



SPECIAL OPEN SESSION

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

Thursday, June 2, 2022 - 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 Anthony Liberatore
2. State Purpose of Meeting – President Liberatore
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 2023 Business Plan – Version 1 – Landscape Review
8. Adjournment

Anthony Liberatore, Chair
Steve Hormuth, Staff Officer
Telephone: 949-597-4201



STAFF REPORT

DATE: June 2, 2022
FOR: Board of Directors
SUBJECT: Proposed 2023 Business Plan – Version 1 – Landscape Review

RECOMMENDATION

Staff recommends that committee members review the proposed 2023 service levels and provide direction for change or revision.

DISCUSSION

On June 2, 2022 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 2023 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 2023 Business Plan, the operating portion of the Landscape budget totals \$4,585,571 for landscape services such as lawn maintenance and shrub bed maintenance. This proposal reflects an increase of \$92,797 or 2% when compared to the current year budget. These programs are funded from the Operating Fund and will require an increase in the assessment of \$1.23 per manor per month as presented.

Landscape planned reserve expenditures total \$1,032,022, a decrease of (\$400,773) or (28%) 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 15, 2022 business planning meeting.

Prepared By: Jose Campos, Assistant Director of Financial Services

Reviewed By: Steve Hormuth, Director of Financial Services

Attachments

ATT1 – Landscape Expenditures by Program with Narratives

UNITED LAGUNA WOODS MUTUAL
2023 PLAN
Programs Report

DESCRIPTION	2019 ACTUALS	2020 ACTUALS	2021 ACTUALS	2022 BUDGET	2023 BUDGET	ASSESSMENT	
						INCREASE/(DECREASE) \$	%
OPERATING FUND - LANDSCAPE SERVICES							
18							
18 GROUNDS MAINTENANCE	2,282,873	2,585,229	2,533,730	\$2,760,599	\$2,823,120	\$62,521	2%
Shrub-Bed Maintenance	1,398,495	1,785,822	1,449,424	1,900,056	1,928,966	28,910	2%
Turf Maintenance	627,162	563,101	735,829	615,978	640,174	24,196	4%
Miscellaneous Tasks	157,696	216,386	322,457	234,078	247,067	12,989	6%
Slope Maintenance	99,520	19,920	26,020	10,487	6,913	(3,574)	(34%)
19 IRRIGATION	612,789	784,777	728,291	819,029	809,936	(9,093)	(1%)
20 PEST CONTROL	219,894	229,312	275,162	274,512	315,267	40,755	15%
21 LANDSCAPE ADMINISTRATION	\$126,159	\$121,344	\$224,189	241,405	253,034	11,629	5%
22 SMALL EQUIPMENT REPAIR	188,316	190,463	215,076	209,627	192,214	(17,413)	(8%)
23 NURSERY & COMPOSTING	185,790	211,268	179,886	187,602	192,000	4,398	2%
24 TREE MAINTENANCE	(24,714)	5,504	5,974	0	0	0	0%
TOTAL	\$3,591,107	\$4,127,897	\$4,156,995	\$4,492,774	\$4,585,571	\$92,797	2%

RESERVE FUND - LANDSCAPE SERVICES

55 LANDSCAPE RENOVATION	\$104,142	\$257,365	\$160,582	\$111,925	\$98,898	(\$13,027)	(12%)
56 IMPROVEMENT & RESTORATION	0	0	273,458	373,213	0	(373,213)	(100%)
57 TREE MAINTENANCE	1,118,879	877,273	764,125	947,657	933,124	(14,533)	(2%)
TOTAL	\$1,223,021	\$1,134,638	\$1,198,165	\$1,432,795	\$1,032,022	(\$400,773)	(28%)

**United Laguna Woods Mutual 2023 Business Plan Narrative
Landscape Maintenance Services**

Operating Fund

18. Grounds Maintenance \$2,823,120

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 \$1,928,966

Components required for shrub-bed maintenance consist of all pruning, raking, weeding, mulching, re-planting, and edging of the planters around buildings. The shrub-bed maintenance cycle varies seasonally and is performed on 83 shrub-bed acres in Third. Beginning in 2020 the costs for small slope maintenance were included in shrub-beds due the tasks being concurrent.

The 2023 Shrub-Bed Maintenance Budget has increased by \$62,521, 2% over the 2022 Budget due to the following factors:

- Annual increase in wage rates
- Increase in agronomic costs (fertilizer, herbicides, etc.) due to inflation

Turf Maintenance \$640,174

The turf maintenance responsibilities consist of 165 acres in Third Mutual. The mowing cycle schedules are adjusted seasonally throughout the year to respond to growing conditions.

The 2023 Turf Maintenance Budget has increased by \$24,196, 4% more than the 2022 Budget due annual increase in wage rates, and increase in agronomic costs due to inflation.

Miscellaneous Tasks \$247,067

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 2023 Miscellaneous Tasks Budget has increased by \$12,989, 6% more than the 2022 Budget due to the department focus on improving core services, including training and annual increase in wage rates.

**United Laguna Woods Mutual 2023 Business Plan Narrative
Landscape Maintenance Services**

Slope Maintenance

\$6,913

Components required for slope maintenance are similar to shrub-bed maintenance; pruning, raking, 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 2023 Slope Maintenance budget has decreased by (\$3,574), or (34%) from the 2022 Operating Budget due to reallocation of hours.

19. Irrigation

\$809,936

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 2023 Irrigation Maintenance budget has decreased by (\$9,093), or (1%) over the 2022 Budget due to reallocation of hours:

20. Pest Control

\$315,267

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 vertebrates.

The 2023 Pest Control budget has increased by \$40,755, or 15% over the 2022 Budget due to the annual increase in wage rates and the addition of two FTEs for increase in rodent services. The work center has experienced a rise in rodent control calls and costs.

21. Landscape Administration

\$253,034

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 2023 Administration budget has increased by \$11,629, or 5% over the 2022 Budget due to the restructuring of the section and annual increase in wage rates.

**United Laguna Woods Mutual 2023 Business Plan Narrative
Landscape Maintenance Services**

22. Small Equipment Repair **\$192,214**

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 2023 Small Equipment Repair Budget has decreased by (\$17,413), or (8%) from the 2022 Budget due to the reallocation of hours.

23. Nursery and Composting **\$192,000**

The Nursery and Composting work center provides 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 2023 Nursery and Composting budget has increased by \$4,398, or 2% over the 2022 Budget due to the reallocation of hours.

24. Tree Maintenance **\$0**

Tree Maintenance is included in Reserves.

**United Laguna Woods Mutual 2023 Business Plan Narrative
Landscape Maintenance Services**

Reserve Fund

55. Landscape Renovation \$98,898

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 2023, the Staff recommends \$73,913 for Slope Maintenance and \$24,985 for Turf Reduction Irrigation Retrofit.

The 2023 Landscape Renovation Budget has decreased by (\$13,027), or (12%) from the 2022 Budget due to a decrease in the square footage of slopes needing renovation.

56. Improvement and Restoration \$0

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 2023 Improvement and Restoration Budget has decreased by (\$373,213) or (100%) due to the elimination of the 510 Work Center.

57. Tree Maintenance \$933,124

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 2023 Tree Maintenance budget has decreased by (\$14,533), or (2%) from the 2022 budget. This decrease is due to an anticipated reduction in tree trimming tickets.