ensued regarding staffing; bulky item pick up; carport cleaning, and garage scrubbing.

By consensus, the Committee directed Sr. Manager Chris Laugenour to provide a breakdown of what was added to the budget over the years which caused the increase from \$600,000 to \$900,000 and to confirm what services are performed by Janitorial staff.

*Plumbing Service:* Director diLorenzo asked about chargeable services revenue. Discussion ensued regarding additional staff training; work performed by plumbers to reduce repair times; reduction of repeat service calls; new security protocol for emergency repairs, and outside service costs for emergency weekend repairs. Staff is working on a report to be presented at the July M&C Committee meeting to review the cost difference of outside service contractors versus using weekend staff to address emergency calls.

*Carpentry Service:* Discussion ensued regarding reactive repairs; building address number replacement; repair of building cracks; animal removal and the additional carpentry repairs needed for 3-story buildings.

*Concrete Repair & Replacement:* Director Pearlstone questioned the 2019 actual costs shown as they don't match the monthly expenditure report provided to the Committee. Chair Bhada questioned why the cleaning of the carports is different than the cleaning of the GV garages. Discussion ensued regarding the funding source for garage sweeping & scrubbing; similar services that are provided in both operating and reserve funds; the decrease in the concrete repair budget, and the concrete parkway program in reserves.

By consensus, the Committee directed Sr. Manager Chris Laugenour to make sure all carport and garage cleaning is funded under the correct line item, whether it is in Janitorial Service or Concrete Repair.

*Pest Control:* Chair Bhada asked about competitive rates for fumigation and hotel accommodations. The fumigation vendor hasn't raised their rates in years and is well below the cost of other contractors. Discussion ensued regarding buildings that won't be fumigated in 2019, a possible increase in the bees and wasp service calls due to a prediction for warmer summer months, and the amount of buildings that may need to be fumigated in 2020.

By consensus, staff was directed to review the estimated budget figures and determine if an increase is needed to accommodate the rise in local treatments and an increase for the actual number of buildings to be fumigated next year. Staff will instruct Purchasing to advertise accommodations for bids from local hotels that accept pets and can lodge our residents during the fumigation program between May and October. Staff will also meet with management from the Tower's (Mutual 50) to discuss possible lodging accommodations during our annual Fumigation Program.

*Fire Protection:* Chair Bhada questioned if chimney cleanings were performed during resale. Discussion ensued regarding chargeable services; other possible safety items to be inspected during resale inspections; dryer vent cleaning; spark arrestors, standpipe repairs and standpipe testing.

By consensus, staff was directed to reduce the overall Fire Protection allocation by \$84,000 as standpipe testing will not be required until 2024.

*Gutter Cleaning:* Director Pearlstone asked about the possibility of reducing this budget and the use of a gutter guard to reduce cleaning services. Staff explained that this product is not maintenance free and will add to the cost of cleaning. Discussion ensued regarding drainage issues; the addition of more building gutter systems; and year end projections for cleaning.

*Electrical Service:* Director diLorenzo commented on the increase in the budget. Chair Bhada commented on the use of compact fluorescent bulbs in two story buildings, while GV buildings use LED bulbs. Discussion ensued regarding lighted doorbells; and the difference of services provided in reserve funding for electrical work.

Chair Bhada called for a 10 minute recess. The meeting resumed at 11:13 am.

*Appliance Repairs:* Chair Bhada commented that removing machines due to low usage from stand-alone laundry rooms by calculating the available usage data will not reflect accurate numbers if machines have been out of order for any length of time. Discussion ensued regarding the amount of days a machine is out of order before a repair occurs; use of replacement machines when repairs are needed on machines in 3-story buildings; labor costs for service calls when residents call and a repair is not required - such as an unbalanced load; the possible use of marketing or signage to educate residents on proper machine use; and not repairing machines if the cost of repair is 50% more than the cost of the machine.

By consensus, staff was directed to review the data and determine if the proposed

appliance repair budget can be reduced since the reserve replacement budget has increased.

*Welding:* Chair Bhada questioned what needs to be welded in the community. Director diLorenzo questioned the reason for the budget increase if the scope of work has not changed. Discussion ensued regarding stair tread replacement; the need for lead testing and abatement; and railings imbedded into the balcony decks.

By consensus, Finance staff was directed to remove line item #23 from the expenditure report since it has been combined with Welding.

*Miscellaneous Repairs by Outside Services:* Staff Officer Ernesto Munoz gave a brief description of the services offered. Discussion ensued regarding lead testing.

*Traffic Control:* Director diLorenzo asked why traffic control was needed. Discussion ensued regarding traffic safety; line striping and curb painting.

Staff Officer Ernesto Munoz concluded the review of the proposed 2020 Operating Fund budget. Discussion ensued regarding when changes could be provided to the Committee for review and the dates of future Business Planning meetings.

By consensus, M&C staff was directed to provide an email response to the Committee by Friday, June 7. Finance staff was directed to provide an updated expenditure report by Monday, June 17 and the Committee will send any final revisions back to Finance by Wednesday, June 19, 2019.

## **8. Review Reserve Expenditures Plan, 2020 Proposed Business Plan, Version B**

Staff Officer Ernesto Munoz presented the proposed Replacement and Disaster Reserve Funds for 2020.

*Alarm Systems:* Staff Officer Ernesto Munoz proposed that research be conducted to determine if there are systems available that will work with our current technology. Discussion ensued regarding cloud-based alarm systems; and that the current systems are maintained and operational. Staff will bring back information to the Committee for consideration at a future Business Planning meeting. If technology in the community has sufficiently advanced to update the alarm systems, a consultant may be retained to propose on the installation of a modern Alarm Systems for Third Mutual in phases.

*Building Numbers:* Director diLorenzo would like to see all the cul-de-sac signs completed this year. Discussion ensued regarding building address signs, signs replaced during the paint program, and the length of time it will take to install all new building address signs.

By consensus, staff was directed to bring a report back to the July M&C Committee meeting requesting a supplemental appropriation that would allow for the cul-de-sac sign installations to be completed in 2019. In addition, staff was directed to reduce the 2020 Building Numbers proposed allocation from \$33,900 to \$30,000 and provide a

recommendation to accelerate the installation of building address signs.

*Building Structures:* Director diLorenzo questioned how staff would address dry rot on the upcoming GV buildings with wooden spindles. There are nine buildings with wooden spindles on the upcoming paint program and staff plans to replace them in kind if needed. Discussion ensued regarding the remaining 21 parapet wall removals; annual inspections to determine drainage needs; and how many years funding will be required to address dry rot issues.

*Electrical Systems:* Director Pearlstone questioned the increase in funding. Discussion ensued regarding grounding repairs to panels; alternate heat source installations; and contingency for panel failures.

By consensus, staff was directed to inspect the panels at the LH-21 buildings to see if they have the same type of grounding issues.

*Energy Projects:* Staff Officer Ernesto Munoz summarized the funding for future energy projects. This is a contingency to address consultant fees for energy improvements.

By consensus, staff was directed to reduce the proposed expenditure from \$50,000 to \$10,000.

*Exterior Lighting:* Director diLorenzo commented that the proposed expenditure is very conservative. Discussion ensued regarding future lighting projects that may be needed after street light retrofit is completed; additional funding for eliminating dark areas near garages; adding fixtures with light sensors; and city owned lights.

Chari Bhada called a recess for lunch. The meeting resumed at 1:05 pm.

*Fencing:* A considerable amount of fencing work was completed in 2019. No changes are required to the 2020 proposed allocation for split rail fencing.

*Garden Villa Lobby:* Director diLorenzo commented on the increase in the proposed budget. Discussion ensued regarding changes to the scope of work; the number of lobby renovations scheduled each year; and painting of interior and exterior lobby doors.

By consensus, staff was directed to reduce the proposed expenditures to allow renovation of nine lobbies in 2020, eight lobbies in 2021 and the last eight lobbies in 2022. In addition, staff will review the contractor costs to see if they can be reduced.

*Garden Villa Mailroom:* Discussion ensued regarding the scope of work; alternative flooring replacement options; mailbox replacements; and that the remaining four mailrooms will be renovated in 2020. Staff informed the Committee that one mailroom floor qualified to be replaced in 2020 and that mailroom renovations are scheduled to resume in 2026.

By consensus staff was directed add "removal and replacement of standard mailboxes" to the scope of work listed on the narrative; inspect mailroom tile floors each year and

recommend funding, if needed, at a future business planning meeting. In addition, staff will propose different flooring alternatives unless ceramic tile is the best option.

*Garden Villa Recessed Areas:* Director diLorenzo commented that the installation of lightweight concrete has been placed on hold and will not be completed in 2019 or 2020. Discussion ensued regarding water proofing of planters; synthetic carpet replacement; and alternative materials for recessed areas.

By consensus, staff was directed to reduce the expenditure of the total allocation for GV Recessed Areas from \$274,400 to \$65,000 and to continue with the outdoor carpet replacement through Maintenance Operations. In addition, staff will research alternative materials for the recessed areas and bring that information back to the 2021 Business Planning meeting.

*Garden Villa Rec Room Heat Pump/Water Heater:* Discussion ensued regarding the number of heat pumps replaced; and the life expectancy of heat pumps. The remaining heat pumps requiring replacement were completed in 2019. The 2020 allocation is a contingency for failures.

*Gutters:* Staff Officer Ernesto Munoz discussed the gutter replacements and the new gutter installations planned for 2020 to address drainage issues.

*Landscape Modification:* There was no discussion on this item.

*Mailboxes:* Director diLorenzo requested that staff review the need for additional mailbox replacements. Discussion ensued regarding the proposed expenditure; unsecured mailboxes; and the need for a locked outgoing mailbox receptacle.

By consensus, staff was directed to increase this budget to \$50,000 and review all mailboxes to see what is needed for future expenditures. In addition, staff will bring back a report with a plan to replace/upgrade mailboxes in the Mutual.

*Paint Program:* Discussion ensued regarding changing the paint cycle; replace address signage where needed; layers of paint; and changing the exterior paint palette. Staff will provide a report at the July M&C Committee meeting with suggestions for a new exterior paint palette.

*Prior to Paint:* Staff Officer Ernesto Munoz discussed dry rot repairs; lead testing; and the top coat program.

*Paving/Concrete:* Staff Officer Ernesto Munoz summarized the scope of work and mentioned that the seal coat program will be changed to a 7-year program beginning in 2020. Discussion ensued regarding golf cart parking and striping; garage scrubbing; pot holes; cracks in the pavement; curb cuts; parkway concrete replacements; reducing the asphalt paving budget to fund other improvements such as plumbing.

By consensus, staff was directed to keep the proposed Golf Cart Parking and Striping

budget at \$50,000. Additionally, staff will inform Director Parsons of the new golf cart parking spaces that will be created in 2019.

*Roofs:* Staff Officer Ernesto Munoz summarized the upcoming roof replacements. Discussion ensued regarding ponding on flat roofs; funding for lightweight tile roof replacement with composition shingle; and 30-year reserve planning for roofs.

*Exterior Walls:* Discussion ensued regarding landscape labor costs; vegetation removal; and wall repairs for Shepherd's Crook.

*Wasteline Remediation:* Staff Officer Ernesto Munoz summarized the program and reiterated that accelerating the program will show a return on investment by the decrease in plumbing stoppages and associated repair costs; however an exact program horizon cannot be provided due to the lack of linear footage data for each building's wastelines. Discussion ensued regarding repair costs; and contract pricing negotiations.

By consensus, staff was directed to add \$750,000 to the existing budget if other reserve funding items could be reduced to offset the acceleration of this program. The Committee will review how the increase will affect assessments before final approval is given. In addition, staff was asked to negotiate a 10% decrease in labor costs if the program is accelerated.

*Copper Line Remediation:* Director diLorenzo commented on the leak rate report that was provided to the M&C Committee. Discussion ensued regarding pinhole leaks, copper pipe repairs, and restoration costs associated with leaks.

*Elevators:* Discussion ensued regarding the interior and exterior component replacements; flooring replacements; and if there is an annual requirement for improvements.

By consensus, staff was directed to reduce the renovations from 10 elevators per year to 5 elevators per year.

*Laundry Countertop/Floor Replacement:* Discussion ensued regarding the number of counters that need replacement in stand-alone laundry rooms; and the epoxy flooring installations in 3-story buildings.

By consensus, staff was directed to reduce the proposed allocation from \$66,109 to \$55,000. Staff will adjust the amount of planned replacements to accommodate the reduction.

*Laundry Appliances Replacements:* Director diLorenzo commented on the extra rinse cycle on washing machines. Discussion ensued regarding the life expectancy of washing machines; and that the planned washing machine replacements will reduce the repair expenditures in Operating.

*Moisture Intrusion – Rain Leaks:* The amount of restoration related to rain leaks is expected to stay level in 2020.

*Moisture Intrusion – Plumbing Leaks:* Staff Officer Ernesto Munoz suggested that this amount be reduced to \$650,000.

*Moisture Intrusion – Plumbing Stoppages:* Staff Officer Ernesto Munoz suggested that this amount be reduced to \$100,000.

*Moisture Intrusion – Misc.:* The amount of restoration related to miscellaneous moisture intrusion events is expected to stay level in 2020.

*Damage Restoration:* These are restoration related costs that the Mutual is responsible for.

**Concluding Business:**

**9. Committee Member Comments**

There were no Committee Member Comments.

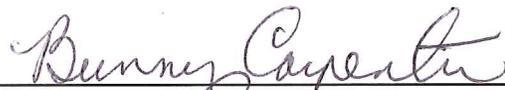
**10. Date of Next M&C Meeting – July 1, 2019**

**11. Adjournment** – The meeting was adjourned at 4:05 PM.



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Cush Bhada, Chair



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Bunny Carpenter, Co-Chair