



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, March 6, 2018 – 1:30 p.m.
Laguna Woods Village Community Center Board Room
24351 El Toro Road**

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of Meeting Report for February 6, 2018
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
7. Department Head Update

Reports

8. Preliminary Financial Statements dated January 31, 2018

Items for Discussion and Consideration:

9. Timing of Vendor Invoices
10. Endorsement: Unbudgeted Expenditure for 2018 Fumigation Program
11. Endorsement: Electrical Use Reimbursement Policy Revision
12. Other Endorsements from Standing Committees

Future Agenda Items

13. Resale Processing Fees

Concluding Business:

14. Committee Member Comments
15. Date of Next Meeting – Tuesday, April 3, 2018 at 1:30 p.m.
16. Recess to Closed Session

Steve Parsons, Chair
Betty Parker, Staff Officer
Telephone: 949-597-4201



REPORT OF THE REGULAR OPEN MEETING OF THE THIRD LAGUNA HILLS MUTUAL FINANCE COMMITTEE

Tuesday, February 6, 2018 – 1:30 p.m.
Laguna Woods Village Community Center Board Room, 24351 El Toro Road

MEMBERS PRESENT: Steve Parsons – Chair, Rosemarie diLorenzo, Bill Walsh, Burt Baum, John Frankel, Bunny Carpenter, Roy Bruninghaus, Jules Zalon, Susan Caine, Advisors: Wei-Ming Tao, John Hess

MEMBERS ABSENT: James Tung, Bert Moldow

STAFF PRESENT: Betty Parker, Solange Backes, Christopher Swanson

Call to Order

Director Parsons, Treasurer, chaired the meeting and called it to order at 1:33 p.m.

Acknowledgment of Media

None.

Approve Meeting Agenda

A motion was made and carried unanimously to approve the agenda as presented.

Approval of the Regular Meeting Report for January 2, 2018

A motion was made and carried unanimously to approve the Committee report as presented.

Chair Remarks

None.

Member Comments (Items Not on the Agenda)

Frank Kern (3355-O) inquired about the allocated costs on statement of revenue and expenses, compared to prior year. Staff will review.

Department Head Update

None.

Review Preliminary Financial Statements

The Committee reviewed and commented on the financial statements dated December 31, 2017. The committee requested a new subaccount for electricity for recording NEM Energy Credits.

Director diLorenzo expressed her dissatisfaction with the 2017 Janitorial expenses and plans to speak with the CEO, Brad Hudson, regarding this issue.

Fee Schedule Comparison

Ms. Parker presented the Third Mutual Fee Schedule with a comparison to fees charged in United and Third Mutuals. Discussion ensued and no action was taken on this item. Director diLorenzo asked that Resales fees be reviewed and updated based on current costs.

Endorsements from Standing Committees

None.

Committee Member Comments

None.

Date of Next Meeting

Tuesday, March 6, 2018 at 1:30 p.m. in the Board Room.

Recess to Closed Session

The meeting recessed to closed session at 2:48 p.m.



Steve Parsons, Chair

Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
1/31/2018
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			YTD 2016 ACTUAL	ANNUAL BUDGET	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE			
Revenues:									
Assessments:									
1	Operating	\$1,574	\$1,573	\$1	\$1,574	\$1,573	\$1	\$1,534	\$18,879
2	Additions to restricted funds	1,096	1,096		1,096	1,096		1,116	13,154
3	Total assessments	<u>2,670</u>	<u>2,669</u>	<u>1</u>	<u>2,670</u>	<u>2,669</u>	<u>1</u>	<u>2,650</u>	<u>32,034</u>
Non-assessment revenues:									
4	Chargeable services							6	
5	Fees and charges for services to residents	64	47	17	64	47	17	11	563
6	Laundry	4	9	(5)	4	9	(5)	9	108
7	Interest income	38	31	8	38	31	8	29	369
8	Miscellaneous	108	48	59	108	48	59	106	581
9	Total non-assessment revenue	<u>213</u>	<u>135</u>	<u>78</u>	<u>213</u>	<u>135</u>	<u>78</u>	<u>162</u>	<u>1,621</u>
10	Total revenue	<u>2,883</u>	<u>2,805</u>	<u>79</u>	<u>2,883</u>	<u>2,805</u>	<u>79</u>	<u>2,812</u>	<u>33,655</u>
Expenses:									
11	Employee compensation and related	1,181	1,068	(113)	1,181	1,068	(113)	1,108	12,550
12	Materials and supplies	90	130	40	90	130	40	93	1,559
13	Utilities and telephone	488	377	(111)	488	377	(111)	362	5,065
14	Legal fees	(15)	24	39	(15)	24	39	5	290
15	Professional fees	1	13	12	1	13	12	(12)	157
16	Equipment rental		2	2		2	2	(3)	25
17	Outside services	132	907	775	132	907	775	(63)	10,459
18	Repairs and maintenance	21	27	7	21	27	7	4	333
19	Other Operating Expense	7	11	4	7	11	4	8	159
20	Insurance	109	110		109	110		89	1,316
21	Uncollectible Accounts	6	8	2	6	8	2		100
22	Depreciation and amortization	12		(12)	12		(12)	13	
23	Net allocation to mutuals	89	107	18	89	107	18	73	1,279
24	Total expenses	<u>2,122</u>	<u>2,785</u>	<u>663</u>	<u>2,122</u>	<u>2,785</u>	<u>663</u>	<u>1,676</u>	<u>33,293</u>
25	Excess of revenues over expenses	<u>\$761</u>	<u>\$19</u>	<u>\$742</u>	<u>\$761</u>	<u>\$19</u>	<u>\$742</u>	<u>\$1,136</u>	<u>\$362</u>

**Third Laguna Hills Mutual
Operating Statement
1/31/2018
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$1,573,817	\$1,573,275	\$542	0.03%	\$18,879,302
Total Operating	1,573,817	1,573,275	542	0.03%	18,879,302
Additions To Restricted Funds					
41002000 - Monthly Assessments - Disaster Fund	169,025	169,025	0	0.00%	2,028,305
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	61,020	61,020	0	0.00%	732,240
41003500 - Monthly Assessments - Replacement Fund	823,770	823,770	0	0.00%	9,885,240
41004000 - Monthly Assessments - Elevator Replacement Fund	30,510	30,510	0	0.00%	366,120
41004500 - Monthly Assessments - Laundry Replacement Fund	6,908	6,908	0	0.00%	82,896
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	4,968	4,968	0	0.00%	59,616
Total Additions To Restricted Funds	1,096,201	1,096,201	0	0.00%	13,154,417
Total Assessments	2,670,019	2,669,476	543	0.02%	32,033,719
Non-Assessment Revenues:					
Fees and Charges for Services to Residents					
46501000 - Permit Fee	8,842	5,625	3,217	57.18%	67,500
46501500 - Inspection Fee	4,301	4,763	(462)	(9.70%)	57,161
46502000 - Resident Maintenance Fee	50,550	36,549	14,001	38.31%	438,577
Total Fees and Charges for Services to Residents	63,692	46,937	16,755	35.70%	563,238
Laundry					
46005000 - Coin Op Laundry Machine	3,666	9,000	(5,334)	(59.27%)	108,000
Total Laundry	3,666	9,000	(5,334)	(59.27%)	108,000
Interest Income					
49001000 - Interest Income - Treasury Notes	10,228	0	10,228	0.00%	0
49001500 - Interest Income - Treasury Notes - Discretionary	20,197	30,719	(10,522)	(34.25%)	368,679
49002000 - Interest Income - Money Market	254	0	254	0.00%	0
49002500 - Interest Income - Gnma Securities - Discretionary	7,701	0	7,701	0.00%	0
Total Interest Income	38,380	30,719	7,661	24.94%	368,679
Miscellaneous					
44501510 - Lease Processing Fee - Third	15,320	17,000	(1,680)	(9.88%)	204,000
44502500 - Non-Sale Transfer Fee - Third	100	1,083	(983)	(90.77%)	13,000
44503520 - Resale Processing Fee - Third	10,624	16,158	(5,534)	(34.25%)	193,901
44505500 - Hoa Certification Fee	675	500	175	35.00%	6,000
44507000 - Golf Cart Electric Fee	66,516	5,667	60,849	1073.74%	68,000
44507200 - Electric Vehicle Plug-In Fee	6,708	1,000	5,708	570.75%	12,000
44507500 - Cartport/Carport Space Rental Fee	4,800	250	4,550	1820.00%	3,000
47001500 - Late Fee Revenue	2,415	4,000	(1,585)	(39.63%)	48,000
47002020 - Collection Administrative Fee - Third	500	750	(250)	(33.33%)	9,000
47002500 - Collection Interest Revenue	54	1,833	(1,779)	(97.07%)	22,000
47501000 - Recycling	148	200	(52)	(26.12%)	2,400
49009000 - Miscellaneous Revenue	(144)	0	(144)	0.00%	0
Total Miscellaneous	107,715	48,441	59,274	122.36%	581,301
Total Non-Assessment Revenue	213,452	135,097	78,355	58.00%	1,621,218
Total Revenue	2,883,471	2,804,573	78,898	2.81%	33,654,937
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	146,318	189,675	43,358	22.86%	2,276,484
51021000 - Union Wages - Regular	373,377	482,814	109,436	22.67%	5,684,742
51041000 - Wages - Overtime	2,330	3,358	1,027	30.60%	40,308
51051000 - Union Wages - Overtime	4,855	3,119	(1,737)	(55.69%)	37,449
51061000 - Holiday	137,061	27,187	(109,874)	(404.15%)	321,801
51071000 - Sick	23,596	22,179	(1,418)	(6.39%)	262,522
51091000 - Missed Meal Penalty	381	146	(235)	(161.73%)	1,758
51101000 - Temporary Help	5,555	4,489	(1,066)	(23.75%)	53,884

**Third Laguna Hills Mutual
Operating Statement
1/31/2018
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				ANNUAL BUDGET
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	
51981000 - Compensation Accrual	93,384	0	(93,384)	0.00%	0
Total Employee Compensation	786,859	732,965	(53,893)	(7.35%)	8,678,947
Compensation Related					
52411000 - F.I.C.A.	51,671	55,222	3,551	6.43%	647,182
52421000 - F.U.I.	3,958	2,425	(1,533)	(63.21%)	9,719
52431000 - S.U.I.	34,992	12,127	(22,865)	(188.55%)	48,533
52441000 - Union Medical	157,938	158,567	628	0.40%	1,902,800
52451000 - Workers' Compensation Insurance	54,550	52,858	(1,692)	(3.20%)	623,917
52461000 - Non Union Medical & Life Insurance	22,850	19,460	(3,390)	(17.42%)	233,653
52471000 - Union Retirement Plan	25,581	26,410	829	3.14%	310,962
52481000 - Non-Union Retirement Plan	4,061	7,874	3,813	48.42%	94,496
52981000 - Compensation Related Accrual	38,639	0	(38,639)	0.00%	0
Total Compensation Related	394,241	334,943	(59,298)	(17.70%)	3,871,261
Materials and Supplies					
53001000 - Materials & Supplies	28,131	29,838	1,707	5.72%	358,452
53002500 - Printed Membership Materials	0	16	16	100.00%	194
53003000 - Materials Direct	62,169	99,991	37,822	37.83%	1,200,324
Total Materials and Supplies	90,300	129,845	39,545	30.46%	1,558,970
Utilities and Telephone					
53301000 - Electricity	1,733	41,300	39,567	95.80%	325,000
53301500 - Sewer	153,912	138,300	(15,612)	(11.29%)	1,677,000
53302000 - Water	263,693	153,290	(110,403)	(72.02%)	2,532,507
53302500 - Trash	66,787	44,204	(22,583)	(51.09%)	530,455
53304000 - Telephone	2,374	0	(2,374)	0.00%	0
Total Utilities and Telephone	488,499	377,094	(111,406)	(29.54%)	5,064,962
Legal Fees					
53401500 - Legal Fees	(14,754)	24,167	38,921	161.05%	290,000
Total Legal Fees	(14,754)	24,167	38,921	161.05%	290,000
Professional Fees					
53402000 - Audit & Tax Preparation Fees	0	4,000	4,000	100.00%	48,000
53403500 - Consulting Fees	0	2,884	2,884	100.00%	34,614
53403520 - Consulting Fees - Third	763	6,191	5,429	87.68%	74,300
Total Professional Fees	763	13,075	12,313	94.17%	156,914
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	35	2,396	2,361	98.52%	25,462
Total Equipment Rental	35	2,396	2,361	98.52%	25,462
Outside Services					
53601000 - Bank Fees	0	327	327	100.00%	3,929
53604500 - Marketing Expense	660	0	(660)	0.00%	0
54603500 - Outside Services CC	129,283	901,377	772,094	85.66%	10,377,739
53704000 - Outside Services	1,749	5,133	3,385	65.93%	77,476
Total Outside Services	131,692	906,837	775,146	85.48%	10,459,144
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	(1,742)	1,121	2,862	255.43%	12,108
53703000 - Elevator /Lift Maintenance	22,354	26,040	3,686	14.16%	320,480
Total Repairs and Maintenance	20,612	27,161	6,548	24.11%	332,588
Other Operating Expense					
53801000 - Mileage & Meal Allowance	139	639	500	78.31%	7,694
53801500 - Travel & Lodging	0	131	131	100.00%	1,574
53802000 - Uniforms	5,330	5,164	(166)	(3.21%)	70,674
53802500 - Dues & Memberships	71	266	195	73.25%	3,204
53803000 - Subscriptions & Books	0	154	154	100.00%	1,851
53803500 - Training & Education	640	916	276	30.12%	11,016
53901500 - Volunteer Support	0	98	98	100.00%	1,175
53903000 - Safety	0	3	3	100.00%	41
54001000 - Board Relations	134	417	282	67.78%	5,000
54001020 - Board Relations - Third	613	333	(280)	(83.98%)	4,000
54002000 - Postage	0	3,232	3,232	100.00%	51,712

**Third Laguna Hills Mutual
Operating Statement
1/31/2018
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
54002500 - Filing Fees / Permits	109	124	14	11.63%	1,497
Total Other Operating Expense	7,036	11,475	4,440	38.69%	159,438
Insurance					
54401000 - Hazard & Liability Insurance	32,411	33,664	1,252	3.72%	403,965
54401500 - D&O Liability	5,227	3,959	(1,267)	(32.01%)	47,514
54402000 - Property Insurance	71,588	71,479	(110)	(0.15%)	857,745
54403000 - General Liability Insurance	0	589	589	100.00%	7,072
Total Insurance	109,227	109,691	465	0.42%	1,316,295
Uncollectible Accounts					
54602000 - Bad Debt Expense	6,184	8,333	2,149	25.79%	100,000
Total Uncollectible Accounts	6,184	8,333	2,149	25.79%	100,000
Depreciation and Amortization					
55001000 - Depreciation And Amortization	12,164	0	(12,164)	0.00%	0
Total Depreciation and Amortization	12,164	0	(12,164)	0.00%	0
Net Allocation to Mutuals					
54602500 - Allocated Expenses	89,261	107,494	18,233	16.96%	1,279,046
Total Net Allocation to Mutuals	89,261	107,494	18,233	16.96%	1,279,046
Total Expenses	2,122,119	2,785,476	663,357	23.81%	33,293,027
Excess of Revenues Over Expenses	\$761,352	\$19,097	\$742,255	3886.75%	\$361,910

**Third Laguna Hills Mutual
Balance Sheet - Preliminary
1/31/2018**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
Assets			
1	Cash and cash equivalents	\$1,948,291	\$997,829
2	Non-discretionary investments	11,914,859	12,920,190
3	Discretionary investments	16,515,130	16,497,360
4	Receivable/(Payable) from mutuals	1,530,401	1,786,681
5	Accounts receivable and interest receivable	(23,149)	(39,341)
6	Prepaid expenses and deposits	264,338	260,788
7	Property and equipment	141,239	141,239
8	Accumulated depreciation property and equipment	(141,239)	(141,239)
9	Beneficial interest in GRF of Laguna Hills Trust	5,591,627	5,603,791
10	Non-controlling interest in GRF	36,706,488	36,706,488
11	Total Assets	<u>\$74,447,985</u>	<u>\$74,733,787</u>
Liabilities and Fund Balances			
Liabilities:			
12	Accounts payable and accrued expenses	\$1,320,046	\$2,385,414
13	Accrued compensation and related costs	677,476	677,476
14	Deferred income	964,439	946,225
15	Total liabilities	<u>\$2,961,960</u>	<u>\$4,009,114</u>
Fund balances:			
16	Fund balance prior years	70,724,673	67,486,563
17	Change in fund balance - current year	761,352	3,238,110
18	Total fund balances	<u>71,486,025</u>	<u>70,724,673</u>
19	Total Liabilities and Fund Balances	<u>\$74,447,985</u>	<u>\$74,733,787</u>

**Third Laguna Hills Mutual
Fund Balance Sheet - Preliminary
1/31/2018**

	<u>Operating Fund</u>	<u>Unappropriated Expenditures Fund</u>	<u>Disaster Fund</u>	<u>Replacement Fund</u>	<u>Elevator Replacement Fund</u>	<u>Laundry Replacement Fund</u>	<u>Garden Villa Rec Room Fund</u>	<u>Total</u>	
Assets									
1	Cash and cash equivalents	\$1,948,291						\$1,948,291	
2	Non-discretionary investments	11,914,859						11,914,859	
3	Discretionary investments	16,515,130						16,515,130	
4	Receivable/(Payable) from mutuals	1,530,401						1,530,401	
5	Receivable/(Payable) from operating fund	(28,977,486)	2,787,753	8,918,233	14,719,653	1,640,551	807,488	103,809	
6	Accounts receivable and interest receivable	(23,149)						(23,149)	
7	Prepaid expenses and deposits	264,338						264,338	
8	Property and equipment	141,239						141,239	
9	Accumulated depreciation property and equipment	(141,239)						(141,239)	
10	Beneficial interest in GRF of Laguna Hills Trust	5,591,627						5,591,627	
11	Non-controlling interest in GRF	36,706,488						36,706,488	
12	Total Assets	<u>\$45,470,499</u>	<u>\$2,787,753</u>	<u>\$8,918,233</u>	<u>\$14,719,653</u>	<u>\$1,640,551</u>	<u>\$807,488</u>	<u>\$103,809</u>	<u>\$74,447,986</u>
Liabilities and Fund Balances									
Liabilities:									
13	Accounts payable and accrued expenses	\$1,079,566	(\$39,894)	\$75,379	\$203,267	(\$20,048)	(\$14,132)	\$35,907	\$1,320,045
14	Accrued compensation and related costs	677,476							677,476
15	Deferred income	964,439							964,439
16	Total liabilities	<u>\$2,721,481</u>	<u>(\$39,894)</u>	<u>\$75,379</u>	<u>\$203,267</u>	<u>(\$20,048)</u>	<u>(\$14,132)</u>	<u>\$35,907</u>	<u>\$2,961,960</u>
Fund balances:									
17	Fund balance prior years	42,630,977	2,762,889	8,728,230	14,097,025	1,627,889	814,024	63,639	70,724,673
18	Change in fund balance - current year	118,041	64,758	114,624	419,361	32,710	7,596	4,263	761,352
19	Total fund balances	<u>42,749,018</u>	<u>2,827,647</u>	<u>8,842,854</u>	<u>14,516,386</u>	<u>1,660,599</u>	<u>821,620</u>	<u>67,902</u>	<u>71,486,026</u>
20	Total Liabilities and Fund Balances	<u>\$45,470,499</u>	<u>\$2,787,753</u>	<u>\$8,918,233</u>	<u>\$14,719,653</u>	<u>\$1,640,551</u>	<u>\$807,488</u>	<u>\$103,809</u>	<u>\$74,447,986</u>

**Third Laguna Hills Mutual
Changes in Fund Balances - Preliminary
1/31/2018**

	<u>Operating Fund</u>	<u>Unappropriated Expenditures Fund</u>	<u>Disaster Fund</u>	<u>Replacement Fund</u>	<u>Elevator Replacement Fund</u>	<u>Laundry Replacement Fund</u>	<u>Garden Villa Rec Room Fund</u>	<u>Total</u>
Revenues:								
Assessments:								
1	\$1,573,817							\$1,573,817
2		61,020	169,025	823,770	30,510	6,908	4,968	1,096,201
3	<u>1,573,817</u>	<u>61,020</u>	<u>169,025</u>	<u>823,770</u>	<u>30,510</u>	<u>6,908</u>	<u>4,968</u>	<u>2,670,019</u>
Non-assessment revenues:								
4	63,692							63,692
5	3,666							3,666
6		3,738	11,956	19,266	2,200	1,082	138	38,380
7	107,715							107,715
8	<u>175,073</u>	<u>3,738</u>	<u>11,956</u>	<u>19,266</u>	<u>2,200</u>	<u>1,082</u>	<u>138</u>	<u>213,452</u>
9	<u>1,748,890</u>	<u>64,758</u>	<u>180,981</u>	<u>843,036</u>	<u>32,710</u>	<u>7,990</u>	<u>5,106</u>	<u>2,883,471</u>
Expenses:								
10	833,573		999	345,471		349	708	1,181,100
11	41,124		40	49,028		18	91	90,300
12	490,031		(9)	(1,520)			(2)	488,499
13	(14,754)							(14,754)
14	763							763
15	11		2	22				35
16	49,541		65,294	16,855			1	131,692
17	20,612							20,612
18	5,895		2	1,135		1	2	7,036
19	109,227							109,227
20	6,184							6,184
21	12,164							12,164
22	76,478		30	12,684		26	43	89,261
23	<u>1,630,849</u>		<u>66,358</u>	<u>423,675</u>		<u>395</u>	<u>843</u>	<u>2,122,119</u>
24	<u>\$118,041</u>	<u>\$64,758</u>	<u>\$114,624</u>	<u>\$419,361</u>	<u>\$32,710</u>	<u>\$7,596</u>	<u>\$4,263</u>	<u>\$761,352</u>
25	<u>\$130,205</u>	<u>\$64,758</u>	<u>\$114,624</u>	<u>\$419,361</u>	<u>\$32,710</u>	<u>\$7,596</u>	<u>\$4,263</u>	<u>\$773,516</u>

**THIRD LAGUNA HILLS MUTUAL
Provision For Doubtful Accounts
As of January 31, 2018**

Month	Delinquent Assessments	Assessments Write-Offs	Bad Debt Small Claims	Delinquent Fines, Fees, and Chargeable Services	Chargeable Services Write-Offs	Change in Provision	Total Delinquent Units *
December-17	304,394			45,324			44
January-18	311,578	1,000	-	45,324		6,184	32
February-18		-	-		-		
March-18		-	-		-	-	
April-18		-	-		-	-	
May-18		-	-		-	-	
June-18		-	-		-	-	
July-18		-	-		-	-	
August-18		-	-		-	-	
September-18		-	-		-	-	
October-18		-	-		-	-	
November-18		-	-		-	-	
December-18		-	-		-	-	
YTD TOTAL						6,184	

* units reported on the Assessments - Monthly Delinquency Report

**THIRD LAGUNA HILLS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
1/31/18**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
912796NS4	U.S. TREASURY BILL	0.00%	09-19-17	02-15-18	1,000,000.00	1.00%	995,902.50	
912796NU9	U.S. TREASURY BILL	0.00%	12-14-17	03-08-18	3,000,000.00	1.20%	2,991,740.00	
912796LX5	U.S. TREASURY BILL	0.00%	04-28-17	04-26-18	1,000,000.00	0.61%	990,420.83	
912796MB2	U.S. TREASURY BILL	0.00%	08-11-17	05-24-18	2,000,000.00	1.05%	1,983,634.44	
912796PM5	U.S. TREASURY BILL	0.00%	01-24-18	06-28-18	1,000,000.00	1.46%	993,821.53	
912796MK2	U.S. TREASURY BILL	0.00%	08-11-17	07-19-18	4,000,000.00	1.09%	3,959,340.00	
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$ 12,000,000.00		\$ 11,914,859.30	1.03%

*Yield is based on all investments held during the year

**THIRD LAGUNA HILLS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
1/31/18**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
	M.L. MONEY MARKET				\$ 135,118.78		\$ 690,073.77	
89114QAG3	CorpBond-Toronto-Dominion Bank	1.40%	01-10-17	04-30-18	225,000.00	1.53%	224,608.50	
20030NAW1	CorpBond-Comcast Corp	5.70%	07-09-14	05-15-18	100,000.00	1.66%	114,972.00	
20030NAW1	CorpBond-Comcast Corp	5.70%	10-23-17	05-15-18	50,000.00	1.52%	51,161.00	
912828VK3	U.S. TREASURY NOTE	1.38%	07-10-13	06-30-18	275,000.00	1.48%	273,529.24	
912828N22	U.S. TREASURY NOTE	1.25%	12-24-15	12-15-18	250,000.00	1.32%	249,453.55	
718172BF5	CorpBond-Philip Morris Intl Inc	1.88%	11-13-14	01-15-19	150,000.00	1.90%	149,848.50	
46625HJR2	CorpBond-JP Morgan Chase & Co	2.35%	07-09-14	01-28-19	200,000.00	2.14%	201,734.00	
494974BFU9	CorpBond-Wells Fargo Company	2.13%	07-09-14	04-22-19	200,000.00	2.15%	199,726.00	
912828KQ2	U.S. TREASURY NOTE	3.13%	06-24-09	05-15-19	769,000.00	3.77%	727,847.11	
912828KQ2	U.S. TREASURY NOTE	3.13%	07-15-10	05-15-19	216,000.00	2.93%	219,181.80	
02665WBEO	CorpBond-American Honda Finance	1.20%	08-01-17	07-12-19	100,000.00	1.57%	99,280.00	
913017CF4	CorpBond-United Technologies Corp	1.50%	01-09-17	11-01-19	100,000.00	1.76%	99,267.00	
9128283N8	U.S. TREASURY NOTE	1.88%	01-02-18	12-31-19	400,000.00	1.90%	399,766.30	
912828K33	U.S. TIP NOTE	0.13%	03-08-17	04-15-20	300,000.00	0.12%	314,668.58	
912828ND8	U.S. TREASURY NOTE	3.50%	07-15-10	05-15-20	660,000.00	3.02%	686,557.33	
747525AP8	CorpBond-Qual Comm Inc	2.10%	07-13-17	05-20-20	100,000.00	2.08%	100,530.00	
912828XE5	U.S. TREASURY NOTE	1.50%	06-08-15	05-31-20	350,000.00	1.73%	346,117.78	
17275RAX0	CorpBond-Cisco System Inc	2.45%	08-21-17	06-15-20	150,000.00	1.73%	152,925.00	
912828NT3	U.S. TREASURY NOTE	2.63%	10-28-10	08-15-20	285,000.00	2.68%	283,542.74	
912828NT3	U.S. TREASURY NOTE	2.63%	11-29-11	08-15-20	100,000.00	1.75%	106,996.49	
06406HDD8	CorpBond-Bank of NY Mellon Corp	2.60%	12-08-15	08-17-20	200,000.00	2.39%	201,800.00	
857477AS2	CorpBond-State Street Corp	2.55%	12-31-15	08-18-20	150,000.00	2.26%	151,875.00	
912828M98	U.S. TREASURY NOTE	1.63%	12-15-15	11-30-20	250,000.00	1.69%	249,199.64	
912828M98	U.S. TREASURY NOTE	1.63%	12-24-15	11-30-20	300,000.00	1.72%	298,559.10	
035242AJ5	CorpBond-Anheuser-Busch Inbev Fin	2.65%	11-01-16	02-01-21	100,000.00	2.03%	102,436.00	
035242AJ5	CorpBond-Anheuser-Busch Inbev Fin	2.65%	08-18-17	02-01-21	100,000.00	2.17%	101,522.00	
035242AJ5	CorpBond-Anheuser-Busch Inbev Fin	2.65%	10-24-17	02-01-21	25,000.00	2.20%	25,342.50	
63946BAE0	CorpBond-BC Universal Media LLC	4.38%	12-08-15	04-01-21	100,000.00	2.50%	109,238.00	
037833AR1	CorpBond-Apple Inc	2.85%	10-23-17	05-06-21	75,000.00	2.06%	76,986.75	
857477AV5	CorpBond-State Street Corp	1.95%	10-23-17	05-19-21	50,000.00	2.06%	49,801.00	
594918BP8	CorpBond-Microsoft Corp	1.55%	11-01-16	08-08-21	100,000.00	1.79%	98,911.00	
912828RC6	U.S. TREASURY NOTE	2.13%	11-09-11	08-15-21	1,000,000.00	2.04%	1,007,269.63	
91324PBT8	CorpBond-Unitedhealth Group Inc	3.38%	01-05-16	11-15-21	150,000.00	2.64%	155,676.00	
375558AU7	CorpBond-Gilead Sciences Inc	4.40%	12-29-15	12-01-21	150,000.00	2.85%	162,072.00	

**THIRD LAGUNA HILLS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS**

1/31/18

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
585055BR6	CorpBond-Medtronic Inc	3.15%	12-16-15	03-15-22	150,000.00	3.15%	151,413.00	
585055BR6	CorpBond-Medtronic Inc	3.15%	07-19-16	03-15-22	100,000.00	1.82%	107,149.00	
913017BV0	CorpBond-United Technologies Corp	3.10%	04-01-16	06-01-22	150,000.00	2.13%	158,292.00	
20030NBD2	CorpBond-Comcast Corp	3.13%	07-09-14	07-15-22	100,000.00	2.97%	101,063.00	
91159JAA4	CorpBond-US Bancorp	2.95%	12-08-15	07-15-22	200,000.00	1.82%	200,306.00	
91324PCN0	CorpBond-UnitedHealth Group	3.35%	12-04-17	07-15-22	150,000.00	1.82%	154,786.50	
912828L24	U.S. TREASURY NOTE	1.88%	11-06-15	08-31-22	300,000.00	2.08%	296,098.26	
375558BC6	CorpBond-Gilead Sciences Inc	3.25%	07-20-16	09-01-22	100,000.00	2.04%	106,727.00	
375558BC6	CorpBond-Gilead Sciences Inc	3.25%	10-23-17	09-01-22	50,000.00	2.38%	51,901.00	
912828M80	U.S. TREASURY NOTE	2.00%	12-08-15	11-30-22	500,000.00	1.99%	500,215.84	
912828M80	U.S. TREASURY NOTE	2.00%	12-15-15	11-30-22	200,000.00	2.05%	199,258.21	
48128BAB7	CorpBond-JP Morgan Chase & Co	2.97%	10-23-17	01-15-23	50,000.00	2.58%	50,769.00	
912828P38	U.S. TREASURY NOTE	1.75%	02-22-16	01-31-23	250,000.00	1.58%	252,637.22	
035242AL0	CorpBond-Anheuser-Busch Inbev Fin	3.30%	04-01-16	02-01-23	150,000.00	2.69%	155,475.00	
037833AK6	CorpBond-Apple Inc	2.40%	01-10-17	05-03-23	200,000.00	2.75%	195,862.00	
912828S35	U.S. TREASURY NOTE	1.38%	07-19-16	06-30-23	200,000.00	1.35%	200,328.53	
68389XBL8	CorpBond-Oracle Corp	2.40%	07-12-16	09-15-23	150,000.00	2.16%	152,296.50	
59156RBH0	CorpBond-Metlife Inc	3.60%	12-04-17	04-10-24	150,000.00	2.82%	156,720.00	
94974BGA2	CorpBond-Wells Fargo Company	3.30%	12-04-17	09-09-24	150,000.00	3.01%	152,575.50	
36201TAZ0/P592324	GNMA SECURITIES	4.00%	02-17-10	02-15-18	1,813.12	0.90%	8,025.37	
36290YWE4/P621745	GNMA SECURITIES	5.50%	01-18-06	07-15-18	4,813.74	1.74%	15,184.89	
36200M6T5/P604882	GNMA SECURITIES	5.00%	12-29-03	12-15-18	2,972.55	0.83%	17,972.55	
36225B3R7/P781708	GNMA SECURITIES	5.00%	05-18-04	05-15-19	8,815.63	3.91%	11,276.83	
36290YBU1/P621151	GNMA SECURITIES	5.50%	05-29-07	05-15-22	54,026.47	5.50%	54,026.47	
36296DDR6/P687812	GNMA SECURITIES	5.50%	09-22-08	08-15-23	46,406.53	4.05%	63,064.02	
36202FD78/P004626	GNMA SECURITIES	4.50%	02-24-10	02-20-25	123,842.04	3.38%	165,045.17	
36202FD78/P004626	GNMA SECURITIES	4.50%	09-17-13	02-20-25	137,726.21	3.68%	168,385.22	
36202FJC1/P004759	GNMA SECURITIES	4.00%	02-16-12	08-20-25	118,287.56	2.78%	170,263.19	
36202FJC1/P004759	GNMA SECURITIES	4.00%	03-19-12	08-20-25	49,760.25	2.79%	71,309.22	
3620AS6G9/P738971X	GNMA SECURITIES	3.00%	04-29-15	11-15-26	212,321.94	2.74%	232,374.69	
36202F2H8/P005276M	GNMA SECURITIES	3.00%	11-12-14	01-20-27	97,925.20	2.71%	108,247.14	
36179MAG5/PMA0007M	GNMA SECURITIES	3.00%	08-20-12	04-20-27	199,549.86	2.48%	241,572.82	
36179MGN4/PMA0205M	GNMA SECURITIES	3.00%	07-31-12	07-20-27	211,999.20	2.49%	255,260.92	
36179MP53/PMA0444M	GNMA SECURITIES	3.00%	12-18-12	10-20-27	320,863.51	2.52%	381,796.29	
36179MSB7/PMA0514M	GNMA SECURITIES	3.00%	05-14-14	11-20-27	236,069.46	2.72%	260,483.85	
36179MU32/PMA0602M	GNMA SECURITIES	3.00%	01-17-13	12-20-27	483,565.65	2.55%	568,881.05	
36179MZW3/PMA0757M	GNMA SECURITIES	3.00%	04-16-13	02-20-28	220,527.33	2.57%	257,724.47	
36179NMP0/PMA1266M	GNMA SECURITIES	3.50%	10-21-13	09-20-28	119,424.68	3.04%	137,536.19	
36202T7B6/P609390x	GNMA SECURITIES	5.50%	09-22-03	09-15-33	34,233.47	3.77%	49,984.32	
36213CZ52/P550764	GNMA SECURITIES	5.50%	09-19-07	09-15-35	42,240.84	6.52%	35,616.33	
36202EYL7/P004315	GNMA SECURITIES	5.50%	11-18-10	11-18-38	107,317.79	2.64%	223,859.65	
36297F6L1/P711075	GNMA SECURITIES	4.50%	09-21-10	09-15-40	191,170.22	3.54%	243,333.41	
36179QJT9/PMA2074M	GNMA SECURITIES	4.00%	11-13-17	07-20-44	171,180.63	3.77%	181,779.93	
36179QL74/PMA2150M	GNMA SECURITIES	4.50%	09-11-14	08-20-44	78,505.30	3.49%	101,094.66	
36179QT50/PMA2372M	GNMA SECURITIES	4.00%	12-22-14	11-20-44	164,239.60	3.31%	198,200.26	
36179RTA7/PMA3245m	GNMA SECURITIES	4.00%	12-17-15	11-20-45	206,610.06	3.56%	232,233.02	
36179SUV7/PMA4196m	GNMA SECURITIES	3.50%	02-28-17	01-20-47	223,260.83	3.34%	234,248.99	
TOTAL FOR DISCRETIONARY INVESTMENTS					15,034,588.45		16,515,129.79	2.05%
TOTAL INVESTMENTS					\$ 27,034,588.45		\$ 28,429,989.09	1.62%

**Third Laguna Hills Mutual
Supplemental Appropriation Schedule
Period Ending: 01/31/2017**

ITEM	RESOLUTION #	BUDGET	EXPENDITURES		
		TOTAL Appropriations	I-T-D*	REMAINING Encumbrance	CURRENT STATUS

Replacement Fund

Garden Villa Breezeway Recessed Areas	03-17-54	\$150,000	0	\$150,000	Open
Totals		\$150,000	\$0	\$150,000	

Garden Villa Rec. Room Fund

Painting Garden Villa Rec Rooms	03-17-52	\$8,000	0	\$8,000	Open
Garden Villa Recreation Room Flooring	03-17-109	10,500	0	10,500	Open
Garden Villa Recreation Room Renovation	03-17-110	8,000	0	8,000	Open
Totals		\$26,500	\$0	\$26,500	

Unappropriated Expenditures Fund

Mid Cycle Dry Rot Repairs	03-14-29	\$1,111,000	\$282,552	\$0	Closed
Funding for Miscellaneous Energy Projects	03-15-73	2,000	1,312	0	Closed
Misc. Energy Projects	03-15-137	2,500	1,400	0	Closed
Funding For Wall Security - Gate 11	03-15-139	40,000	40,000	0	Closed
Solar Project	03-16-98	2,400,000	2,256,564	0	Closed
Supplemental Funding for Solar Project	03-17-40	250,000	142,722	0	Closed
Curb Cut Requests	03-17-51	62,500	38,116	24,384	Open
Red Curb Reset Implementation	03-17-51B	71,819	67,344	4,475	Open
Totals		\$3,939,819	\$2,830,009	\$28,859	

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF JANUARY 31, 2018**

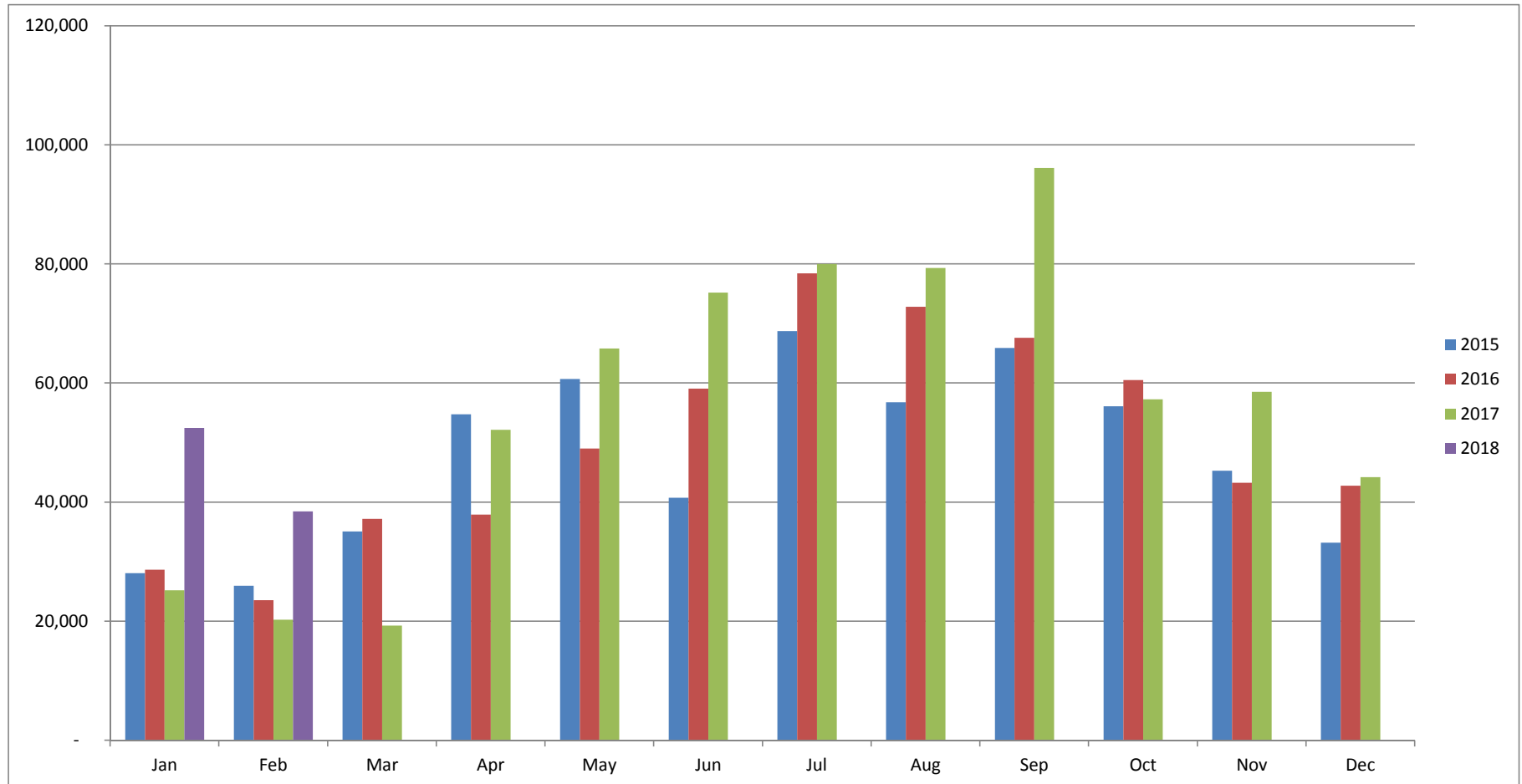
DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
REPLACEMENT FUND								
ALARM SYSTEMS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
BUILDING NUMBERS	0	2,830	0	2,830	33,970	0%	2,830	100%
BUILDING STRUCTURES	25,960	263,267	25,960	263,267	3,152,327	1%	237,307	90%
ELECTRICAL SYSTEMS	0	4,586	0	4,586	55,046	0%	4,586	100%
ENERGY PROJECTS	1,554	4,166	1,554	4,166	50,000	3%	2,612	63%
EXTERIOR LIGHTING	0	41,666	0	41,666	500,000	0%	41,666	100%
FENCING	9,313	0	9,313	0	0	0%	(9,313)	0%
GARDEN VILLA LOBBY	0	9,549	0	9,549	114,126	0%	9,549	100%
GARDEN VILLA MAILROOM	10,993	2,004	10,993	2,004	23,649	46%	(8,989)	(449%)
GARDEN VILLA RECESSED AREA	0	16,250	0	16,250	195,000	0%	16,250	100%
GV REC ROOM WATER HEATER/HEAT PUMP	507	1,500	507	1,500	18,000	3%	993	66%
GUTTER REPLACEMENTS	7,304	11,459	7,304	11,459	137,118	5%	4,155	36%
LANDSCAPE MODERNIZATION	0	20,833	0	20,833	250,000	0%	20,833	100%
MAILBOXES	0	1,640	0	1,640	19,389	0%	1,640	100%
PAINT PROGRAM - EXTERIOR	129,996	136,115	129,996	136,115	1,602,744	8%	6,119	4%
PRIOR TO PAINT	151,251	72,798	151,251	72,798	857,243	18%	(78,453)	(108%)
PAVING	0	12,500	0	12,500	597,000	0%	12,500	100%
ROOF REPLACEMENTS	0	218,627	0	218,627	1,598,050	0%	218,627	100%
TREE MAINTENANCE	72,135	70,197	72,135	70,197	826,476	9%	(1,937)	(3%)
WALL REPLACEMENTS	0	6,250	0	6,250	75,000	0%	6,250	100%
WASTE LINE REMEDIATION	14,097	62,500	14,097	62,500	750,000	2%	48,403	77%
WATER LINES - COPPER PIPE REMEDIATION	0	8,333	0	8,333	100,000	0%	8,333	100%
OTHER - INVESTMENT EXPENSE	564	0	564	0	0	0%	0	0%
TOTAL REPLACEMENT FUND	\$423,675	\$967,070	\$423,675	\$967,070	\$10,955,137	4%	\$543,960	56%
ELEVATOR REPLACEMENT FUND								
ELEVATOR REPLACEMENT	\$0	\$27,515	\$0	\$27,515	\$330,189	0%	\$27,515	100%
OTHER - INVESTMENT EXPENSE	0	0	0	0	0	0%	0	0%
TOTAL ELEVATOR REPLACEMENT FUND	\$0	\$27,515	\$0	\$27,515	\$330,189	0%	\$27,515	100%
LAUNDRY REPLACEMENT FUND								
LAUNDRY APPLIANCES	\$395	\$2,072	\$395	\$2,072	\$24,714	2%	\$1,677	81%
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	0	2,918	0	2,918	34,688	0%	2,918	100%
OTHER - INVESTMENT EXPENSE	0	0	0	0	0	0%	0	0%
TOTAL LAUNDRY REPLACEMENT FUND	\$395	\$4,990	\$395	\$4,990	\$59,402	1%	\$4,595	92%
GARDEN VILLA RECREATION ROOM FUND								
GARDEN VILLA RECREATION ROOMS	\$843	\$5,808	\$843	\$5,808	\$69,139	1%	\$4,965	85%
OTHER - INVESTMENT EXPENSE	0	0	0	0	0	0%	0	0%
TOTAL GARDEN VILLA REC ROOMS FUND	\$843	\$5,808	\$843	\$5,808	\$69,139	1%	\$4,965	85%

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF JANUARY 31, 2018**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
OPERATING FUND								
APPLIANCE REPAIRS	\$10,076	\$7,974	\$10,076	\$7,974	\$93,901	11%	(\$2,102)	(26%)
BALCONY/BREEZEWAY RESURFACING	4,835	34,895	4,835	34,895	411,008	1%	30,059	86%
BUILDING REHAB/DRY ROT	5,262	27,147	5,262	27,147	320,666	2%	21,885	81%
CARPENTRY SERVICE	20,536	31,376	20,536	31,376	370,816	6%	10,839	35%
CONCRETE REPAIR/REPLACEMENT	44,715	23,577	44,715	23,577	277,636	16%	(21,138)	(90%)
CURB CUT/SIDEWALK RAMPS	0	1,666	0	1,666	20,000	0%	1,666	100%
ELECTRICAL SERVICE	10,140	12,101	10,140	12,101	142,279	7%	1,961	16%
FIRE PROTECTION	135	8,398	135	8,398	100,820	0%	8,263	98%
GUTTER CLEANING	2,198	2,335	2,198	2,335	166,799	1%	137	6%
GV MAILROOM RENOVATIONS	0	0	0	0	0	0%	0	0%
JANITORIAL SERVICE	71,757	66,940	71,757	66,940	785,925	9%	(4,818)	(7%)
MISC REPAIRS BY OUTSIDE SERVICE	238	5,505	238	5,505	66,061	0%	5,267	96%
PAINT - TOUCH UP	15,196	10,046	15,196	10,046	118,034	13%	(5,150)	(51%)
PAVING MAINTENANCE & REPAIRS	1,158	13,881	1,158	13,881	163,751	1%	12,722	92%
PEST CONTROL FOR TERMITES	0	24,912	0	24,912	298,968	0%	24,912	100%
PLUMBING SERVICE	54,139	47,703	54,139	47,703	562,159	10%	(6,436)	(13%)
ROOF REPAIRS	19,273	24,166	19,273	24,166	290,000	7%	4,893	20%
SOLAR MAINTENANCE	0	3,333	0	3,333	40,000	0%	3,333	100%
STAIR TREAD REPLACEMENTS	0	712	0	712	8,431	0%	712	100%
TRAFFIC CONTROL	369	2,509	369	2,509	29,721	1%	2,141	85%
WELDING	10,478	5,648	10,478	5,648	66,615	16%	(4,830)	(86%)
TOTAL MAINTENANCE PROGRAMS	\$270,507	\$354,824	\$270,507	\$354,824	\$4,333,590	6%	\$84,317	24%
DISASTER FUND								
MOISTURE INTRUSION - RAIN LEAKS	\$4,210	\$25,833	\$4,210	\$25,833	\$310,000	1%	\$21,623	84%
MOISTURE INTRUSION - PLUMBING LEAKS	56,777	62,500	56,777	62,500	750,000	8%	5,723	9%
MOISTURE INTRUSION - PLUMBING STOPPAGES	0	20,444	0	20,444	245,338	0%	20,444	100%
MOISTURE INTRUSION - MISCELLANEOUS	4,305	5,905	4,305	5,905	70,869	6%	1,601	27%
DAMAGE RESTORATION SERVICES	1,066	31,032	1,066	31,032	371,113	0%	29,966	97%
OTHER - INVESTMENT EXPENSE	0	0	0	0	0	0%	0	0%
TOTAL DISASTER FUND	\$66,358	\$145,714	\$66,358	\$145,714	\$1,747,320	4%	\$79,356	54%
UNAPPROPRIATED EXPENDITURES FUND								
SUPPELMENTAL APPROPRATIONS	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
TOTAL DISASTER FUND	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%

Third Mutual Water Usage in 100 cubic feet units

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	28,102	25,962	35,102	54,767	60,673	40,766	68,724	56,774	65,900	56,100	45,293	33,217	571,380
2016	28,692	23,565	37,198	37,935	49,039	59,069	78,415	72,805	67,591	60,506	43,261	42,786	600,862
2017	25,226	20,286	19,299	52,174	65,796	75,181	79,992	79,315	96,121	57,296	58,557	44,191	673,434
2018	52,495	38,446	-	-	-	-	-	-	-	-	-	-	90,941





STAFF REPORT

DATE: March 5, 2018
FOR: Maintenance and Construction Committee
SUBJECT: Unbudgeted Expenditure for 2018 Fumigation Program

RECOMMENDATION

Approve an unbudgeted expenditure in the amount of \$10,000 from the Operating Fund to provide lodging services during the 2018 Fumigation Program.

BACKGROUND

In accordance with Resolution 03-12-138, termite inspections were performed in 2017 by Mutual staff and a third party pest control contractor. Inspections revealed that 45 buildings within Third Laguna Hills Mutual are in need of fumigation services by whole structure tenting in order to eliminate the identified termite infestations and protect the structural integrity of each affected building.

DISCUSSION

The 2018 budget for lodging services due to fumigation is \$62,948. In order to proceed with the necessary pest control treatment of all 45 building structures, or 248 manors, an increase of \$10,000 to the Operating Fund is needed. Historically, buildings identified as needing fumigation services outside of the budgeted amount are deferred to the next program year. Out of the 45 buildings requiring fumigation, 17 buildings are categorized as high priority. Staff recommends an unbudgeted expenditure be granted to accommodate treatment of all 45 buildings during this year's program.

FINANCIAL ANALYSIS

An unbudgeted expenditure in the amount of \$10,000 from the Operating Fund is required to provide lodging for 248 manors on the 2018 Fumigation Program.

Prepared By: Patrick Cleary, Maintenance Operations Manager

Reviewed By: Melody Thomas, Maintenance Programs Coordinator
Ernesto Munoz, P.E., Maintenance and Construction Director



STAFF REPORT

DATE: March 5, 2018
FOR: Maintenance and Construction Committee
SUBJECT: Electrical Use Reimbursement Policy Revisions

RECOMMENDATION

Approve a revised Electricity Usage Reimbursement Policy and Resolution which will offer a standard reimbursement rate on a per room basis, for excess electricity used during moisture intrusion events where dry-down of the property is required (Attachment 1).

BACKGROUND

The current Electricity Usage Reimbursement Policy (Resolution 03-11-48) adopted April 19, 2011 authorizes staff to process reimbursements to members for electricity consumption related to the restoration of manors as a result of moisture intrusion events as well as for excess electricity consumed due to hot water supply line leaks.

Currently, for moisture-intrusion events where dry-down equipment such as dehumidifiers and air blowers are required, the Mutual reimburses the resident for electricity used in the dry down of property, based on an established daily rate for each type of equipment extrapolated for the number of days each type of equipment is in place, as verified by the vendor providing dry down services (Attachments 2, 3 and 4).

DISCUSSION

In order to reimburse residents for the excess electricity caused by the dry down equipment used during a moisture intrusion event, a time consuming and labor-intensive process must be followed. This process results in a significant amount of staff and resident coordination, paperwork, and calculations to arrive at what is typically a very small amount of reimbursement to the resident. The reimbursements can take up to 3 months to process due to the number of requests received from both Mutuals, staff's workload, and the coordination with the resident to secure their utility billing information for the period of time in question, which is required in order to perform the necessary reimbursement calculations. This long protracted process often causes significant frustration to the resident who is waiting for a reimbursement. Residents constantly call Resident Services and other staff members seeking updates and a timeframe for their reimbursement.

In fiscal years 2016 and 2017, there were 62 manor owners who received an electrical use reimbursement. The average electrical use reimbursement processed for dry down of property amounted to \$52.00 per manor. The reimbursements issued ranged from \$5.74 to \$166.94.

During the 2016 and 2017 fiscal years, the average cost to the Mutual for staff time to process the electrical use reimbursements under the current policy amounted to \$158.00 per reimbursement, based on 3.5 hours of staff time for preparation, review of each reimbursement and approval of each check request.

The average total cost of each reimbursement amounts to a Mutual expense of \$210.00 which includes the costs of staff time and the average reimbursement of \$52.00 to the resident, resulting in an inefficient process.

Staff recommends establishing a standard reimbursable rate based on the number of rooms within a manor requiring dry down services, as determined during the restoration process. The majority of dry downs occur in only one room. However, there have been instances where several rooms in a manor required the use of dry down equipment.

The proposed change to the existing Resolution will require the Mutual to reimburse for electricity used in the dry down of property, for a moisture event, based on a flat rate reimbursement in the amount of \$32.00 for each room. This rate is based on the average cost of dry down services divided by the numbers of rooms in the manor. The proposed policy change will lessen the financial burden to the Mutual to provide electrical use reimbursements and will expedite the reimbursement return time to the member from 8-12 weeks to 2-3 weeks by (1) eliminating the requirement that vendor invoices be used to certify the dry down services rendered, and (2) by eliminating the requirement that a detailed billing statement be submitted by the member for a precise reimbursable amount to be calculated based on kilowatt usage and electricity tier rates. The proposed process will also reduce the amount of staff time required for each request from 3.5 hours to just 30 minutes.

The process for reimbursing the electric cost associated with hot water supply leaks (under slab leaks) will remain unchanged as the number of reimbursements processed annually is very small.

FINANCIAL ANALYSIS

Under the current established policy, the approximate cost to the Mutual for providing the above referenced service is \$158.00 with an average reimbursement to the member of \$32.00 per room.

The proposed policy change will reduce the cost born by the Mutual to an average of \$53.00 per reimbursement with a flat rate of \$32.00 per room being dispersed to the member.

Prepared By: Melody Thomas, Maintenance Programs Coordinator

Reviewed By: Olga Torres, Maintenance Operations Specialist
Patrick Cleary, Maintenance Operations Manager
Ernesto Munoz, P.E., Maintenance and Construction Director

ATTACHMENT(S)

- Attachment 1 – Proposed Revised Resolution 03-18-XX
- Attachment 2 – Sample Vendor Invoice
- Attachment 3 – Sample SCE Electric Bill
- Attachment 4 – Sample Reimbursement Calculation Form

ATTACHMENT 1

Resolution 03-18-XX Revised Electricity Usage Reimbursement Policy

WHEREAS, the Mutual has historically reimbursed members for electricity consumption related to the restoration of manors as a result of moisture intrusion, as well as for excess electricity consumed due to hot water supply line leaks; and

WHEREAS, the practice of reimbursing members for electricity usage has not been formally recorded as an explicit United Mutual policy;

NOW THEREFORE BE IT RESOLVED, March 20, 2018, that the Board of Directors of this Corporation hereby adopts the revised Electricity Usage Reimbursement Policy, in accordance with Resolution 03-17-68 (Damage Restoration Policy), as follows:

- For moisture-intrusion events where dry-down of property is required, the Mutual will reimburse for electricity used at a flat rate of \$32.00 for each room requiring the use of dry down equipment, as verified by the Moisture Intrusion Coordinator.
- For hot water leaks where excess electricity has been consumed, the Mutual will reimburse for excess electricity consumption for a maximum period of three Southern California Edison billing periods, as evidenced by detailed billing statements for each of the three periods involved. Additional electricity use beyond the period of three billing cycles is the responsibility of the Member and is not reimbursable by the Mutual.
- All reimbursements will be charged to the Disaster Fund.

RESOLVED FURTHER, that Resolution 03-11-48 adopted April 19, 2011 is hereby superseded and cancelled; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

ATTACHMENT 2
Sample Vendor Invoice



Extreme Clean DKI

1390 Titau Way
 Brea, CA 92821
 877-987-3631
 Fax 714-449-9022
 Tax ID # 57-1146228

DESCRIPTION	QTY	UNIT PRICE	TOTAL
1. Emergency service call - during business hours	1.00 EA @	152.05 =	152.05
2. Equipment setup, take down, and monitoring (hourly charge)	2.00 HR @	54.30 =	108.60

Bedroom **LxWxH 12' x 11' 4" x 8'**


DESCRIPTION	QTY	UNIT PRICE	TOTAL
3. Tear out wet drywall, cleanup, bag, per LF - up to 2' tall	5.00 LF @	3.28 =	16.40
4. HEPA Vacuuming - Light - (PER SF)	68.00 SF @	0.46 =	31.28
5. Apply anti-microbial agent	20.00 SF @	0.25 =	5.00
6. Dehumidifier (per 24 hour period) - No monitoring 1 dehu and 1 air mover set for 4 days	4.00 EA @	40.00 =	160.00
7. Air mover (per 24 hour period) - No monitoring	4.00 EA @	20.00 =	80.00

Grand Total Areas:

373.33 SF Walls	136.00 SF Ceiling	509.33 SF Walls and Ceiling
136.00 SF Floor	15.11 SY Flooring	46.67 LF Floor Perimeter
96.00 SF Long Wall	90.67 SF Short Wall	46.67 LF Ceil. Perimeter
0.00 Floor Area	0.00 Total Area	0.00 Interior Wall Area
0.00 Exterior Wall Area	0.00 Exterior Perimeter of Walls	
0.00 Surface Area	0.00 Number of Squares	0.00 Total Perimeter Length
0.00 Total Ridge Length	0.00 Total Hip Length	

ATTACHMENT 3
Sample SCE Electric Bill

Go paperless at [www.sce](http://www.sce.com)

 SOUTHERN CALIFORNIA
EDISON
An EDISON INTERNATIONAL® Company

P.O. Box 600
Rosemead, CA
91771-0001
WWW.SCE.COM

For billing and service inquiries call 1-800-684-8123

Date bill prepared: Sep 1 '17

PAST DUE

Your account summary

Previous Balance	\$39.61
Past due amount	\$39.61
Your new charges	\$88.31
Late payment charge	\$0.32
Total amount you owe	\$128.24

Compare the electricity you are using

For meter 222013-605187 from Aug 2 '17 to Aug 31 '17
Total electricity you used this month in kWh

451

Total kW in the Billing Cycle

**ATTACHMENT 3 (continued)
 Sample SCE Electric Bill**

Details of your new charges

Your rate: DOMESTIC

Billing period: Aug 2 '17 to Aug 31 '17 (29 days)

Delivery charges

Basic charge	29 days x \$0.02400	\$0.70
Energy-Summer		
Tier 1 (100% of baseline)	284 kWh x \$0.08219	\$23.34
Tier 2 (101% to 400%)	167 kWh x \$0.16729	\$27.94
DWR bond charge	451 kWh x \$0.00549	\$2.48

Your Delivery charges include:

- \$6.87 transmission charges
- \$37.54 distribution charges
- -\$4.08 conservation incentive adjustment
- \$6.86 public purpose programs charge
- \$4.59 new system generation charge

Generation charges

SCE

Energy-Summer		
Tier 1 (100% of baseline)	284 kWh x \$0.07477	\$21.23
Tier 2 (101% to 400%)	167 kWh x \$0.07477	\$12.49

Your Generation charges include:

- -\$0.15 competition transition charge

Subtotal of your new charges		\$88.18
State tax	451 kWh x \$0.00029	\$0.13
Your new charges		\$88.31

Your overall energy charges include:

- \$0.80 franchise fees

Additional information:

- Service voltage: 240 volts
- Your summer baseline allowance: 284.0 kWh
- High Usage Charge applies at: 1,137.0 kWh
- High Usage Charge applies to all usage above 400% of baseline allowance.

**ATTACHMENT 4
 Sample Reimbursement Calculation Form**

ELECTRICAL REIMBURSEMENT CALCULATION

LOCATION:

SAMPLE

Ref WO#:

CAUSE:

Vendor
 Name, Inv
 # & Date:

Daily Electrical Usage - Drying Equipment								
Equipment Type	Amperage	Line Voltage	Watts	Kilowatts per Hour	# of Equipment/ Units	# Hours Equipment was used	Total Kilowatts Used	Dates Equipment Used
Dri-Eaz Air Mover (Fan) or Negative Air Machine	4.7	115	540.5	0.541	1	96	52	
Dri-Eaz Turbo Dryer	10.5	115	1207.5	1.208				
Dri-Eaz 1200 Dehumidifier	6.5	115	762	0.782	1	96	75	
TOTAL of Extra KW used							127	
TOTAL KW In billing cycle							451	

Delivery Related Charges					
Extra Kilowatts Used		DWR Bond Charge Rate		Amount	
127		\$ 0.00549		\$ 0.70	
Tier 1	Tier 2	Tier 3	Tier 4	Rate	\$\$ Amount
	127			\$ 0.16729	\$ 21.25
					\$ -
					\$ -
					\$ -
Sub-total					\$ 21.25

Generation Related Charges					
DWR				Rate	\$\$ Amount
Tier 1	Tier 2	Tier 3	Tier 4		\$ -
N/A					\$ -
					\$ -
					\$ -
Sub-total					\$ -

SCE				Rate	\$\$ Amount
Tier 1	Tier 2	Tier 3	Tier 4		\$ -
	127			\$ 0.07477	\$ 9.50
					\$ -
					\$ -
Sub-total					\$ 9.50

State Tax 1	127	\$ 0.00029	\$ 0.04
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Total Reimbursement			\$ 31.48
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