



**OPEN MEETING**

**REGULAR OPEN MEETING OF THE UNITED LAGUNA WOODS MUTUAL  
MAINTENANCE AND CONSTRUCTION COMMITTEE**

**Wednesday, April 24, 2024 - 9:30 a.m.  
24351 El Toro Road, Laguna Woods, CA 92637  
Board Room and Virtual with Zoom**

**ADDENDUM TO THE AGENDA**

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Please see attached documents that were added after the agenda packet was distributed.

- 9e. Supplemental Budget Appropriation for Dry Rot Repair Program
- 9f. Supplemental Budget Appropriation for Emergency Roof Repairs

Alison Bok, Chair  
Manuel Gomez, Staff Officer  
Telephone: 949-268-2380

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## STAFF REPORT

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**DATE:** April 24, 2024  
**FOR:** Maintenance and Construction Committee  
**SUBJECT:** Supplemental Budget Appropriation for Dry Rot Repair Program

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### **RECOMMENDATION**

Recommend that the Board of Directors approve a supplemental appropriation in the amount \$500,000 to provide funding needed for unanticipated dry rot repairs.

### **BACKGROUND**

As part of the annual exterior prior-to-paint program, staff inspects the condition of all wood elements that are scheduled to receive new exterior paint coating. Any wood components that are found to have dry rot are replaced with new wood in preparation for painting.

### **DISCUSSION**

The prior-to-paint maintenance crews have completed work in cul-de-sac 209 and are currently preparing building surfaces in cul-de-sacs 210 and 211. An unusually and unanticipated large amount of dry rot has been uncovered that requires removal and replacement.

The funding levels allocated in the 2024 Business Plan for dry rot repairs will not be sufficient to fund all of the work needed to complete the 2024 paint program and staff is recommending a supplemental appropriation to cover the expected expenditure levels for the remainder of the year.

### **FINANCIAL ANALYSIS**

The 2024 United Business Plan allocated \$400,000 from the Reserve Fund for dry rot repair work by outside services. A supplemental appropriation of \$500,000 is recommended from the Reserve Fund to support the anticipated expenditure that will be needed for dry rot repairs for the remainder of the year.

**Prepared By:** Adam Feliz, Maintenance Operations Manager

**Reviewed By:** Manuel Gomez, Maintenance & Construction Director  
Steve Hormuth, Director of Financial Services

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## STAFF REPORT

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**DATE:** April 24, 2024  
**FOR:** Maintenance and Construction Committee  
**SUBJECT:** Supplemental Appropriation for Emergency Roof Repairs

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### **RECOMMENDATION**

Recommend that the Board of Directors approve a supplemental appropriation from the Reserve Fund and a purchase order in the amount of \$121,445 to Letner Roofing Company for emergency roofing repairs completed and projected for the remainder of 2024.

### **BACKGROUND**

There are 1,124 buildings in United Mutual with a mixture of flat and sloped roofs. Laguna Woods Village experienced an unusually wet rain season in 2023 and we are experiencing much the same in the first quarter in 2024, which has resulted in an unprecedented number of roof repair requests.

The approved budget allocation for emergency roof repairs in 2024 is \$90,000. This was determined based on a 3-year average of actual expenditures for repairs from prior fiscal years. The total expenditures through February 2024 for emergency repairs amounted to \$63,300 to address roof leaks on 156 buildings. The anticipated expenditures for the month of March is \$48,145 for a total amount of \$111,445. This necessitates a supplemental appropriation to allow for payment for services rendered and anticipated costs for the remainder of 2024.

### **DISCUSSION**

The existing contract with Letner Roofing includes pricing for emergency repairs. When roof leaks are reported to Resident Services or Security, an assessment is made to determine if the situation warrants an emergency response from the roofing contractor. In most cases, the damaged roof area is first secured by the roofing contractor to minimize damage to Mutual and member property. This is then followed by a permanent repair that is authorized by staff and is billed at the contract rate for repair work.

For the remaining months of 2024, staff estimates that another \$100,000 will be needed for emergency roof repairs based on the 3-year historic average during this same period for roofing repair expenditures. This estimate of \$100,000 combined with already approved repair work of \$111,445 exceeds the budget for emergency roof repairs. Staff recommends that the Board of Directors approve a supplemental appropriation in the amount of \$121,445 to cover these unanticipated expenses.

### **FINANCIAL ANALYSIS**

The budget for emergency roof repairs is funded from the Reserve Fund in the amount of \$90,000 for 2024. A supplemental appropriation in the amount of \$121,445 is necessary to pay for services rendered through March 2024 in the amount of \$111,445 and to fund future roof

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**Supplemental Appropriation for Emergency Roof Repairs**  
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repair work for the remainder of the fiscal year 2024. Funding for the supplemental appropriation of \$121,445 is proposed from the United Mutual Reserve Fund.

**Prepared By:** Erik Schneekluth, Project Manager

**Reviewed By:** Guy West, Projects Division Manager  
Baltazar Mejia, Maintenance & Construction Assistant Director  
Steve Hormuth, Director of Financial Services