



SPECIAL OPEN SESSION

**SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
UNITED LAGUNA WOODS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

Wednesday, May 31, 2023 - 1:30 p.m.
24351 El Toro Road, Laguna Woods, California
Hybrid Meeting

NOTICE AND AGENDA

The purpose of this meeting is to review the budget for the United Laguna Woods Mutual in accordance with *Civil Code §4930* and was hereby noticed in accordance with *Civil Code §4920*

1. Call meeting to order / Establish Quorum – President Lenny Ross
2. State Purpose of Meeting – President Ross
3. Approval of Agenda
4. Chair Remarks
5. Open Forum (Three Minutes per Speaker)

At this time Members only may address the Board of Directors regarding items not on the agenda and within the jurisdiction of this Board of Directors. The Board reserves the right to limit the total amount of time allotted for the Open Forum. Members can join the Zoom Meeting by clicking on the link <https://us06web.zoom.us/j/92081839160> or call (669) 900-6833 or email meeting@vmsinc.org to request to speak.

6. Responses to Open Forum Speakers
7. Review of the Proposed 2024 Business Plan – Version 1 – Landscape Review
8. Adjournment



STAFF REPORT

DATE: May 31, 2023
FOR: Board of Directors
SUBJECT: Proposed 2024 Business Plan – Version 1 – Landscape Review

RECOMMENDATION

Staff recommends that committee members review the proposed 2024 service levels and provide direction for change or revision.

DISCUSSION

On May 31, 2023 the Board will meet to review all components of the proposed operating and reserve expenditure budgets. A brief narrative for each of the budgetary line items is listed in order of appearance and changes resulting from the meeting will be incorporated into future versions of the 2024 Business Plan. Managers responsible for the programs will be in attendance and available to answer questions at the meeting.

FINANCIAL ANALYSIS

In this version of the 2024 Business Plan, the operating portion of the Landscape budget totals \$4,913,518 for landscape services such as lawn maintenance and shrub bed maintenance. This proposal reflects an increase of \$334,121 or 7% when compared to the current year budget. These programs are funded from the Operating Fund and will require an increase in the assessment of \$4.41 per manor per month as presented.

Landscape planned reserve expenditures total \$1,355,993 an increase of \$180,991 or 15% for scheduled tree maintenance, landscape renovation, and improvement and restoration. All reserve components will be evaluated within a 30-year reserves plan and presented for Board consideration at the July 13, 2023 business planning meeting.

Prepared By: Jose Campos, Assistant Director of Financial Services

Reviewed By: Steve Hormuth, Director of Financial Services

Attachments

ATTACHMENT 1 – Landscape Expenditures by Program with Narratives

**UNITED LAGUNA WOODS MUTUAL
2024 PLAN
Programs Report**

DESCRIPTION	2020 ACTUALS	2021 ACTUALS	2022 ACTUALS	2023 BUDGET	2024 BUDGET	ASSESSMENT	
						INCREASE/(DECREASE) \$	%
OPERATING FUND - LANDSCAPE SERVICES							
18 GROUNDS MAINTENANCE	\$2,585,229	\$2,533,730	\$2,585,909	\$2,816,943	\$3,046,280	\$229,336	8%
Shrub-Bed Maintenance	1,785,822	1,449,424	1,449,424	1,919,307	2,149,408	230,101	12%
Turf Maintenance	563,101	735,829	735,829	642,660	614,471	(28,189)	(4%)
Miscellaneous Tasks	216,386	322,457	322,457	248,037	273,725	25,688	10%
Slope Maintenance	19,920	26,020	26,020	6,939	8,675	1,736	25%
19 IRRIGATION	784,777	728,291	798,217	809,937	808,121	(1,816)	(0%)
20 PEST CONTROL	229,312	275,162	282,425	315,267	318,816	3,549	1%
21 LANDSCAPE ADMINISTRATION	121,344	224,189	240,721	253,034	351,838	98,804	39%
22 SMALL EQUIPMENT REPAIR	190,463	215,076	215,897	192,214	212,434	20,220	11%
23 NURSERY & COMPOSTING	211,268	179,886	168,001	192,001	176,029	(15,972)	(8%)
24 TREE MAINTENANCE	5,504	5,974	2,095	0	0	0	0%
TOTAL	\$4,127,897	\$4,162,308	\$4,293,265	\$4,579,396	\$4,913,518	\$334,121	7%
RESERVE FUND - LANDSCAPE SERVICES							
55 LANDSCAPE RENOVATION	\$257,365	\$160,582	\$100,652	\$98,898	\$109,788	\$10,890	11%
56 IMPROVEMENT & RESTORATION	0	273,458	167,701	177,744	182,653	4,909	3%
57 TREE MAINTENANCE	877,273	764,125	857,213	898,360	1,063,552	165,192	18%
TOTAL	\$1,134,638	\$1,198,165	\$1,125,565	\$1,175,002	\$1,355,993	\$180,991	15%

UNITED LAGUNA WOODS MUTUAL
2024 OPERATING FUND EXPENDITURES
LANDSCAPE SERVICES

18) Grounds Maintenance **\$3,046,280**

Grounds Maintenance work center crews perform the routine maintenance tasks. The total cost of these Grounds Maintenance tasks is broken out below. It includes shrub bed maintenance, turf maintenance, miscellaneous tasks, and slope maintenance.

Shrub-Bed Maintenance \$2,149,408

Components required for shrub-bed maintenance consist of all pruning, cleaning, weeding, mulching, re-planting, and edging of the planters around buildings. The shrub-bed maintenance cycle varies seasonally and is performed on 75 shrub-bed acres in United.

The 2024 Shrub-Bed Maintenance Budget has increased by \$230,101, 12% over the 2023 Budget due to the following factors:

- Annual increase in wage rates, reduction of turnover/unf
- Increase in agronomic costs (fertilizer, herbicides, etc.) due to inflation
- Reallocation of hours from turf maintenance

Turf Maintenance \$614,471

The turf maintenance responsibilities consist of 138 acres in United Mutual. The mowing cycle schedules are adjusted seasonally throughout the year to respond to growing conditions. The 2024 Turf Maintenance Budget has decreased by (\$28,189), (4%) less than the 2023 Budget due Reallocation of hours to turf maintenance

Miscellaneous Tasks \$273,725

The Grounds Maintenance work center also perform various miscellaneous tasks, including general cleanup, storm response and monitoring, storm preparation, employee training, ticket response crews, preparation of areas for paint crew access, and preparation of exterior for building fumigation.

The 2024 Miscellaneous Tasks Budget has increased by \$25,688, 10% more than the 2023 Budget due to the department focus on improving core services, including training and annual increase in wage rates.

Slope Maintenance

\$8,675

Components required for slope maintenance are similar to shrub-bed maintenance; pruning, cleaning, weeding, edging, re-planting, and renovation. The maintenance cycle is performed on all slopes, of which there are 24 acres in United Mutual.

Starting in 2020, all large slope maintenance is performed by contract. Smaller slope maintenance adjacent to housing units will continue to be performed by staff in conjunction with shrub-bed maintenance.

The 2024 Slope Maintenance budget has increased by \$1,736, or 25% from the 2023 Operating Budget due to reallocation of hours.

19) Irrigation**\$808,121**

This is a support work center, providing irrigation support to other landscape maintenance sections. The irrigation work center oversees 4,154 watering zones throughout United Mutual controlled by 163 irrigation controllers. These controllers are managed by a central irrigation computer through the use of radio and telephone communication transmission technologies. The system is weather sensitized and adjusts watering schedules based on daily fluctuations in plant evapotranspiration (ET) rates. The irrigation crew also maintains and cleans landscape drains throughout the community on a regular basis.

The 2024 Irrigation Maintenance budget has decreased by (\$1,816) or (<1%) over the 2023 Budget due to reduction of one FTE, offset by increase in wage rates.

20) Pest Control**\$318,816**

Pest Control is a support work center, providing pest control support to other landscape maintenance sections. Pest Control uses various methods to control a variety of landscape pests that include weeds, insects including wasps and bees (in landscaping), and rodents and other vertebrae.

The 2024 Pest Control budget has increased by \$3,549, or 1% over the 2023 Budget due to the annual increase in wage rates, offset by turnover/unbudgeted for one position.

21) Landscape Administration**\$351,838**

Landscape Administration support is provided to the United Board and Landscape Committee at regularly scheduled meetings. Additionally, the administrative staff provides customer service, maintains databases, and prepares work efficiency reports and annual operating budgets. Supervision of daily operations in in this budget item. Other tasks not directly related to the daily operation of individual work centers are included in this budget.

The 2024 Administration budget has increased by \$98,804, or 39% over the 2023 Budget due to the reallocation of hours and annual increase in wage rates.

22) Small Equipment Repair**\$212,434**

The Small Equipment Repair work center supports other work centers by providing mower and small equipment maintenance, repair, and delivery. Supplies and materials used by other work centers to maintain lawns, slopes, and shrub beds are ordered and received through this department.

The 2024 Small Equipment Repair Budget has increased by \$20,220, or 11% from the 2023 Budget due to increase in materials costs and annual increase in wage rates.

23) Nursery and Composting**\$176,029**

The Nursery and Composting work center provide support for other work centers by growing and providing shrubs and trees for use throughout the community for new and replanting tasks. By growing all the plants used by the work centers on site, the cost of new and replacement plant materials is greatly reduced.

The work center also supports other work centers by recycling tree and shrub cuttings, using a tub grinder, into the mulch used throughout the community. By recycling the green waste produced within the Community, disposal costs are greatly reduced as well as eliminating the expense of purchasing mulch.

The 2024 Nursery and Composting budget has decreased by (\$15,972), or (8%) over the 2023 Budget due to turnover/unbudgeted for one position.

**UNITED LAGUNA WOODS MUTUAL
2024 RESERVE FUND EXPENDITURES
LANDSCAPE SERVICES**

55) Landscape Renovation**\$109,788**

Landscape renovation and modernization programs are to address specific areas of concern, as determined by collaboration between staff and the Landscape Committee. These projects are funded through the Replacement Fund. Each program requires varying levels of time and materials, depending upon the site(s) and project(s) selected to be completed each year.

For 2024, the Staff recommends \$82,759 for Slope Maintenance and \$27,029 for Turf Reduction Irrigation Retrofit.

The 2024 Landscape Renovation Budget has increased by \$10,890, or 11% from the 2023 Budget due to a annual wage increases and inflation.

56) Improvement and Restoration**\$182,653**

The landscape in the Community is aging and in much of it is passed its useful life. The Improvement and Restoration work center replaces aging and dead plantings as well as re-landscaping areas that are difficult to maintain and irrigate.

The 2024 Improvement and Restoration Budget has increased by \$4,904 or 3%, due to annual increase in wage rates offset by downgrading of two FTE.

57) Tree Maintenance**\$1,063,552**

The Tree Maintenance work center, supplemented by contractors, perform routine tree trimming on approximately 38,000 trees within the Community. The service level is a five-year rotating cycle based upon the specific trimming needs of each tree species. All pruning is performed in accordance with International Society of Arboriculture pruning techniques. The tree inventory is maintained using the Arbor Pro program. Starting in 2020, Staff is supplemented by outside services to complete the scheduled maintenance cycle.

The 2024 Tree Maintenance budget has increased by \$165,192, or 18% from the 2023 budget. This increase is due to an anticipated increase in tree trimming outsource costs and annual wage rate increases.