



## **OPEN MEETING**

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

**Thursday, June 3, 2021- 10:00 a.m.**

**VIRTUAL MEETING**

**Laguna Woods Village Community Center, 24351 El Toro Road,  
Laguna Woods, California**

### **NOTICE OF MEETING AND AGENDA**

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

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- 1. Call to Order / Establish Quorum – Sue Margolis, President**
- 2. Acknowledge Media**
- 3. Approval of Agenda**
- 4. Report of Chair**
- 5. Open Forum (Three Minutes per Speaker) - *At this time Members 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/84048008864> or call (669) 900-6833 or email [meeting@vmsinc.org](mailto:meeting@vmsinc.org) to request to speak.***
- 6. Department Head Update**
- 7. New Business**
  - a. Review Landscape Service Levels – 2022 Proposed Business Plan
  - b. Review Landscape Reserve Expenditures Plan – 2022 Proposed Business Plan
- 8. Director's Comments**
- 9. Adjournment**





## STAFF REPORT

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**DATE:** June 3, 2021  
**FOR:** Board of Directors  
**SUBJECT:** Proposed 2022 Business Plan – Version 1

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### **RECOMMENDATION**

Staff recommends that committee members review the proposed 2022 service levels and provide direction for change or revision.

### **DISCUSSION**

On June 3, 2021 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 2022 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 2022 Business Plan, the operating portion of the Landscape budget totals \$4,493,717 for landscape services such as lawn maintenance and shrub bed maintenance. This proposal reflects an increase of \$133,353 or 3% when compared to the current year budget. These programs are funded from the Operating Fund and will require an increase in the assessment of \$1.75 per manor per month as presented.

Landscape planned reserve expenditures total \$1,433,017, an increase of \$14,538 or 1% for scheduled tree maintenance, landscape renovation, improvement and restoration. All reserve components will be evaluated within a 30-year reserves plan and presented for Board consideration at the July 15, 2021 business planning meeting.

**Prepared By:** Jose Campos, Financial Services Manager

**Reviewed By:** Steve Hormuth, Interim Finance Director

### **Attachments**

ATT1 – Landscape Expenditures by Program with Narratives



**UNITED LAGUNA WOODS MUTUAL  
Proposed 2022 BUSINESS PLAN  
Programs Report**

DESCRIPTION	2018	2019	2020	2021	2022	ASSESSMENT INCREASE/(DECREASE) \$	%
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET		
<b>OPERATING FUND - LANDSCAPE SERVICES</b>							
23 LANDSCAPE ADMINISTRATION	\$80,126	\$126,159	\$121,344	\$234,842	\$241,714	6,872	3%
24 NURSERY & COMPOSTING	189,754	185,790	211,268	187,358	187,651	293	0%
25 GROUNDS MAINTENANCE	2,198,830	2,282,873	2,585,229	2,742,171	2,761,007	18,836	1%
Shrub-Bed Maintenance	771,072			1,805,843	1,900,340	94,497	5%
Turf Maintenance	1,231,879			649,641	616,067	(33,574)	(5%)
Miscellaneous Tasks	106,433			276,340	234,112	(42,228)	(15%)
Slope Maintenance	89,446			10,347	10,488	141	1%
26 IRRIGATION	678,226	612,789	784,777	761,282	819,151	57,869	8%
27 SMALL EQUIPMENT REPAIR	188,412	188,316	190,463	208,891	209,650	759	0%
28 PEST CONTROL	191,790	219,894	229,312	225,820	274,544	48,724	22%
29 TREE MAINTENANCE	2,358	(24,714)	5,504	0	0	0	0%
<b>TOTAL</b>	<b>\$3,529,496</b>	<b>\$3,591,107</b>	<b>\$4,127,897</b>	<b>\$4,360,364</b>	<b>\$4,493,717</b>	<b>\$133,353</b>	<b>3%</b>
<b>RESERVE FUND - LANDSCAPE SERVICES</b>							
60 LANDSCAPE RENOVATION	\$87,670	\$104,142	\$257,365	\$168,591	111,927	(\$56,664)	(34%)
61 IMPROVEMENT & RESTORATION	0	0	0	316,330	373,294	56,964	18%
62 TREE MAINTENANCE	416,257	1,118,879	877,273	933,558	947,796	14,238	2%
<b>TOTAL</b>	<b>\$503,927</b>	<b>\$1,223,021</b>	<b>\$1,134,638</b>	<b>\$1,418,479</b>	<b>\$1,433,017</b>	<b>\$14,538</b>	<b>1%</b>



**United Laguna Woods Mutual 2022 Business Plan Narrative  
Landscape Maintenance Services**

**Operating Fund**

**Landscape Administration** **\$241,714**

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. Other tasks not directly related to the daily operation of individual work centers are included in this budget.

The 2022 Administration budget has increased by \$6,872, or 3% over the 2021 Budget due to the restructuring of the section and annual increase in wage rates.

**Nursery and Composting** **\$187,651**

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 2022 Nursery and Composting budget has increased by \$293, or 0.2% over the 2021 Budget due to the reallocation of hours.

**Grounds Maintenance** **\$2,761,007**

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

**Shrub-Bed Maintenance** **\$1,990,340**

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 75 shrub-bed acres in United Mutual. Beginning in 2020, the costs for small slope maintenance were reallocated to shrub-beds due to the tasks being concurrent.

The 2022 Shrub-Bed Maintenance budget has increased by \$94,497, or 5% over the 2021 budget due to the following factors:

- Annual increase in wage rates
- Increase in Full-Time Employee (FTE)s and hours for increased service levels
- Increase in agronomic costs, e.g. fertilizer, herbicides, etc.

## United Laguna Woods Mutual 2022 Business Plan Narrative Landscape Maintenance Services

Turf Maintenance \$616,067

The turf maintenance responsibilities consist of 138 acres in United. The mowing cycle schedules are adjusted seasonally throughout the year to respond to growing conditions.

The 2022 Turf Maintenance budget has decreased by (\$33,574), or (5%) over the 2021 Budget due to the following factors:

- Decrease in agronomic purchases, e.g. fertilizer, herbicides, etc.

Miscellaneous Tasks \$234,112

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

The 2022 Miscellaneous Tasks budget has decreased by (\$42,228), or (15%) over the 2021 Budget due to the following factors:

- Reallocation of hours to shrub-bed maintenance to focus on core services

Slope Maintenance \$10,488

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 2022 Slope Maintenance budget has increased by \$141, or 1% from the 2021 Operating Budget due to reallocation of work to outside services.

### **Irrigation** **\$819,151**

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.



## United Laguna Woods Mutual 2022 Business Plan Narrative Landscape Maintenance Services

The 2022 Irrigation Maintenance budget has increased by \$57,869, or 8% over the 2021 Budget due to the following factors:

- Annual increase in wage rates
- Increase in material costs

### **Small Equipment Repair** **\$209,650**

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 2022 Small Equipment Repair Budget has increased by \$759, or 0.4% from the 2021 Budget due to the reallocation of hours.

### **Pest Control** **\$274,544**

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 2022 Pest Control budget has increased by \$48,724, or 22% over the 2021 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.

### **Resident Chargeable Services** **\$0**

In addition to routine maintenance, Grounds Maintenance also perform various services upon request. The cost of this service, for both labor and materials, is charged to the resident requesting service. Services that are considered chargeable include tree work, additional plantings, additional weeding, or pruning done out of cycle. Due to limited staffing, this work is reduced from previous years.



**United Laguna Woods Mutual 2022 Business Plan Narrative  
Landscape Maintenance Services**

**Reserve Fund**

**Landscape Renovation** **\$ 111,927**

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 2022, the staff recommends \$85,847 for Slope Maintenance, \$15,000 for Landscape Renovation and \$11,080 for Turf Reduction Irrigation Retrofit.

The 2022 Landscape Modification Budget has decreased by (\$56,664), or (34%) from the 2021 Budget due to reallocation of hours to the new improvement and restoration category.

**Improvement and Restoration** **\$373,294**

The landscape in the Community is aging and much of it is past 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 2022 Improvement and Restoration budget has increased by \$56,964, or 18% over the 2021 budget due to transferring \$50,000 for Turf Reduction from Work Center 530 and annual increase in wage rates and materials.

**Tree Maintenance** **\$ 947,796**

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 2022 Tree Maintenance budget has increased by \$14,238, or 2% over the 2021 budget. This increase is due to the following factors:

- Annual increase in wage rates
- New five-year species-based trimming cycle, trimming every tree at least once in the five-year rotation
- Increased trimming volume; reduction of the tree size by 25 percent reducing potential damage to buildings, other trees, cars, etc. and liability issues.