



## **SPECIAL OPEN SESSION**

### **SPECIAL OPEN MEETING OF THE BOARD OF DIRECTORS OF THE THIRD LAGUNA HILLS MUTUAL A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**Thursday, May 23, 2024 - 9:30 a.m.  
24351 El Toro Road, Laguna Woods, California  
Board Room/Virtual Meeting**

Laguna Woods Village owners/residents are welcome to participate in all open meetings in-person and virtually. To submit comments or questions virtually for meetings, please use one of the following options:

1. Join the meeting via Zoom by clicking this link: <https://us06web.zoom.us/j/92081839160> or by calling 1-669-900-6833, Webinar ID: 92081839160.
2. Via email to [meeting@vmsinc.org](mailto:meeting@vmsinc.org) any time before the meeting is scheduled to begin or during the meeting. Please use the name of the meeting in the subject line of the email. Name and unit number must be included.

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

*This Meeting May Be Recorded*

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

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1. Call meeting to order / Establish Quorum – Treasurer Andy Ginocchio
2. State Purpose of Meeting – Treasurer Ginocchio
3. Approval of Agenda
4. Chair Remarks
5. Open Forum (Three Minutes per Speaker)
6. Responses to Open Forum Speakers
7. Review of the Proposed 2025 Business Plan – Version 1 Maintenance and General Services Review
8. Adjournment





## STAFF REPORT

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**DATE:** May 23, 2024  
**FOR:** Board of Directors  
**SUBJECT:** Proposed 2025 Business Plan – Version 1 Maintenance and General Services Review

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### **RECOMMENDATION**

Staff recommends that Board review the proposed 2025 service levels and provide direction for change or revision.

### **DISCUSSION**

On May 23, 2024 the Board will meet to review all components of the proposed operating and reserve expenditure budgets for Maintenance & Construction and General Services. 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 2025 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 2025 Business Plan, the operating portion of the M&C budget totals \$2,551,990 for maintenance services such as, plumbing, carpentry and pest control (Attachment 1). This proposal reflects an increase of \$348,015 or 16% when compared to the current year budget. These programs are funded from the Operating Fund and will require an increase in the assessment of \$4.75 per manor per month as presented.

In this version of the 2025 Business Plan, the operating portion of the General Services budget totals \$1,577,145 for general maintenance services such as, janitorial, concrete services, and gutter cleaning (Attachment 1). This proposal reflects an increase of \$3,193 or <1% when compared to the current year budget. These programs are funded from the Operating Fund and will require an increase in the assessment of \$0.04 per manor per month as presented.

The planned reserve expenditures for M&C totals \$11,982,357, an increase of \$1,361,539 or 13% (Attachment 2). Reserve components cover large repair, remediation, or replacement programs such as painting, dry rot, and paving. An increase in planned reserve expenditures may impact the assessment. All reserve components will be evaluated through a 30-year reserves plan and presented for Board consideration at the July 15, 2024 business planning meeting.

The planned reserve expenditures for General Services totals \$125,692, an increase of \$4,781 or 4% (Attachment 2). Reserve components cover programs such as prior to paint, paving, and exterior walls. An increase in planned reserve expenditures may impact the assessment. All reserve components will be evaluated through a 30-year reserves plan and presented for Board consideration at the July 15, 2024 business planning meeting.

The M&C planned expenditures from the Disaster Fund totals \$1,243,384, an increase of \$193,104 or 18% (Attachment 3).

An additional line item is included for Garden Villa Rec Rooms, proposed with a budget of \$128,605 for 2025, an increase of \$31,103 or 32% when compared to current year budget. This item is a surcharge to those units that are located within a Garden Villa style building.

**Prepared By:** Jose Campos, Assistant Director of Financial Services

**Reviewed By:** Steve Hormuth, Director of Financial Services

**Attachments**

ATTACHMENT 1 – Maintenance and General Services Expenditures by Program with Narratives – Operating Fund

ATTACHMENT 2 – Maintenance and General Services Expenditures by Program with Narratives – Reserve Fund

ATTACHMENT 3 – Maintenance Services Expenditures by Program with Narratives – Disaster and Garden Villa Fund

**THIRD LAGUNA HILLS MUTUAL  
2025 PLAN  
PROGRAMS REPORT**

											Assessment	
DESCRIPTION		2021 ACTUALS	2022 ACTUALS	2023 ACTUALS	2024 BUDGET	2025 BUDGET	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	Increase/(Decrease) \$	%
OPERATING FUND - MAINTENANCE & CONSTRUCTION												
1	PLUMBING SERVICE	\$716,714	\$691,819	\$782,057	\$786,186	\$844,762	\$662,762	\$62,000	\$120,000	8,500	\$58,576	7%
914	A791000000 General Plumbing Service	598,524	583,457	615,852	605,852	649,897	467,897	62,000	120,000	6,000	44,045	7%
904	A791000000 General Plumbing Service	194	2,897	1,260	0	0	0	0	0	0	0	0%
914	A791007919 Leak Investigation	117,996	105,465	164,945	180,334	194,865	194,865	0	0	2,500	14,531	8%
2	CARPENTRY SERVICE	\$424,622	\$535,988	\$625,276	\$586,661	\$592,461	\$498,961	\$75,750	\$17,750	7,050	\$5,800	1%
912	A320010000 Carpentry Service DMO Only	415,221	456,551	536,038	558,237	572,305	502,305	70,000	0	6,175	14,068	3%
910	A320010000 Carpentry Service DMO Only	0	0	0	15,750	15,750	0	0	15,750	0	0	0%
912	A965900000 Chargeable Service-OPERATING FUND	0	19,540	23,285	0	0	(500)	500	0	100	0	0%
912	A320900000 Carpentry Service-Chargeable-OPERATING FUND	0	50,391	57,532	0	0	(5,000)	5,000	0	750	0	0%
910	A310120000 Lead Abatement - Carpentry Services	0	0	0	2,625	2,000	0	0	2,000	0	(625)	(24%)
932	A964050000 Support Scaffolding	6,008	5,698	4,680	4,988	0	0	0	0	0	(4,988)	(100%)
917	A917229910 Repair Elevator and Mailroom Tile Floors	513	0	0	0	0	0	0	0	0	0	0%
917	A917169916 Vinyl Floor Repairs	2,880	3,808	3,742	5,061	2,406	2,156	250	0	25	(2,655)	(52%)
3	PEST CONTROL	\$366,892	\$180,881	\$335,580	\$377,116	\$655,000	\$0	\$0	\$655,000	0	\$277,884	74%
910	A310080000 Fumigation- Motel Bills	45,528	7,758	49,676	51,616	90,000	0	0	90,000	0	38,384	74%
910	A320050000 Fumigation- Pest Control	32,500	60,538	50,760	47,250	70,000	0	0	70,000	0	22,750	48%
910	A320060000 Fumigation- Inspections	0	0	0	46,800	50,000	0	0	50,000	0	3,200	7%
910	A320080000 Fumigation- Tenting	253,368	104,017	214,540	194,700	400,000	0	0	400,000	0	205,300	105%
910	A310080S01 Fumigation - Landscaping	35,496	8,568	20,604	36,750	45,000	0	0	45,000	0	8,250	22%
4	FIRE PROTECTION	\$88,415	\$142,282	\$78,254	\$151,185	\$154,868	\$3,521	\$2,197	\$149,150	60	\$3,683	2%
400	A400090000 Fire Alarm Inspections for all multi-story buildings	(240)	0	0	0	0	0	0	0	0	0	0%
904	A400090000 Fire Alarm Inspections for all multi-story buildings	45,192	43,759	29,072	58,500	58,500	0	0	58,500	0	0	0%
904	A330000000 Fire Extinguisher Service	30,178	28,338	20,034	30,650	30,650	0	0	30,650	0	0	0%
904	A330030000 Sprinkler System Service	2,349	2,835	0	20,000	20,000	0	0	20,000	0	0	0%
904	A330040000 Standpipe Testing	0	41,080	0	8,000	8,000	0	0	8,000	0	0	0%
910	A310010S78 Dryer Vent Cleaning	5,418	19,773	21,403	26,250	30,000	0	0	30,000	0	3,750	14%
910	A330110000 Chimney Cleaning	1,161	784	1,390	2,100	2,000	0	0	2,000	0	(100)	(5%)
913	A380091000 Smoke Detector Repair/Replace	4,356	5,713	6,356	5,685	5,718	3,521	2,197	0	60	33	1%
5	ELECTRICAL SERVICE	\$126,478	\$16,030	\$31,511	\$104,443	\$99,030	\$67,795	\$23,000	\$8,235	1,687	(\$5,414)	(5%)
913	A300060000 Electrical Service DMO	126,478	117,107	120,162	104,443	99,030	77,095	13,700	8,235	1,325	(5,414)	(5%)
913	A340900000 Resident Maintenance Fees	0	16,030	31,511	0	0	(9,300)	9,300	0	362	0	0%
6	APPLIANCE REPAIRS	\$84,181	\$87,868	\$73,374	\$115,384	\$118,869	\$104,569	\$14,300	\$0	1,383	\$3,486	3%
911	A300050000 Miscellaneous Appliance Repairs	0	57	0	0	0	0	0	0	0	0	0%
911	A300100000 Emergency Service Access	1,840	2,168	1,846	2,404	2,517	2,517	0	0	33	113	5%
911	A350001401 Washing Machine Repairs	71,128	75,349	64,716	88,057	90,701	79,401	11,300	0	1,050	2,644	3%
911	A350001501 Dryer Repairs	11,212	10,294	6,811	24,922	25,652	22,652	3,000	0	300	729	3%
7	MISCELLANEOUS REPAIRS BY OUTSIDE SERVICES	\$39,560	\$11,079	\$9,067	\$30,000	\$30,000	\$0	\$0	\$30,000	0	\$0	0%
910	A310010000 Misc. Repairs by Outside Services	27,531	10,608	9,067	30,000	30,000	0	0	30,000	0	0	0%
909	B121327000 Caport 338	3,128	0	0	0	0	0	0	0	0	0	0%
909	Miscellaneous	8,901	472	0	0	0	0	0	0	0	0	0%
8	SOLAR MAINTENANCE	\$14,348	\$23,539	\$50,516	\$36,000	\$37,000	\$0	\$0	\$37,000	0	\$1,000	3%
900	A920201707 Third Solar O&M	14,348	23,539	50,516	36,000	37,000	0	0	37,000	0	1,000	3%
9	STREET LIGHT MAINTENANCE	\$0	\$0	\$12,946	\$17,000	\$20,000	\$0	\$0	\$20,000	0	\$3,000	18%
900	A900220000 Street Light O&M	0	0	12,946	17,000	20,000	0	0	20,000	0	3,000	18%
TOTAL		\$1,891,197	\$1,689,487	\$1,998,581	\$2,203,975	\$2,551,990	\$1,337,608	\$177,247	\$1,037,135	18,680	\$348,015	16%

Line 9 was moved from Reserves to Operating in 2023.

**THIRD LAGUNA HILLS MUTUAL  
2025 PLAN  
PROGRAMS REPORT**

OPERATING FUND - GENERAL SERVICES											Assessment	
DESCRIPTION		2021 ACTUALS	2022 ACTUALS	2023 ACTUALS	2024 BUDGET	2025 BUDGET	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	Increase/(Decrease) \$	%
10	JANITORIAL SERVICE	\$979,609	\$969,445	\$899,490	\$904,120	\$892,757	\$866,757	\$26,000	\$0	19,204	(\$11,362)	(1%)
935	A961001014 Bulky Item Pickup	67,290	66,983	26,509	0	0	0	0	0	0	0	0%
935	A961011001 Janitorial Svcs - Three-Story Buildings	783,007	771,456	712,542	777,929	768,992	756,992	12,000	0	16,770	(8,937)	(1%)
935	A961011002 Janitorial Svcs - Free Standing Laundries	62,023	66,510	56,790	73,457	72,763	58,763	14,000	0	1,303	(694)	(1%)
935	A961011004 Janitorial Svcs - Miscellaneous	21,638	19,101	48,495	14,724	14,552	14,552	0	0	323	(172)	(1%)
935	A961011005 Janitorial Svcs - Breezeways/Common Areas	19,263	19,101	30,906	24,828	23,422	23,422	0	0	520	(1,406)	(6%)
935	A961011006 Janitorial Svcs - Car Port Cleaning	26,388	26,296	24,248	13,181	13,028	13,028	0	0	288	(154)	(1%)
11	CONCRETE SERVICE	\$403,056	\$317,129	\$386,373	\$336,286	\$352,348	\$311,348	\$41,000	\$0	4,169	\$16,062	5%
936	A962050000 Concrete Repair/Replacement	363,393	277,998	342,934	323,259	338,729	298,729	40,000	0	4,000	15,470	5%
936	A962070000 Sweeping	0	0	0	0	0	0	0	0	0	0	0%
936	A962140000 Masonry	10,994	10,870	12,111	0	0	0	0	0	0	0	0%
936	A962150000 Chain Link Fence Repair/Replacement	557	580	646	0	0	0	0	0	0	0	0%
936	A962160000 Graffiti Removal	557	580	646	349	361	361	0	0	5	12	3%
936	A962190000 Sweeping/Scrubbing Garages	27,555	27,102	30,036	12,679	13,259	12,259	1,000	0	164	580	5%
12	GUTTER CLEANING	\$73,777	\$144,267	\$135,528	\$207,597	\$200,011	\$134,311	\$0	\$65,700	1,800	(\$7,586)	(4%)
936	A962100000 Gutter Cleaning	73,777	144,267	135,528	207,597	200,011	134,311	0	65,700	1,800	(7,586)	(4%)
13	WELDING	\$118,439	\$106,756	\$98,365	\$107,821	\$113,099	\$101,499	\$1,600	\$10,000	1,360	\$5,279	5%
936	A962350000 Dry Rot Balcony Welding Repairs	0	0	646	797	821	721	100	0	10	24	3%
936	A962330000 Stair Tread Replacements	16,778	16,232	18,086	3,486	3,786	3,786	0	0	50	300	9%
936	A962120000 Welding	93,226	82,753	79,632	93,537	98,492	96,992	1,500	0	1,300	4,955	5%
936	A310180000 Lead Abatement - Welding	8,435	7,770	0	10,000	10,000	0	0	10,000	0	0	0%
14	TRAFFIC CONTROL	\$20,648	\$18,999	\$21,334	\$18,129	\$18,930	\$18,930	\$0	\$0	255	\$801	4%
936	A962020000 Traffic Control	4,532	4,348	5,024	5,752	5,949	5,949	0	0	80	197	3%
936	A962360000 Traffic Paint Program	8,507	8,116	9,043	7,147	7,392	7,392	0	0	100	245	3%
936	A962500000 Sign Replacement	7,608	6,535	7,267	5,229	5,589	5,589	0	0	75	359	7%
TOTAL		\$1,595,528	\$1,556,596	\$1,541,090	\$1,573,953	\$1,577,145	\$1,432,845	\$68,600	\$75,700	26,788	\$3,193	0%

### THIRD LAGUNA HILLS MUTUAL 2025 OPERATING EXPENDITURES MAINTENANCE AND CONSTRUCTION

The General Maintenance Operating section covers the inspection, maintenance and repair of structures including, but not limited to, manor interiors, building exteriors, carports, laundries, balconies, railings and stairs. Primarily these maintenance items are in response to resident service requests, although many items are planned program work.

#### 1) Plumbing Service

**\$844,762**

This item provides funding for the variety of plumbing services related to plumbing components that are the responsibility of the Mutual. The main categories of service include addressing various types of stoppages, leak investigation and remedial work related to plumbing leaks (in-wall, under-slab, etc.). Since 2015, plumbing technicians also perform drywall cuts to expedite repairs to in-wall leaks and pipe re-routes. The technicians are certified to handle the removal/abatement of drywall. This will allow, in most cases, a single visit by one department to a manor for the cutout and repair process. Service levels are based on historical averages of hours, materials, and outside services.

Underground leaks are addressed by certified contractors due to CAL OSHA shoring requirements and asbestos cement pipe (Transite) repair and abatement concerns. A contingency amount is included in the budget for such services.

#### 2) Carpentry Service

**\$592,461**

This line item provides for response to service requests for carpentry and carpentry-related service work on the Mutual's buildings, carports and laundry facilities. Items addressed through Carpentry Services include, but are not limited to the following:

- Exterior and entry door repair
- Repair/replace entry locks
- Door weather stripping replacement
- Board-up windows/shore up sites
- Building cracks and stucco repair
- Acoustic ceiling repair
- Laundry room window repair
- Insect screen install/repair
- Cabinet repair
- Carport structure repair
- Carport cabinet repair
- Garage door repair
- Patio gate repair
- Vinyl and tile floor repairs
- Removal of bird/animal in wall
- Drywall/texture repair
- Mailbox door and lock repair
- Support scaffolding set-up
- Wall/ceiling insulation replacement

Budgeting for this item is essential to continue maintaining the high service level expected and to complete all necessary maintenance concerns requested by residents for the services described above in a timely manner. These repairs are performed by in-house staff and outside contractors.

### 3) Pest Control

**\$655,000**

A licensed pest control contractor provides the Mutual with pest control services for termite eradication and bee removal services.

The budget is typically developed based on historical trends and the existence of termites as identified by the Mutual's fumigation contractor. A staff inspector and a representative of the fumigation contractor conduct inspections in response to all reported evidence of live termites and upon request at the time a manor is resold. Additionally, in 2023 the Board began funding proactive termite inspections, using a separate pest control vendor. Inspections will take place on the exterior components of 1,405 residential buildings, 295 carports, and 44 laundry buildings over a 3-year cycle. Approximately 580 buildings/structures will be inspected each year.

Based on the results of all inspections, a list of buildings requiring fumigation is compiled. Whenever possible, localized treatments of the infested areas will be performed for dry wood termites to minimize the fumigation requirements. Subterranean termites are also treated at the localized point of infestation.

The buildings listed for fumigation typically are scheduled for the following fiscal year and worked into the budget. Fumigation costs are based on a pre-determined contract value per building size.

The projected costs are budgeted in five categories, Local Pest Control Treatments; Proactive Termite Inspection Program; Fumigation - Tenting; Fumigation - Landscaping (for plant removal); and Fumigation - Lodging. Although not required by the Davis-Stirling Act, Mutual policy provides lodging for two nights while the whole structure fumigation is in process.

The lodging budget is based on the number of manors contained in each of the buildings to be fumigated and the contracted rate in place with a local hotel.

The budget for whole structure tenting is based on a weighted average of each building type with costs applied to those buildings based on a pre-determined contract value per building type.

This approach is used to determine budgetary estimates for the Business Plan, as the full list of actual buildings that will require treatment are often not known until after the preparation of a given year's Business Plan.

However, the increase in funding levels for 2025 is due to a larger than average number of buildings requiring whole structure fumigation. In 2024, 53 buildings were fumigated. The number of buildings currently on the list for fumigation in 2025 are 107. This number is expected to increase as the proactive termite inspections are conducted.



**4) Fire Protection****\$154,868****(A) Fire Alarm System Inspections for All Multi-story Buildings**

This item addresses fire alarm system inspections that take place twice a year for all 81 3-story buildings.

**(B) Fire Extinguisher Service**

This service, provided by an outside vendor, covers the annual inspection, maintenance and repair or replacement of the 1,300 fire extinguishers located throughout Third Laguna Hills Mutual. This service includes: (1) inspection and replacement (as needed) of various components; (2) replacement of powders and gases; (3) hydrostatic testing when required; (4) proper tagging of fire extinguishers to indicate date of service and certification; (5) replacement of irreparable or missing extinguishers and extinguishers that must be replaced in accordance with Fire Authority regulations and (6) repair of extinguisher cabinet glass and other parts.

**(C) Sprinkler System Service**

This item is used to address the inspection and servicing of the fire suppression sprinkler systems in the trash chutes of three-story buildings. Sprinkler system service includes certified contractor quarterly inspection of all components of the system and implementation of identified repairs. All work is per NFPA 14 and California Title 19 fire regulations. Staff included funding based on contract pricing for quarterly inspections and provisions for repairs in 2025.

**(D) Standpipe Testing**

This item is used to address the inspection and repair of the Fire Standpipe Systems (Class I or II standpipe systems) in each of the 53 Garden Villa style buildings. NFPA requires semi-annual inspection of these systems. Additionally, NFPA requires flow testing/certification and fire hose pressure testing/certification by a qualified contractor on a five-year schedule or when repairs or use of the system results in the need for certification.

For the 2025 Business Plan, staff included funding for the required annual inspections and a contingency for as needed system repairs determined to be necessary during the inspection process.

**(E) Chimney Cleaning**

This item is used for repair or replacement of spark arrestors on original chimneys.

**(F) Dryer Vent Cleaning**

This item is used to address the cleaning of original dryer vent ducts in both laundry facilities and manors with original dryer hookups throughout Third Laguna Hills Mutual. The dryer vents in the LH-21 buildings are cleaned every year.

**5) Electrical Service****\$99,030**

This item provides funding for the variety of electrical services related to electrical components that are the responsibility of the Mutual, which include the following:

- Repair/replace common area outlets
- Service common area circuit breaker
- Repair underground wiring
- Replace conduit and wiring
- Replace damaged doorbell light
- Replace main breaker
- Repair/replace common area lighting
- Replace common area

**6) Appliance Repairs****\$118,869**

This item addresses repairs to the Mutual's laundry appliances. The Mutual maintains 455 high-efficiency laundry room washing machines. In 2019, the Mutual installed 373 high-efficiency commercial dryers in common area laundry rooms.

Budgeting for this item is based on historical trends, but may slowly decrease in the future for a period of time, as the new Speed Queen washing machines replace the failed Maytag, Whirlpool and GE units.

**7) Miscellaneous Repairs by Outside Services****\$30,000**

This funding is used to address items that are typically repaired by outside contractors. This item also includes funding for other repairs that do not fit into one of the categories below.

As these items are emergent in nature, budgets are based on historical averages, trends and on planned program scopes of work.

**(A) Broken Windows**

Replacement of broken panes of glass in the Mutual's common area makes up the majority of this category. Also included in this item are repairs and replacements to window frames, weather stripping and hardware that are the responsibility of the Mutual.

**(B) Phone Line Repairs**

This item is used to address repairs associated with the Mutual's responsibility for providing one working phone line to each manor.

**(C) Lead Paint Testing**

In 2010, new EPA regulations went into effect requiring special procedures and handling when performing Renovation, Repair and Painting (RRP) of building components where lead-based paint is present. The presence of lead in paint must be determined before proceeding with work that qualifies under the regulations. Determination of the presence of lead paint must be performed by a Certified Lead Inspector/Risk Assessor. This budget is included to pay for the costs of lead testing performed by a Certified Lead Inspector/Risk Assessor on miscellaneous projects that will be completed by an outside service. Staff included an estimated provision for such testing and abatement.

**(D) Miscellaneous**

This item includes funding for other repairs that require outside services, but that do not fit into one of the above categories. A two-year average of miscellaneous costs was used as the basis for this category.

**8) Solar Maintenance****\$37,000**

This item provides for the Operation and Maintenance (O&M) services set forth below by an outside contractor in relation to the Third solar energy projects. The 2025 budget includes a contingency for repairs.

Daily:

- Real-time performance monitoring and alert triage
- Product warranty administration (creating/tracking/logging)
- 24/7 customer support

Annually:

- Inverter inspection, maintenance and thermal scans
- DC wiring and electrical equipment inspections, maintenance, thermal scans and performance testing (current at maximum power (IMP)& operating circuit voltage (VOC) on 100% of the strings
- Solar module inspection and thermal scans
- Array racking and component inspection and maintenance
- Inspection, cleaning and maintenance of meters and sensors
- Pyranometer calibration

- Removal of material within arrays and balance of system (BOS)
- Repairs and replacements as required
- Maintenance summary report
- 2x Annual Module cleaning/washing

#### 9) Street Light Maintenance

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**\$20,000**

Funding for this item was moved from Reserves to Operating for the 2023 fiscal year, to provide as needed maintenance services to the existing street light infrastructure and LED fixtures.

An outside contractor responds to reported street light outages and will perform repairs or replacements to poles and/or fixtures, as required.

### THIRD LAGUNA HILLS MUTUAL 2025 OPERATING EXPENDITURES GENERAL SERVICES

This section covers the inspection, maintenance and repair of breezeways and common areas for multi-story buildings, carports, laundry rooms, concrete, rain gutters, railing and stairs, and traffic control striping and signage. Primarily, these maintenance items are in response to resident service requests, although many items staff reported and planned program work.

#### 10) Janitorial Service

**\$892,757**

Service levels provided in this category include janitorial services for breezeways and common areas of multi-story buildings, free-standing laundry buildings, and miscellaneous janitorial services in Mutual common areas and car port cleanings. Budgeting for this category is based on the following established service levels:

<b>Third Mutual</b>	<b>Frequency</b>
Two-Story Buildings (Breezeways)	Upon request
Laundry Rooms	Every 3 weeks
Laundry Restrooms	1x week
Garden Villas	1x week
LH 21 Buildings	1x week
Miscellaneous Tickets	Weekly
<b>Programs</b>	
Carport Cleaning	3x year
Water Boiler Enclosure Cleaning	1x year
Trash Enclosure Cleaning	1x year

#### 11) Concrete Service

**\$352,348**

This line item addresses pro-active and resident requests for repair or replacement of concrete slabs, walkways and driveways. Concrete repairs include crack filling and the grinding-down of walkways that have lifted. Replacement of concrete occurs when lifting exceeds the two-inch grinding capability. Replacement may also occur when water pooling exceeds ½ inch without draining, or when cracks or damage create inadequate load bearing capacity.

Concrete Repair/Replaced	258
Masonry Work	29
Concrete Grinding Completed	55
Paving Misc. Service	25

**12) Gutter Cleaning****\$200,011**

This item provides for the cleaning of building rain gutters to ensure their proper function and drainage. The majority of the work is completed during the fourth quarter of the year.

The budget includes funding for an outside service to clean the gutters of multiple-story buildings once during the fourth quarter of the year. In-house staff will clean gutters of single-story buildings throughout the year on a scheduled and as-requested basis.

Single-Story	894
Multi-Story	337
Patio Covers	1,471

**13) Welding****\$113,099**

Welding services are utilized in the repair/replacement of railings, gates, fences, and the repair/replacement of steel step rails. This item includes work completed as requested by staff and residents through service requests to Resident Services. Historical averages and trends are used to develop budgetary estimates. A contingency amount for lead testing and abatement, required due to EPA lead handling regulations, is included.

- WC 936 Streets and Sidewalks receives approximately 110 welding tickets per year for Third

**14) Traffic Control****\$18,930**

This line item addresses the installation and maintenance of devices required to facilitate traffic safety and circulation throughout the Community. This includes parking lot and street striping, red and yellow curb painting, crosswalk painting, and replacement of directional and vehicular control signage.

**15-21) Landscape Services**

These items will be reviewed at the Landscape budget meeting.

**THIRD LAGUNA HILLS MUTUAL  
2025 PLAN  
PROGRAMS REPORT**

											Assessment	
DESCRIPTION		2021 ACTUALS	2022 ACTUALS	2023 ACTUALS	2024 BUDGET	2025 BUDGET	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	Increase/(Decrease) \$	%
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION												
22	BUILDING NUMBERS	\$14,088	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	\$0	0%
910	A310100000 Illuminated Building Numbers	14,088	0	0	0	0	0	0	0	0	0	0%
23	BUILDING STRUCTURES	\$2,091,312	\$1,809,120	\$2,403,923	\$2,300,426	\$2,486,143	\$261,518	\$103,500	\$2,121,125	3,210	\$185,717	8%
910	A959100000 Building Structures (Maintenance Ops)	243,317	156,823	322,379	500,000	700,000	0	0	700,000	0	200,000	40%
912	A950210000 Carport Panel Replacements	11,410	4,456	6,283	10,233	4,273	1,773	2,500	0	20	(5,960)	(58%)
912	A959120000 Building Structures (Carpentry)	220,953	198,906	55,808	86,169	102,757	52,757	50,000	0	650	16,588	19%
920	A959200000 Building Structure Dry Rot	578,350	272,172	181,860	210,000	210,000	0	0	210,000	0	0	0%
920	A950050000 Building Structure Replacement (Third)	198,017	329,963	455,062	350,000	150,000	0	0	150,000	0	(200,000)	(57%)
920	A950011000 Balcony Inspection	0	0	74,328	92,495	0	0	0	0	0	(92,495)	(100%)
910	A959120000 Building Structures (Carpentry)	26,527	22,349	34,809	30,000	0	0	0	0	0	(30,000)	(100%)
917	A959120000 Building Structures (Carpentry)	4,716	6,455	3,389	5,710	4,494	3,494	1,000	0	40	(1,216)	(21%)
932	A959120000 Building Structures (Carpentry)	1,202	10,240	0	0	0	0	0	0	0	0	0%
920	A920201705 PARAPET WALL REMOVAL - THIRD	253,820	0	0	150,000	168,000	0	0	168,000	0	18,000	12%
920	A950220000 Foundations	19,142	23,575	35,872	25,000	25,000	0	0	25,000	0	0	0%
910	A310130000 Lead Abatement – Dry Rot	1,450	540	0	5,250	5,500	0	0	5,500	0	250	5%
912	A320100000 Dry Rot Repair- Tickets	132,533	157,813	170,867	167,944	253,493	203,493	50,000	0	2,500	85,550	51%
910	A320100000 Dry Rot Repair- Tickets	0	0	0	2,625	2,625	0	0	2,625	0	0	0%
909	A991020000 Moisture Intrusion - Rain Leaks Reserves	45,284	224,620	522,891	200,000	200,000	0	0	200,000	0	0	0%
909	A992020000 Moisture Intrusion - Plumbing Leaks Reserves	242,588	338,410	416,954	350,000	330,000	0	0	330,000	0	(20,000)	(6%)
909	A993020000 Moisture Intrusion - Plumbing Stoppages Reserves	40,199	82,189	71,075	65,000	65,000	0	0	65,000	0	0	0%
909	A994020000 Moisture Intrusion - Other Reserves	71,804	(19,392)	52,346	50,000	65,000	0	0	65,000	0	15,000	30%
920	A962102000 Dry Rot Roof Repair PTP	0	0	0	0	200,000	0	0	200,000	0	200,000	100%
24	ELECTRICAL SYSTEMS	\$16,588	\$0	\$0	\$30,000	\$62,000	\$0	\$0	\$62,000	0	\$32,000	107%
913	A950240000 Electrical Panel Maintenance	16,588	0	0	30,000	30,000	0	0	30,000	0	0	0%
904	A950020000 Electrical System Replacement	0	0	0	0	32,000	0	0	32,000	0	32,000	100%
25	EXTERIOR LIGHTING	\$24,840	\$14,473	\$12,062	\$12,500	\$12,925	\$75	\$0	\$12,850	1	\$425	3%
920	A910800000 Exterior Lighting	7,853	0	0	0	0	0	0	0	0	0	0%
913	A910800000 Exterior Lighting	0	1,850	12,850	12,500	12,925	75	0	12,850	1	425	3%
900	A910800000 Exterior Lighting	16,987	12,623	(788)	0	0	0	0	0	0	0	0%
26	FENCING	\$73,009	\$62,837	\$75,237	\$79,602	\$70,757	\$52,757	\$18,000	\$0	650	(\$8,844)	(11%)
912	A950200000 Split Rail Fence Replacements	73,009	62,837	75,237	79,602	70,757	52,757	18,000	0	650	(8,844)	(11%)
27	GARDEN VILLA LOBBY	\$111,882	\$1,418	\$0	\$0	\$0	\$0	\$0	\$0	0	\$0	0%
910	A950260000 Garden Villa Lobby Flooring	111,882	1,418	0	0	0	0	0	0	0	0	0%
28	GARDEN VILLA MAILROOM	\$300	\$285	\$293	\$562	\$577	\$327	\$250	\$0	5	\$15	3%
932	A950280000 Garden Villa Mailroom - Paint	300	285	293	562	577	327	250	0	5	15	3%
29	GARDEN VILLA REC ROOM	\$7,859	\$2,759	\$8,472	\$65,393	\$68,109	\$1,109	\$2,000	\$65,000	15	\$2,716	4%
914	A790127941 Rec Room Water Heater Replacement	5,788	907	2,136	3,004	3,109	1,109	2,000	0	15	105	3%
913	A790007941 Manor Water Heater Replacement	0	17	47	0	0	0	0	0	0	0	0%
910	A310010S32 Rec Room Window Replacement	0	0	0	60,000	60,000	0	0	60,000	0	0	0%
914	A790007941 Manor Water Heater Replacement	1,182	1,835	319	0	0	0	0	0	0	0	0%
910	A310090S91 Rec Room Heat Pump Replacement	888	0	5,971	2,389	5,000	0	0	5,000	0	2,611	109%
30	GUTTERS	(\$15,844)	\$29,973	\$67,264	\$126,486	\$203,575	\$81,575	\$12,000	\$110,000	1,000	\$77,089	61%
910	A950000000 Gutter Replacement	(44,280)	0	5,177	60,000	60,000	0	0	60,000	0	0	0%
912	A950000000 Gutter Replacement	28,436	29,973	62,087	66,486	93,575	81,575	12,000	0	1,000	27,089	41%
920	A962103000 Gutter Screen Installation	0	0	0	0	50,000	0	0	50,000	0	50,000	100%
31	MAILBOXES	\$37,175	\$2,743	\$11,811	\$27,582	\$27,640	\$12,390	\$15,250	\$0	160	\$58	0%
912	A950180000 LH 21 Mailbox Replacements	37,160	2,743	10,349	25,774	26,084	11,084	15,000	0	136	310	1%
932	A950180000 LH 21 Mailbox Replacements	15	0	1,463	1,809	1,556	1,306	250	0	24	(252)	(14%)
32	PAINT PROGRAM	\$1,527,920	\$1,413,218	\$1,445,812	\$1,613,075	\$1,757,800	\$1,506,050	\$224,000	\$27,750	25,900	\$144,725	9%
932	A971000000 Exterior Paint Program	1,233,999	1,094,433	1,146,112	1,260,747	1,352,771	1,162,771	190,000	0	20,000	92,025	7%
932	A971010000 Deck Topcoat Paint Follow-Up	51,735	32,630	43,087	42,297	85,897	69,897	16,000	0	1,200	43,600	103%
932	A971020000 Building Signs	0	11,827	9,126	52,500	20,000	0	0	20,000	0	(32,500)	(62%)
932	A963006502 Exterior Touch-up	167,784	201,509	172,388	173,353	218,485	203,485	15,000	0	3,500	45,132	26%
910	A310170000 Lead Abatement Touch-up	0	0	0	2,625	2,500	0	0	2,500	0	(125)	(5%)
932	A963010000 Interior Touch-up Mutual	74,402	70,419	70,643	76,304	72,897	69,897	3,000	0	1,200	(3,407)	(4%)
910	A971030000 Lead Testing and Abatement - Paint Program	0	2,400	4,455	5,250	5,250	0	0	5,250	0	0	0%

### THIRD LAGUNA HILLS MUTUAL 2025 PLAN PROGRAMS REPORT

		2021	2022	2023	2024	2025	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	Assessment	
DESCRIPTION		ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET					Increase/(Decrease) \$	%
<b>33</b>	<b>PRIOR TO PAINT</b>	<b>\$1,024,160</b>	<b>\$1,042,713</b>	<b>\$1,161,592</b>	<b>\$1,222,353</b>	<b>\$1,437,585</b>						
912	A981000000 Dry Rot Repairs - Prior-to-Paint	524,688	573,036	658,886	684,099	669,692	569,692	100,000	0	7,000	(14,407)	(2%)
912	A981010000 Decking Repairs (Prior to Paint)	77,504	85,958	126,879	104,882	274,280	244,280	30,000	0	3,000	169,398	162%
910	A981020000 Lead Testing and Abatement - Prior-to-Paint	52,546	8,312	54,942	57,750	65,000	0	0	65,000	0	7,250	13%
912	A965170000 Decking - Breezeway Common Area	114,089	116,992	126,041	142,983	180,706	162,706	18,000	0	2,000	37,723	26%
912	A965186702 Decking - Garden Villa Breezeway Program	146,352	153,235	182,951	220,465	233,493	203,493	30,000	0	2,500	13,029	6%
912	A965326703 Decking - Balcony Repairs	8,637	10,306	11,893	12,174	14,414	12,414	2,000	0	150	2,240	18%
912	A965330000 Decking- Balconies 5 Yr Topcoat Prgm	99,436	94,874	0	0	0	0	0	0	0	0	0%
914	A981000000 - Dry Rot Repairs - Prior-to-Paint	908	0	0	0	0	0	0	0	0	0	0%
<b>34</b>	<b>PAVING/CONCRETE</b>	<b>\$618,985</b>	<b>\$423,955</b>	<b>\$429,521</b>	<b>\$431,851</b>	<b>\$801,915</b>	<b>\$0</b>	<b>\$0</b>	<b>\$801,915</b>	<b>0</b>	<b>\$370,064</b>	<b>86%</b>
920	A920201703 Parkway Concrete Replacements	106,831	0	0	60,000	140,000	0	0	140,000	0	80,000	133%
920	A920180000 Golf Cart Parking and Striping	7,925	0	0	0	0	0	0	0	0	0	0%
920	A910940000 Major Asphalt Repairs	458,273	377,898	384,882	317,975	606,000	0	0	606,000	0	288,025	91%
920	A962010000 Seal Coat	45,956	46,057	44,639	53,876	55,915	0	0	55,915	0	2,039	4%
<b>35</b>	<b>ROOFS</b>	<b>\$1,341,440</b>	<b>\$1,403,246</b>	<b>\$1,477,360</b>	<b>\$1,684,823</b>	<b>\$1,940,618</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,940,618</b>	<b>0</b>	<b>\$255,795</b>	<b>15%</b>
920	A910860000 BUR Replacement - PVC Cool Roof	1,066,482	1,087,948	1,093,528	1,200,000	1,388,375	0	0	1,388,375	0	188,375	16%
920	A910040000 Preventive Roof Maintenance	66,585	76,182	74,077	46,845	34,470	0	0	34,470	0	(12,375)	(26%)
920	A910010000 Roof Repairs- Emergency	99,239	122,969	133,992	130,000	202,445	0	0	202,445	0	72,445	56%
920	A910865000 OS Roof Replacement - Lightweight Roofs	109,133	116,148	117,816	250,000	257,350	0	0	257,350	0	7,350	3%
920	A962101000 Flat Roof Debris Cleanup	0	0	57,947	57,978	57,978	0	0	57,978	0	0	0%
<b>36</b>	<b>EXTERIOR WALLS</b>	<b>\$29,280</b>	<b>\$29,994</b>	<b>\$0</b>	<b>\$32,400</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>(\$32,400)</b>	<b>(100%)</b>
920	A910855000 Perimeter Wall Shepherds Crook	29,280	29,994	0	32,400	0	0	0	0	0	(32,400)	(100%)
<b>37</b>	<b>WASTE LINE REMEDIATION</b>	<b>\$530,595</b>	<b>\$617,558</b>	<b>\$935,789</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>0</b>	<b>\$0</b>	<b>0%</b>
904	A370150000 Waste Line Replacement	530,595	617,558	935,789	1,500,000	1,500,000	0	0	1,500,000	0	0	0%
<b>38</b>	<b>WATER LINES - COPPER PIPE REMEDIATION</b>	<b>\$367,397</b>	<b>\$196,116</b>	<b>\$196,116</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>0</b>	<b>\$0</b>	<b>0%</b>
904	A370140000 Copper Piping Replacement	0	0	0	1,000,000	1,000,000	0	0	1,000,000	0	0	0%
920	A370140000 Copper Piping Replacement	367,397	196,116	196,116	0	0	0	0	0	0	0	0%
<b>39</b>	<b>PLUMBING REPLACEMENT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>0</b>	<b>\$0</b>	<b>0%</b>
914	A794000000 General Plumbing Replacement	0	0	0	200,000	200,000	0	0	200,000	0	0	0%
<b>40</b>	<b>ELEVATORS</b>	<b>\$151,170</b>	<b>\$89,872</b>	<b>\$98,680</b>	<b>\$125,000</b>	<b>\$205,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,800</b>	<b>0</b>	<b>\$80,800</b>	<b>65%</b>
920	A910930000 Elevator Replacement	151,170	89,872	98,680	125,000	205,800	0	0	205,800	0	80,800	65%
<b>41</b>	<b>LAUNDRY COUNTERTOP/FLOOR</b>	<b>\$40,498</b>	<b>\$14,977</b>	<b>\$13,411</b>	<b>\$59,173</b>	<b>\$42,414</b>	<b>\$6,914</b>	<b>\$5,500</b>	<b>\$30,000</b>	<b>80</b>	<b>(\$16,758)</b>	<b>(28%)</b>
917	A917239923 Laundry Room Floors - 3 Story Buildings	9,511	8,137	10,682	17,710	4,812	4,312	500	0	50	(12,898)	(73%)
910	A310090S92 Abatement for Flooring Replacement	25,750	0	0	31,563	30,000	0	0	30,000	0	(1,563)	(5%)
917	A917409940 Countertops - Laundry - Third	5,237	6,840	2,730	9,900	7,602	2,602	5,000	0	30	(2,298)	(23%)
<b>42</b>	<b>LAUNDRY APPLIANCES</b>	<b>\$60,836</b>	<b>\$92,085</b>	<b>\$170,745</b>	<b>\$109,593</b>	<b>\$164,499</b>	<b>\$29,904</b>	<b>\$131,595</b>	<b>\$3,000</b>	<b>389</b>	<b>\$54,907</b>	<b>50%</b>
914	A790017941 Laundry Water Heater Replacement	14,909	16,178	20,576	30,389	30,305	13,305	17,000	0	170	(84)	(0%)
914	A790107941 Water Heater Permits	0	0	0	2,806	3,000	0	0	3,000	0	194	7%
911	A944101506 Laundry Dryer Replacement	0	15,047	40,606	14,407	14,554	4,554	10,000	0	60	147	1%
911	A944111406 Laundry Washing Machine Replacement	45,926	60,860	109,563	61,990	116,640	12,045	104,595	0	159	54,650	88%
911	J318060000 Coin-Operated Dryers and Laundry Pedestals -OS	0	0	1,817	0	0	0	0	0	0	0	0%
<b>TOTAL</b>		<b>\$8,053,489</b>	<b>\$7,247,341</b>	<b>\$8,508,089</b>	<b>\$10,620,819</b>	<b>\$11,982,357</b>	<b>\$3,145,204</b>	<b>\$692,095</b>	<b>\$8,145,058</b>	<b>46,060</b>	<b>\$1,361,539</b>	<b>13%</b>

Line 24 funding is included in the Paint Program.

#### RESERVE FUNDS - GENERAL SERVICES

<b>43</b>	<b>PRIOR TO PAINT</b>	<b>\$10,437</b>	<b>\$10,869</b>	<b>\$12,112</b>	<b>\$14,418</b>	<b>\$15,263</b>	<b>\$14,963</b>	<b>\$300</b>	<b>\$0</b>	<b>200</b>	<b>\$845</b>	<b>6%</b>
936	A981030000 PRIOR TO PAINT/DRY ROT BALCONY REP	10,437	10,869	12,112	14,418	15,263	14,963	300	0	200	846	6%
<b>44</b>	<b>PAVING/CONCRETE</b>	<b>\$68,284</b>	<b>\$69,114</b>	<b>\$64,678</b>	<b>\$82,343</b>	<b>\$86,279</b>	<b>\$82,029</b>	<b>\$4,250</b>	<b>\$0</b>	<b>1,100</b>	<b>\$3,936</b>	<b>5%</b>
936	A962000000 Gen. Maintenance & Street Repairs	8,350	8,136	9,043	10,783	11,328	11,178	150	0	150	544	5%
936	A962040000 Asphalt Repairs	29,478	39,384	31,574	46,532	48,710	44,710	4,000	0	600	2,178	5%
936	A962090000 Main Line Repair	5,567	5,362	5,975	7,247	7,492	7,392	100	0	100	245	3%
936	A962070000 Sweeping	11,112	2,754	3,068	0	0	0	0	0	0	0	0%
936	A962700000 Crack Filling	13,778	13,479	15,018	17,780	18,749	18,749	0	0	250	969	5%
<b>45</b>	<b>EXTERIOR WALLS</b>	<b>\$5,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,150</b>	<b>\$24,150</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,150</b>	<b>0</b>	<b>\$0</b>	<b>0%</b>
936	A910840000 Common Wall Replacement	0	0	0	10,000	10,000	0	0	10,000	0	0	0%
936	A910850000 Perimeter Wall Replacement	5,600	0	0	14,150	14,150	0	0	14,150	0	0	0%
<b>TOTAL</b>		<b>\$84,321</b>	<b>\$79,983</b>	<b>\$76,791</b>	<b>\$120,911</b>	<b>\$125,692</b>	<b>\$96,992</b>	<b>\$4,550</b>	<b>\$24,150</b>	<b>1,300</b>	<b>\$4,781</b>	<b>4%</b>



## THIRD LAGUNA HILLS MUTUAL 2025 RESERVE EXPENDITURES MAINTENANCE AND CONSTRUCTION

This section covers the inspection, maintenance and repair of structures including, but not limited to, manor interiors, building exteriors, carports, laundries, balconies, railings and stairs. Primarily these maintenance items are in response to resident service requests, although many items are planned program work.

### 22) Building Numbers

**\$0**

Funding for building address sign replacement was moved to the Paint Program budget as staff replaces building, carport and laundry room signs during the annual exterior paint program.

### 23) Building Structures

**\$2,486,143**

#### **(A) Building Structures (Maint. Ops., Carpentry & Carport Panel Replacements)**

This reserve component is designed to address building structures that are exhibiting deterioration. Staff will eradicate dry rot through a systematic and proactive approach utilizing an aggressive inspection process designed to address all buildings in Third including both architectural and structural components through outside services and in-house staff. This includes but is not limited to balcony replacements, wood balcony railing replacements, ramp replacements, walkway replacements, trellis structure replacements, beam replacements, window replacements, garage door replacements, carport panel replacements, Garden Villa Recreation Room kitchen and restroom flooring replacements, asbestos and lead abatement and testing, associated engineering cost and City building permit application and inspection fees. Replacements are qualified and generated on both a reactive and a proactive basis.

Funding increased in 2025 to address dry rot found on patio walls, balcony decks and other wood components, during the prior to paint program, using outside services.

#### **(B) Building Structures Replacements**

This reserve component is designed to address building structures that are exhibiting deterioration and will be utilized on a contingency basis. It is assumed that full replacement of this component would never be required. The unit cost is a contingency estimate for a typical building structure repair.

#### **(C) Building Structures Dry Rot**

This reserve component is dedicated to eradicating dry rot through a systematic and proactive approach utilizing an aggressive inspection process. This process is designed to address all building types within the Mutual including architectural and structural components.

### **(D) Parapet Wall Removals**

This reserve component is to address moisture intrusion problems on the Villa Paraisa and Casa Grande style buildings by removing and replacing the parapet wall design with a sloped roof.

Three buildings were completed in 2024. As of 2025, there are 11 buildings that still require parapet wall removal. Replacements will be scheduled to occur each year, over the next 4 years.

Funding allows for parapet wall removal at three buildings in 2025.

### **(E) Foundations**

This reserve component is dedicated to foundation repairs most often due to soil erosion and settlement. Although the unit cost will vary, it is a contingency estimate for typical foundation repairs.

As part of the 2025 fiscal budget, staff will proactively assess buildings for drainage deficiencies that could lead to building settlement and will implement the necessary repairs.

### **(F) Building Rehab/Dry Rot**

This reserve component is designed to address building structures that are exhibiting deterioration and to eradicate dry rot identified by Members through service requests or during the course of other maintenance activities in Third to include minor replacement of wood members, such as fascia boards, shear panel repair, wood stud replacement, stucco repair, T-111/Hardi siding replacement, rafter tail replacements, exterior crown molding replacement, and red wood siding/trim replacement.

### **(G) Balcony Inspections**

State law mandates that a statistically significant sample of all of the Mutual's exterior elevated elements is to be inspected every 9 years. VMS contracts with a licensed structural engineer or architect to inspect a percentage of the Mutual's exterior elevated elements, for which the Mutual has maintenance or repair responsibility. A report is generated from the inspections and shall include detailed information on the condition of each inspected element; expected future performance; remaining useful life; and any repair or replacement recommendations. The inspections were completed by December 31, 2024.

Inspections will be split over a two-year period, in years 8 and 9. Inspections will resume in 2032 and 2033.

## **(H) Damage Restoration**

This reserve component is for reconstruction of mutual-controlled property in manors and buildings resulting from rain leaks, plumbing leaks, plumbing stoppages, miscellaneous moisture intrusion events, fires and other disasters.

Damage to Mutual property exceeding \$100K is submitted to the Mutual's insurance company.

Funding increased in 2025 based on an average of the actual expenditures from the last three years.

### **24) Electrical Systems**

**\$62,000**

#### **(A) Electrical Systems – Panel Replacements**

This reserve component is funded to address electrical panel maintenance and includes contingency funding for panel failures and the replacement of electrical components, as necessary.

#### **(B) Electrical Systems – Alternate Heat Source (Heat Pump & Wall Heaters)**

Third Mutual is responsible for providing a heat source in the bedroom and living/dining room areas of its manors. At the time of original construction, the provided heat source was in-ceiling radiant heat systems. If an original in-ceiling radiant heat system fails or requires replacement as the result of some maintenance activity, the Mutual must provide a replacement heat source. The Mutual replaces failed heat systems with an appropriate and cost-effective type unit for the room being heated, such as placing a wall heater in the bedroom and a through-the-wall heat pump in the living room and dining room. The type of unit used is contingent on several factors, the most important being the BTU's required to heat the area being heated.

Alternate heat sources will be installed on an as-needed basis.

### **25) Exterior Lighting**

**\$12,925**

Contingency funding for any needed repairs to common area lighting performed by in-house staff.

### **26) Fencing**

**\$70,757**

Third has approximately 13 miles or 70,000 linear feet of decorative wooden split rail fencing throughout its property. The Mutual uses wooden split rail fencing as an inexpensive way to create decorative boundaries between buildings, as well as define sloped areas.

Staff replaces rotted split rail fencing on an as-needed basis.

## **27) Garden Villa Lobby**

**\$0**

This reserve component addresses the renovation of the lobby areas of the Mutual's Garden Villa-style buildings, which is performed on a program basis. The lobby ceilings, walls, and floor coverings are inspected annually and those in the poorest condition, receive the highest priority for renovation. Member requests for lobby improvements are also considered during the evaluation process each year.

The final lobby in this program cycle was completed in 2022. The next renovations are scheduled to occur in 2026.

## **28) Garden Villa Mailroom**

**\$577**

This reserve component addresses the renovation of mailrooms in the Mutual's Garden Villa style buildings. The renovation cycle was completed in 2020 and will resume in 2026. The 2025 funding is a contingency for touch-up painting of the mailroom walls.

## **29) Garden Villa Rec Room**

**\$68,109**

### **(A) Water Heaters**

There are 53 Garden Villa Recreation Room water heaters in the Mutual. Replacement of the water heaters is implemented proactively at the end of their 10-year serviceable life.

### **(B) Heat Pumps**

Replacement of the heat pumps is based on an annual inspection with consideration to the unit's expected lifecycle, maintenance and repair history, age and its overall condition, or upon failure. Funding increased to replace 3 heat pumps in 2025.

### **(C) Window Replacements**

Funding is included for window replacements in 5 Garden Villa Rec Rooms.

## **30) Gutters**

**\$203,575**

This reserve component is designed to address repairs and replacements of original construction building rain gutter and downspout systems on all of the Mutual's buildings that are exhibiting deterioration, as well as new installations where gutters were not originally located.

**(A) Gutter Repairs**

The gutter systems are constructed of galvanized metal pieces joined together in ten-foot-long sections or less. Typically, original gutter systems fail at the joints and corrode, which result in leaks. The funding for this program is reactive and based on resident requests.

**(B) Gutter Replacement**

This reserve item is designed to address the replacement of failing, original rain gutter sections, and downspout systems on all of the Mutual's buildings.

**(C) New Gutter Installation**

Beginning in 2020, funding was added to the annual budget for new gutter installations in order to address drainage issues and to prevent foundation erosion in conjunction with buildings on the exterior paint program.

**(D) New Gutter Screen Installation**

Beginning in 2025, the Board allocated funding for a multi-year phased program to install rain gutter screens on existing gutters to minimize the accumulation of debris and reduce the chances of moisture intrusion events from overflowing gutters. With a \$50k yearly allocation, approximately 2,941 linear feet of gutter screens can be installed each year on existing gutters of varying sizes throughout the Mutual.

**31) Mailboxes****\$27,640**

Third has approximately 6,102 individual mailboxes. The pedestal mailboxes at all the LH-21 buildings have been replaced.

Cluster mailboxes inset on the exterior walls of one- and two-story buildings are deteriorating and are no longer compliant to USPS standards. Each cluster mailbox will house 4, 8 or 12 units.

Funding is provided to replace mailbox clusters in approximately 8 buildings each year until all are compliant with USPS standards.

**32) Paint Program****\$1,757,800**

During the 2021 Business Planning Meeting, the Board elected to change the exterior paint program from a 10-year to a 15-year paint cycle for the 16,495,970 square feet of exterior building surfaces. All exterior components of each building are to be painted every 15 years. The building components painted include the body, (stucco and/or siding) and the trim (fascia boards, beams, overhangs, doors, closed soffits and structural and ornamental metal surfaces).

Deck top coat resurfacing, replacement of reflective address building numbers, lead testing and Lead RRP (Renovation, Repair and Painting) activities are performed in conjunction with the program. Non-wood alternatives are used where possible.

Funding also includes interior and exterior touch-up painting which was moved from Operating to Reserves in 2019.

Planned expenditures are based on the square footage of the buildings scheduled for that fiscal year. Cul-de-sacs 302, 303, 304, 406, 407, 408, 409, buildings 5318-5346 and carports 5001-5010 are planned for 2025.

### **33) Prior to Paint**

**\$1,437,585**

#### **(A) PTP**

The reserve component for prior-to-paint repairs will prepare building surfaces for painting. This work is performed by outside contractors and in-house staff and includes structural and non-structural repairs; mitigation of dry rot; balcony and breezeway decking repairs which are performed every 15 years in conjunction with the exterior paint program.

#### **(B) Top Coat Resurfacing**

The elevated balcony and breezeway deck surfaces are inspected and repaired every 7.5 years, which is mid-way between the 15-year exterior paint cycle. This reserve component is designed to provide a waterproof top coat sealant to those elevated surfaces.

Funding also includes costs related to asbestos and lead testing with the abatement of dry rotted components.

Planned expenditures are based on the square footage of the buildings scheduled for that fiscal year. Proposed increase in 2025 is due to anticipated rise dry rot repair work orders.

### **34) Paving/Concrete**

**\$801,915**

#### **(A) Parkway Concrete**

Each year staff inspects the Mutual sidewalks in areas scheduled to receive paving work for potential tripping hazards, and areas are identified for replacement. This helps to minimize the waiting periods for concrete repairs that are addressed by the General Services Department. Staff also identifies all damaged drainage gutters in the area and includes their replacement cost in this budget item. This program works in conjunction with the current paving program. During the 2022 Business Planning Meeting, the Third Board voted that the budget for this component be deferred in

2022. Parkway Concrete repairs resumed in 2024. 9 cul-de-sacs are planned for 2025.

### **(B) Asphalt Repairs**

As part of the Mutual's asphalt repaving program, each year all asphalt pavement in the community is inspected and rated for wear. When the pavement rating justifies replacement, the work is budgeted for the upcoming year. For the purpose of reserve planning, an estimated life of 25 years is used. 9 cul-de-sacs are planned for 2025, which equal 105,264 square feet.

### **(C) Seal Coat**

The application of a seal coat over asphalt is necessary to extend the useful life of pavement. Asphalt receives a seal coat 5 years after paving and also on a continuous 7-year cycle thereafter. This type of preventive maintenance is considered the most efficient and cost-effective method of extending the serviceable life of asphalt paving. 12 cul-de-sacs are planned for 2025.

### **(D) Golf Cart Parking & Striping**

During the 2018 Business Planning meeting, staff was directed to consider additional opportunities to create golf cart parking in areas where landscaping has declined or is absent, and a pilot program was completed in Gate 14. The Board directed staff to budget \$50,000 each year to create 20 additional parking spaces with the understanding there may not be available open space to create 20 parking spaces each year. During the 2022 Business Planning Meeting, the Third Board voted that the budget for this component be cancelled until further notice.

## **35) Roofs**

**\$1,940,618**

### **(A) Roofs Preventive Maintenance**

The Built-up Roof (BUR) Maintenance Program is intended to extend the serviceable life of existing BUR roofs by three to five years, for a total serviceable life of 18-20 years. The program emphasizes aggressive repair and maintenance on BUR roofs at 5-year intervals.

The current roofing contract provides for the 5-year preventive maintenance of each roof system at no cost to the Mutual. The 10-year preventive maintenance program for 2025 includes those built-up roofs that were replaced in 2015.

### **(B) Roofs Built-Up – PVC Cool Roof**

The Built-Up Roofing ("BUR") Replacement Program is designed to identify and replace BUR systems that have reached their serviceable life, with PVC Cool Roofs, which have a serviceable life of 25 years. All roofs 15 years of age and older are

visually inspected and a query of all reported rain leaks for the subject buildings is generated.

The roofs are ranked by condition and those with the worst overall performance are slated for replacement. Therefore, not all BURs are replaced upon expiration of their anticipated serviceable life. 17 building roofs will be replaced with a PVC Cool Roof system in 2025.

### **(C) Roofs Lightweight Tile (LWT) to Comp Shingle**

In 1990, buildings with wood shake roof systems were re-roofed with Lightweight Tile (LWT) to eliminate the potential fire hazard of the wood shake roof. (377 buildings, totaling 1,438,052 square feet).

LWT roofs have required significant maintenance since 2010 and are considered to be failing.

In 2020, the LWT roofs began to be re-roofed with Composition Shingles. Staff recommended a 15-year phased plan starting in 2020 to replace the LWT with Comp Shingles. 5 building roofs will be replaced with Composition Shingles in 2025.

## **36) Exterior Walls**

**\$0**

Barbed wire is no longer a city-approved material for wall security. In 2017, the City of Laguna Woods passed a resolution to include Shepherd's Crook as an acceptable replacement to the existing barbed wire. Beginning in 2020, expenditures included the cost of clearing and grubbing.

The Village is required by the Condition Use Permit (CUP) to replace at least 900 lineal feet per year of barbed wire.

At the Board's request, funding for this work has been removed until further notice.

## **37) Waste Line Remediation**

**\$1,500,000**

In 2006, the Board established a reserve line item for waste lines. The program provides for the evaluation of waste lines and the establishment and implementation of a strategy for replacement. Lining the underground and under slab pipe is possible with a liner and epoxy resin product. The program was expanded to include interior pipes in 2017.

7 Garden Villa buildings will receive waste line remediation in 2025.



### **38) Water Lines – Copper Pipe Remediation** **\$1,000,000**

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In 2006, the Board established a reserve line item for copper water lines. This budget item funds the epoxy lining of copper water supply lines in the Mutual.

8 buildings will receive copper pipe epoxy lining in 2025.

### **39) Plumbing Replacement** **\$200,000**

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Pressure Regulators: The Board voted to allocate \$200,000 per year for pressure regulator installation/replacements for the (General) Plumbing Replacement Reserve Funds (RPF) beginning in 2023. Pressure regulators will be installed to reduce the high pressure found at manors measuring over 80psi at Third Mutual buildings. The cost of the pressure regulator depends on size, ranging from 3/4" to 2", and will be installed/replaced on an as-needed basis.

Installation of 100 pressure regulator valves are planned for in 2025.

### **40) Elevators** **\$205,800**

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The Elevator Replacement Fund provides funding for component replacement and interior cab upgrades to the 82 passenger elevators in the Mutual. Elevator flooring replacement expenditures are a contingency and will only be replaced as needed.

In 2025, 3 elevators will be scheduled for maintenance and interior cab upgrades.

### **41) Laundry Countertop/Floor Replacement** **\$42,414**

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#### **(A) Countertops**

The laundry facilities in Third are comprised of 81 three-story buildings with three laundry rooms each and 44 freestanding laundry rooms. The three-story building laundry rooms have one folding table that will be replaced with a wall mounted countertop. The free-standing laundry rooms have four wall mounted countertops and are treated as one component for reserve purposes. The current replacement policy is reactive and countertops are replaced upon failure or non-reparability.

Estimated Life = 20 Years. Planned expenditures are based on the historical replacement quantities, anticipated useful life, and current estimated cost, plus inflation.

#### **(B) Flooring**

There are three laundry facilities, one on each floor, of Third's 81 three-story buildings

for a total of 243. Each of these laundry facilities has sheet vinyl floor covering. The Laundry Room Flooring Program allows the existing vinyl flooring to be professionally removed by an abatement contractor, staff then applies an epoxy floor coating over the entire surface.

Estimated Life = 25 years. Planned expenditures are based on the historical replacement quantities, anticipated life, and current estimated costs, plus inflation.

## **42) Laundry Appliances**

**\$164,499**

### **(A) Water Heaters**

There are 125 laundry room water heaters in the Mutual. The Mutual's policy is to replace all water heaters in their 10th year of life. Planned expenditures are based on the anticipated useful life and current estimated cost of materials and labor plus inflation.

### **(B) Dryers**

There are 373 commercial, coin operated dryers in stand-alone laundry facilities and 3-story buildings. The dryers have been placed on pedestals for easier use.

### **(C) Washers**

There are 455 washers in the Mutual's stand-alone and 3-story building laundry facilities. The washing machines in 3-story buildings have been placed on pedestals for easier use. The current replacement policy is reactive and washers are replaced upon failure or non-reparability.

In 2024, the Board approved changing the washing machine brand from Maytag to Speed Queen for better durability and efficiency. Existing Maytag washing machines are replaced with Speed Queen upon failure. The 2025 budget reflects the increased material cost for Speed Queen washing machines and laundry pedestals.

### THIRD LAGUNA HILLS MUTUAL 2025 RESERVE EXPENDITURES GENERAL SERVICES

This section covers the inspection, maintenance and repair of metal work (prior to paint), paving and concrete, and repair to common area and perimeter walls. Primarily these maintenance items are in response to resident service requests, although many items are planned program work.

#### 43) Prior to Paint \$15,263

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Third Mutual has a 15-year full exterior paint program. This budget item includes a contingency for metal work performed by General Services Welders, including railing, stairway, and balcony railing metal work, and other welding repairs on the buildings scheduled for the 2025 exterior paint program.

- WC 936 Street and Sidewalks will need to address metal issues in about 15% of the buildings

#### 44) Paving/Concrete \$86,279

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Funding provided in this section is used to fund general asphalt repair work, excavation related to mainline repair, and crack filling work that is completed in conjunction with Maintenance and Construction's planned slurry seal program.

#### 45) Exterior Walls \$24,150

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This is a contingency for both perimeter and common wall replacements.

Funding is provided in this item to address common area walls, as well as Third's perimeter walls that are damaged by tree roots, deterioration, and other causes.

##### **(A) Common Area**

This budget line item provides contingency funding for repairs to the common interior walls in the Mutual. This program addresses the need to provide common wall repair or replacement throughout the community.

##### **(B) Perimeter**

Third Laguna Hills Mutual utilizes perimeter walls to provide physical security. The majorities of the walls were built over 35 years ago, and is typically made of concrete block. In addition to providing security to the community, this program replaces walls due to damage or deterioration.

#### 46-48) Landscape Services

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These items will be reviewed at the Landscape budget meeting.

**THIRD LAGUNA HILLS MUTUAL  
2025 PLAN  
PROGRAMS REPORT**

DESCRIPTION	2021	2022	2023	2024	2025	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	Assessment	
	ACTUALS	ACTUALS	ACTUALS	BUDGET	BUDGET					Increase/(Decrease)	\$
DISASTER FUND - MAINTENANCE & CONSTRUCTION											
MOISTURE INTRUSION - RAIN LEAKS	\$253,951	\$242,184	\$545,258	\$220,000	\$220,000	\$0	\$0	\$220,000	0	\$0	0%
A991000000 - OS	253,951	242,184	545,258	220,000	220,000	0	0	220,000	0	0	0%
MOISTURE INTRUSION - PLUMBING LEAKS	\$614,090	\$183,156	\$844,881	\$650,000	\$800,000	\$0	\$0	\$800,000	0	\$150,000	23%
A992000000 - OS	1,237,850	180,544	844,881	650,000	800,000	0	0	800,000	0	150,000	23%
Miscellaneous	(623,760)	2,612	0	0	0	0	0	0	0		
MOISTURE INTRUSION - PLUMBING STOPPAGES	\$118,104	\$141,150	\$197,739	\$80,000	\$152,000	\$0	\$0	\$152,000	0	\$72,000	90%
A993000000 - OS	118,104	141,150	197,739	80,000	152,000	0	0	152,000	0	72,000	90%
MOISTURE INTRUSION - MISCELLANEOUS	\$14,507	\$49,599	\$62,836	\$50,000	\$42,000	\$0	\$0	\$42,000	0	(\$8,000)	(16%)
A994000000 - OS	14,507	49,599	62,836	50,000	42,000	0	0	42,000	0	(8,000)	(16%)
DAMAGE RESTORATION SERVICES	\$162,802	\$165,336	\$41,956	\$50,280	\$29,384	\$24,384	\$5,000	\$0	300	(\$20,896)	(42%)
A380080000	43,514	36,043	41,956	50,280	29,384	24,384	5,000	0	300	(20,896)	(42%)
A31006OS61	(21,185)	0	0	0	0	0	0	0	0	0	
Various Historical Jobs	140,642	126,759	0	0	0	0	0	0	0	0	0%
Miscellaneous	54,858	0	0	0	0	0	0	0	0		
TOTAL	\$1,163,454	\$781,424	\$1,692,671	\$1,050,280	\$1,243,384	\$24,384	\$5,000	\$1,214,000	300	\$193,104	18%

**GARDEN VILLA REC ROOM FUND - MAINTENANCE & CONSTRUCTION**

<b>56</b> <b>GARDEN VILLA RECREATION ROOMS</b>	<b>\$70,118</b>	<b>\$82,796</b>	<b>\$94,246</b>	<b>\$97,502</b>	<b>\$128,605</b>	<b>\$29,327</b>	<b>\$29,278</b>	<b>\$70,000</b>	<b>0</b>	<b>\$31,103</b>	<b>32%</b>
910 A310050000 - GV Rec Room Misc. Services	38,852	55,386	51,434	57,750	70,000	0	0	70,000	0	12,250	21%
912 A320090000 Carpentry Service Garden Villa Interior	965	8	3,721	5,498	5,640	3,990	1,650	0	0	142	3%
911 A350110000 Appliance PM Garden Villa Rec Rooms	81	0	301	566	583	360	223	0	0	16	3%
911 A350120000 Appliance Replc. Garden Villa Rec Rooms	0	0	301	343	360	360	0	0	0	16	5%
913 A340090000 Electrical Service Garden Villa Interior	726	0	584	734	754	599	155	0	0	21	3%
914 A370090000 Repair/Replace Garden Villa Rec Rooms	0	0	466	837	904	554	350	0	0	67	8%
914 A792000000 Plumbing Service Garden Villa Interior	1,378	0	2,798	3,828	3,849	3,049	800	0	0	21	1%
917 A917259925 Replace Vinyl Floors in GV Rec Rooms	0	0	1,687	0	0	0	0	0	0	0	0%
917 A917270000 Recreation Room Refurbishment	4,128	4,157	10,463	11,131	11,468	6,468	5,000	0	0	338	3%
917 A917290000 Garden Villa Replacements	1,102	0	1,646	987	1,892	892	1,000	0	0	906	92%
917 A917510000 Refrigerator Install/Replacement	1,693	0	0	800	800	0	800	0	0	0	0%
917 A917520000 Range Install/Replacement	2,030	2,759	6,487	1,798	7,000	0	7,000	0	0	5,202	289%
917 A917530000 Microwave Install/Replacement	2,248	1,122	2,326	1,023	2,500	0	2,500	0	0	1,477	144%
917 A917550000 Sink Install/Replacement	3,404	5,378	3,905	964	7,102	2,602	4,500	0	0	6,138	637%
917 A917560000 Faucet Install/Replacement	445	0	0	300	300	0	300	0	0	0	0%
932 A963076501 Garden Villa Interior Touch-up	14,194	1,308	8,129	10,944	15,452	10,452	5,000	0	0	4,508	41%
<b>TOTAL</b>	<b>\$70,118</b>	<b>\$82,796</b>	<b>\$94,246</b>	<b>\$97,502</b>	<b>\$128,605</b>	<b>\$29,327</b>	<b>\$29,278</b>	<b>\$70,000</b>	<b>0</b>	<b>\$31,103</b>	<b>32%</b>

### THIRD LAGUNA HILLS MUTUAL 2025 DISASTER EXPENDITURES MAINTENANCE AND CONSTRUCTION

This was one of the first funds established for the Mutual to reserve for contingencies and uninsured damages. The purpose of this fund is to provide for emergency expenditures or catastrophic damages not covered by insurance, including insurance policy deductible amounts. Also, possibly for write-offs of uncollectible accounts according to original definition of the General Operating Fund. In the 2009 Business Plan, this fund was renamed from the General Operating Fund to the Disaster Fund to better convey its purpose. This fund is not required by Civil Code and is therefore excluded from reserve plan calculations.

#### **49) Moisture Intrusion – Rain Leaks \$220,000**

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This line item funds remediation (dry down, environmental testing, abatement & misc. repairs) of manors due to roof leaks, deteriorated roof membranes, roof flashing/connections, windows, stucco walls, atrium back-ups, gutter systems, rain flooding, skylights (non-alteration), and vents, that may cause damage to the Mutual's asset and require repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

#### **50) Moisture Intrusion – Plumbing Leaks \$800,000**

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This line item funds remediation (dry down, environmental testing, abatement & misc. repairs) of manors due to plumbing leaks from the under-slab, in-wall, supply line, and drain line, that may cause damage to the Mutual's asset and require repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

#### **51) Moisture Intrusion – Plumbing Stoppages \$152,000**

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This line item funds remediation (dry down, environmental testing, abatement & misc. repairs) of manors due to plumbing stoppages from main lines, internal lines, toilets, sink and basins that may cause damage to the Mutual's asset and require repairs. If replacements are needed, those items will be funded from the Replacement/Reserve fund.

#### **52) Moisture Intrusion – Miscellaneous \$42,000**

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This line item funds remediation (dry down, environmental testing, abatement & misc. repairs) of units with miscellaneous moisture intrusion from tub/shower enclosures, cracked tile, missing grout, humidity, irrigation, loose sink/countertop connections, common area washing machines, foundations, window condensation, and mold, that may cause damage to the Mutual's asset and require repairs. If replacements are needed, those items will be funded from the Reserve Fund.

**53) Damage Restoration Services****\$29,384**

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This line item funds the emergency repairs due to damage from structure fires and vehicle accidents.

If replacements are needed, those items will be funded from the Replacement/Reserve fund. Funding levels for this category are based on historic averages.

Part of this expenditure is reimbursed to the Mutual through hearings that review the circumstances of the moisture intrusion event in order to determine if the member should be held responsible for costs associated with the restoration.

**54-55) Landscape and Financial Services**

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Line 54 will be reviewed at the Landscape budget meeting. Line 55 is unfunded in 2025.

**THIRD LAGUNA HILLS MUTUAL  
2025 GARDEN VILLA REC ROOM EXPENDITURES  
MAINTENANCE AND CONSTRUCTION**

**56) Garden Villa Recreation Rooms**

**\$128,605**

The Replacement Reserve-Villa Furnishings Fund was established in 1975 for the replacement of furnishings in the Villa buildings. Several policy changes were made through the years regarding the fund name and usage. On September 19, 1995, the Board of Directors adopted Resolution M3-95-82 approving a fund name of Garden Villa Recreation Room Fund.

The purpose of this fund is to provide for all expenditures in the recreation rooms of Garden Villa buildings (repairs, replacements and preventive maintenance), other than janitorial services.

On June 16, 2009 the Board directed that water heater and heat pump components previously paid from this fund will be paid from the Replacement Fund.





Updated 3/19/2024

**Laguna Woods Village®**  
**Budget Calendar**  
**for Development of the 2025 Business Plan**

DESCRIPTION	GRF Board	United Board	Third Board
Review of Existing (2024) Service Levels			
Department Workshops	Wed Mar 13 9:30 A.M.		
Landscape, Maintenance, and General Services Review		Mon Apr 8 9:30 A.M.	Wed Mar 27 1:30 P.M.
Internal Review			
Reserves / Capital	April / May		
Version 1			
Capital Review	Wed May 15 1:30 P.M.		
Operating Department Review	Wed May 29 1:30 P.M.		
Maintenance & General Services Review		Thu May 23 1:30 P.M.	Thu May 23 9:30 A.M.
Landscape Review		Mon Jun 3 9:30 A.M.	Mon Jun 3 1:30 P.M.
Capital Or Operating Review (if necessary)	Mon Jun 17 1:30 P.M.		
Version 2			
Business Plan Preparation	Deadline for Changes June 24, 2024 Issue Agendas Wednesday July 3, 2024		
Business Plan Review	Wed Jul 10 1:30 P.M.	Wed Jul 17 1:30 P.M.	Mon Jul 15 9:30 am
Version 3			
Business Plan Preparation	Deadline for Changes July 24, 2024 Issue Agendas Thursday August 1, 2024		
Business Plan Review (Televised)	Mon Aug 5 9:30 A.M.	Mon Aug 12 1:30 P.M.	Mon Aug 19 1:30 P.M.
Proposed Final			
Business Plan Adoption	Tue Sept 3 9:30 A.M.	Tue Sept 10 9:30 A.M.	Tue Sept 17 9:30 A.M.

# 2025 Business Plan Third Laguna Hills Mutual

Maintenance & Construction Department  
Business Planning Meeting— OPERATING & RESERVE EXPENDITURES  
May 23, 2024



## 2025 Summary of Expenditures

FUND	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	\$ Change	% Change
Operating	\$ 1,861,209	\$ 1,689,487	\$ 1,998,581	\$ 2,203,975	\$ 2,551,990	\$ 348,015	16%
Reserve	\$ 8,053,489	\$ 7,247,341	\$ 8,508,089	\$10,620,819	\$11,982,357	\$ 1,361,539	13%
Disaster	\$ 1,163,454	\$ 781,424	\$ 1,692,671	\$ 1,050,280	\$ 1,243,384	\$ 193,104	18%
<b>Subtotal</b>	<b>\$11,078,152</b>	<b>\$ 9,718,343</b>	<b>\$12,199,341</b>	<b>\$13,875,074</b>	<b>\$15,777,731</b>	<b>\$ 1,902,658</b>	<b>14%</b>
GV Rec Room	\$ 70,118	\$ 82,796	\$ 94,246	\$ 97,502	\$ 128,605	\$ 31,103	32%
<b>TOTAL</b>	<b>\$11,148,270</b>	<b>\$9,801,139</b>	<b>\$12,293,587</b>	<b>\$13,972,576</b>	<b>\$15,906,336</b>	<b>\$1,933,761</b>	<b>14%</b>

# 2025 Business Plan Operating Expenditures

3

## 2025 Operating: Plumbing Services

2023 Actual	\$782,052	<ul style="list-style-type: none"> <li>• Leak investigations</li> <li>• In-wall leak repairs</li> <li>• Under-slab leaks</li> <li>• Stoppages</li> <li>• Valve/fitting repair/replacement</li> </ul>
2024 Adopted	\$786,186	
2025 (Prelim)	\$844,762	
Increase/(Decrease)	\$58,576	
% Change	7%	

Proposed increase based on need for outside contract services and anticipated rise in labor and material costs. Plumbing Services work center completed 16,793 work order tickets in 2023; 4,600 in Third.

4

## 2025 Operating: Carpentry Services



2023 Actual	\$625,276
2024 Adopted	\$586,661
2025 (Prelim)	\$592,461
Increase/(Decrease)	\$5,800
% Change	1%

- Carport structure and garage door repair
- Common area window & door repair
- Common area acoustic ceiling repair
- Stucco, drywall/texture repair
- Insect screen installation and repair

Proposed increase based on an anticipated rise in material costs. Carpentry Services work center completed 9,108 work order tickets in 2023; 3,260 in Third.

5

## 2025 Operating: Pest Control



2023 Actual	\$335,580
2024 Adopted	\$377,116
2025 (Prelim)	\$655,000
Increase/(Decrease)	\$277,884
% Change	74%

- 3-year termite inspection program
- Resale & miscellaneous termite inspections
- Local termite treatments & bee removal
- Whole-structure fumigation program
- Lodging for fumigation program
- Plant removal for fumigation program
- 53 structure fumigations in 2024
- 107 structure fumigations in 2025

Proposed increase based on number of buildings requiring tenting in 2025 and corresponding increased number of hotel stays.

6

## 2025 Operating: Fire Protection



2023 Actual	\$78,254
2024 Adopted	\$151,185
2025 (Prelim)	\$154,868
Increase/(Decrease)	\$3,683
% Change	2%

- Fire alarm system inspections
- Fire extinguisher service
- Sprinkler system service
- Standpipe testing
- Chimney cleaning
- Dryer Vent cleaning

Proposed increase based on anticipated rise in labor and material cost.

7

## 2025 Operating: Electrical Service



2023 Actual	\$31,511
2024 Adopted	\$104,443
2025 (Prelim)	\$99,030
Increase/(Decrease)	(\$5,414)
% Change	(5%)

- Common area lighting repairs
- Common area electrical outlet repairs
- Main breaker, circuit breaker repairs
- Doorbell light repairs

Proposed decrease based on redistribution of staff hours based on work order history. Electrical services work center completed 8,576 work order tickets in 2023; 1,842 in Third.

8

## 2025 Operating: Appliance Repairs



2023 Actual	\$73,374
2024 Adopted	\$115,384
2025 (Prelim)	\$118,869
Increase/(Decrease)	\$3,486
% Change	3%

- Laundry room washer repairs
- Laundry room dryer repairs

Proposed increase based on anticipated rise in materials costs. Appliance services work center completed 5,198 work order tickets in 2023; 1,506 in Third.

9

## 2025 Operating: Miscellaneous Repairs



2023 Actual	\$9,067
2024 Adopted	\$30,000
2025(Prelim)	\$30,000
Increase/(Decrease)	\$0
% Change	--

- Common Area Window repairs
- Telephone Line Repairs
- Contract services
- Certified Lead Inspector for Lead Paint Testing

Contingency funding for contract services, if needed. Proposed funding based historical expenditure trends.

10

## 2025 Operating: Solar Maintenance



2023 Actual	\$50,516
2024 Adopted	\$36,000
2025 (Prelim)	\$37,000
Increase/(Decrease)	\$1,000
% Change	3%

- Performance monitoring
- Solar panel cleaning, twice a year
- Equipment inspections & repairs

Proposed increase provides contingency for miscellaneous repairs, if necessary.

11

## 2025 Operating: Street Light Maintenance



2023 Actual	\$12,946
2024 Adopted	\$17,000
2025 (Prelim)	\$20,000
Increase/(Decrease)	\$3,000
% Change	18%

- Contractor street light outage response
- Repair/replacement of poles, fixtures
- 788 street lights owned by Third

Contingency funding for repairs, if necessary.

12

## 2025 Summary of Operating Expenditures



Description	2023 Actual	2024 Budget	2025 Prelim Budget	Increase / (Decrease)	% Change
Plumbing Service	\$782,057	\$786,186	\$844,762	\$58,576	7%
Carpentry Service	\$625,276	\$586,661	\$592,461	\$5,800	1%
Pest Control	\$335,580	\$377,116	\$655,000	\$277,884	74%
Fire Protection	\$78,254	\$151,185	\$154,868	\$3,683	2%
Electrical Service	\$31,511	\$104,443	\$99,030	(\$5,414)	(5%)
Appliance Repairs	\$73,374	\$115,384	\$118,869	\$3,486	3%
Misc. Outside Services	\$9,067	\$30,000	\$30,000	\$0	0%
Solar Maintenance	\$50,516	\$36,000	\$37,000	\$1,000	3%
Street Light Maintenance	\$12,946	\$17,000	\$20,000	\$3,000	18%
<b>Total</b>	<b>\$1,998,581</b>	<b>\$2,203,975</b>	<b>\$2,551,990</b>	<b>\$348,015</b>	<b>16%</b>

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## 2025 Business Plan Reserve Expenditures

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## 2025 Reserves: Building Structures



2023 Actual	\$2,403,923
2024 Adopted	\$2,300,426
2025 (Prelim)	\$2,486,143
Increase/(Decrease)	\$185,717
% Change	8%

- Dry rot remediation
- Foundation and building settlement
- Balcony, ramp, walkway replacement
- Trellis, beam structure replacement
- Garage door, carport panel replacement
- GV rec room kitchen, bathroom flooring
- Asbestos/lead abatement and testing

Proposed increase primarily due to \$185,000 increase for dry rot contract services.

15

## 2025 Reserves: Electrical Systems



2023 Actual	\$0
2024 Adopted	\$30,000
2025 (Prelim)	\$62,000
Increase/(Decrease)	\$32,000
% Change	107%

- Electrical systems repairs, replacements
- Panel repairs

Contingency funding for electric panel repairs or replacements. Includes \$32,000 increase for pedestal meter panel replacement.

16

## 2025 Reserves: Exterior Lighting

2023 Actual	\$12,062
2024 Adopted	\$12,500
2025 (Prelim)	\$12,925
Increase/(Decrease)	\$425
% Change	3%

- Common area light repairs, upgrades

Contingency funding for repairs and upgrades.

17

## 2025 Reserves: Fencing

2023 Actual	\$75,237
2024 Adopted	\$79,602
2025 (Prelim)	\$70,757
Increase/(Decrease)	(\$8,844)
% Change	(11%)

- 13 miles (70,000 linear feet) of decorative wooden split rail fencing
- Cedar split-rail fencing used to define boundaries between buildings and slope areas
- 148 service orders completed in 2023

Proposed decrease based on redistribution of staff hours based on work order history.

18

## 2025 Reserves: Garden Villa Mailroom

2023 Actual	\$293
2024 Adopted	\$562
2025 (Prelim)	\$577
Increase/(Decrease)	\$15
% Change	3%

- 53 Garden Villa buildings
- Mailroom renovations completed in 2020
- Mailroom renovations scheduled to resume in 2026

Contingency for touch-up paint, if needed.

19

## 2024 Reserves: Garden Villa Recreation Rooms

2023 Actual	\$8,472
2024 Adopted	\$65,393
2025 (Prelim)	\$68,109
Increase/(Decrease)	\$2,716
% Change	4%

- 53 GV rec room heat pumps, water heaters
- 3 heat pump replacements
- 2 water heater replacements
- 5 rec room building window replacements

Proposed increase due to 1 additional heat pump replacement.

20

## 2025 Reserves: Gutters



2023 Actual	\$67,264
2024 Adopted	\$126,486
2025 (Prelim)	\$203,575
Increase/(Decrease)	\$77,089
% Change	61%

- Repair existing rain gutters, downspouts
- New gutter installations for drainage issues
- Implementation of new gutter screen program
- 203 service orders completed in 2023

Funding increase due to anticipated rise in labor and material costs, as well as \$50,000 for new gutter screen installations.

21

## 2025 Reserves: Mailboxes



2023 Actual	\$11,811
2024 Adopted	\$27,582
2025 (Prelim)	\$27,640
Increase/(Decrease)	\$58
% Change	--

- Replacement of non-compliant in-wall mailboxes
- Provides for replacement of mailboxes in 8 buildings

Increase due to changes in labor rate.

22

## 2025 Reserves: Paint Program



2023 Actual	\$1,445,812
2024 Adopted	\$1,613,075
2025 (Prelim)	\$1,757,800
Increase/(Decrease)	\$144,725
% Change	9%

- 16.5 million s.f. of exterior surfaces
- Paint stucco, siding, fascia boards, beams, overhangs, doors, closed soffits, and ornamental metal surfaces
- Address signs replaced with large reflective building signs
- Touch-up painting as-needed

Proposed increase due to anticipated rise in labor and material costs. Cul-de-sacs 302, 303, 304, 406, 407, 408, 409, buildings 5318-5346 and carports 5001-5010 are planned for 2025.

23

## 2025 Reserves: Prior to Paint Program



2023 Actual	\$1,161,592
2024 Adopted	\$1,222,353
2025 (Prelim)	\$1,437,585
Increase/(Decrease)	\$215,231
% Change	18%

- Dry rot repair
- Balcony, breezeway, decking structural repairs
- Balcony waterproof top coat deck sealant, resurfacing
- Asbestos, lead testing, abatement
- Prep exterior surfaces

Proposed increase due to anticipated rise dry rot repair work orders.

24

## 2025 Reserves: Paving/Concrete



2023 Actual	\$429,521	• Asphalt repaving
2024 Adopted	\$431,851	• Parkway concrete
2025 (Prelim)	\$801,915	• Pavement seal coat
Increase/(Decrease)	\$370,064	• 2024: 3 cul-de-sacs (82,586 SF)
% Change	86%	• 2025: 9 cul-de-sacs (105,264 SF)

Increase due to new contract unit prices and deferral of 2 cul-de-sacs from 2024.  
9 cul-de-sacs planned for concrete repairs and paving; 12 cul-de-sacs planned for seal coat in 2025.

25

## 2025 Reserves: Roofs



2023 Actual	\$1,477,360	• PVC cool roof replacements
2024 Adopted	\$1,684,823	• Light weight tile roof replacements
2024 Supplemental	\$300,000	• Preventive roof maintenance, repairs
2025 (Prelim)	\$1,940,618	• Emergency repairs
Increase/(Decrease)	\$255,795	• Flat roof debris removal
% Change	15%	

Proposed increase due to contract pricing for PVC roofs and additional funding for emergency repairs. 5 buildings planned for light weight tile roofs and 17 buildings for PVC roofs in 2025.

26

## 2025 Reserves: Waste Line Remediation



2023 Actual	\$935,789
2024 Adopted	\$1,500,000
2025 (Prelim)	\$1,500,000
Increase/(Decrease)	\$0
% Change	--

- Epoxy lining for interior and exterior waste lines
- Program started in 2006
- 385 out of 1,405 buildings completed as of 2023
- 7 GV buildings planned for 2024
- 7 GV buildings planned for 2025

Proposed funding based on competitively bid contract prices.

27

## 2025 Reserves: Copper Water Line Remediation



2023 Actual	\$196,116
2024 Adopted	\$1,000,000
2025 (Prelim)	\$1,000,000
Increase/(Decrease)	\$0
% Change	--

- Epoxy lining for interior water lines
- Program started in 2006
- 33 out of 1,405 buildings completed as of 2023
- 8 buildings planned for 2024
- 8 buildings planned for 2025

Proposed funding based on competitively bid contract prices.

28

## 2025 Reserves: Plumbing Replacement



2023 Actual	\$0
2024 Adopted	\$200,000
2025 (Prelim)	\$200,000
Increase/(Decrease)	\$0
% Change	--

- Contract services for pressure regulator valve installations
- Approximately 650 buildings are candidates for installations

Proposed funding based on 100 valve installations annually.

29

## 2025 Reserves: Elevators



2023 Actual	\$98,680
2024 Adopted	\$125,000
2025 (Prelim)	\$205,800
Increase/(Decrease)	\$80,800
% Change	65%

- 82 passenger elevators
- Mechanical component replacements
- Flooring replaced only when needed
- 2 elevators planned for 2024
- 3 elevators planned for 2025

Proposed funding increased for one additional elevator in 2025 based on competitive bid pricing.

30



## 2025 Reserves: Laundry Countertop and Floor Replacement



2023 Actual	\$13,411
2024 Adopted	\$59,173
2025 (Prelim)	\$42,414
Increase/(Decrease)	(\$16,758)
% Change	(28%)

- 243 laundry rooms in the 3-story buildings
- 44 stand-alone laundry rooms
- 419 countertops
- Replace sheet vinyl flooring with epoxy coating
- Countertop replacements
- Contract services for asbestos abatement \$30,000

Proposed decrease based on historical expenditure trend for laundry room countertops.

31

## 2025 Reserves: Laundry Appliances



2023 Actual	\$170,745
2024 Adopted	\$109,593
2025 (Prelim)	\$164,499
Increase/(Decrease)	\$54,907
% Change	50%

- Laundry room water heater replacements
- Laundry room washer replacements
- Laundry room dryer replacements

Proposed increase due to anticipated rise in labor and appliance replacement costs.

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## 2025 Summary of Reserve Expenditures



Description	2023 Actual	2024 Budget	2025 Budget	Increase / (Decrease)	% Change
Building Structures	\$2,403,923	\$2,300,426	\$2,486,143	\$185,717	8%
Electrical Systems	\$0	\$30,000	\$62,000	\$32,000	107%
Exterior Lighting	\$12,062	\$12,500	\$12,925	\$425	3%
Fencing	\$75,237	\$79,602	\$70,757	(\$8,844)	(11%)
Garden Villa Mailroom	\$293	\$562	\$577	\$15	3%
Garden Villa Rec Room	\$8,472	\$65,393	\$68,109	\$2,716	4%
Gutters	\$67,264	\$126,486	\$203,575	\$77,089	61%
Mailboxes	\$11,811	\$27,582	\$27,640	\$58	0%
Paint Program	\$1,445,812	\$1,613,075	\$1,757,800	\$144,725	9%
Prior-to-Paint Program	\$1,161,592	\$1,222,353	\$1,437,585	\$215,232	18%

33

## 2025 Summary of Reserve Expenditures



Description	2023 Actual	2024 Budget	2025 Budget	Increase / (Decrease)	% Change
Paving	\$429,521	\$431,851	\$801,915	\$370,064	86%
Roofs	\$1,477,360	\$1,684,823	\$1,940,618	\$255,795	15%
Waste Line Remediation	\$935,789	\$1,500,000	\$1,500,000	\$0	0%
Copper Water Line Remediation	\$196,116	\$1,000,000	\$1,000,000	\$0	0%
Plumbing Replacement	\$0	\$200,000	\$200,000	\$0	0%
Elevators	\$98,680	\$125,000	\$205,800	\$80,800	65%
Laundry Countertop/Floor	\$13,411	\$59,173	\$42,414	(\$16,758)	(28%)
Laundry Appliances	\$170,745	\$109,593	\$164,499	\$54,907	50%
<b>Total</b>	<b>\$8,508,089</b>	<b>\$10,620,819</b>	<b>\$11,982,357</b>	<b>\$1,361,539</b>	<b>13%</b>

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## 2025 Additional Budget Considerations M&C Committee



The M&C Committee requested the Board of Directors consider including the following budget items for 2025:

- \$100,000 for consultant services to develop a Renewable Energy Plan
- \$35,000 for installation of hand rails at GV building entrances
- \$ 613,000/year to complete the refurbishment of 18 elevators in two years
- \$158,000 to hire part-time consultant Quality Control Inspectors with plumbing, electrical, roofing licenses

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## Questions



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# 2025 Business Plan Third Laguna Hills Mutual

General Services Department  
Business Planning Meeting – Operating  
May 23, 2024



## Operating: Janitorial Services

Funds various janitorial services for various facilities  
in Third Mutual

THIRD MUTUAL	FREQUENCY
Two-story buildings (breezeways)	Upon request
Laundry rooms	Every 3 weeks
Laundry restrooms	1x week
Garden Villas	1x week
LH 21 buildings	1x week
Miscellaneous tickets	Weekly
<b>PROGRAMS</b>	
Carport cleaning	3x year
Water boiler enclosure cleaning	1x year
Trash enclosure cleaning	1x year

## Operating: Janitorial Services

2023 Actual	\$899,490
2024 Adopted	\$904,120
2025 (Prelim)	\$892,757
Increase/(Decrease)	(\$11,362)
% Increase/(Decrease)	(1%)

3

## Operating: Concrete Services

- Addresses proactive and resident requests for repair/replacement of concrete slabs, walkways and driveways
- Concrete repairs include grinding down walkways that have lifted 2 inches or less
- Replacement occurs when lifting exceeds grinding capability, pooling exceeds ½ inch, or cracks present structural integrity issues



4

## Operating: Concrete Services



### 2023 Tickets Received:

Description	Tickets
Concrete Repair/Replaced	258
Masonry Work	29
Concrete Grinding Completed	55
Paving Misc. Service	25

5

## Operating: Concrete Services



2023 Actual	\$386,373
2024 Adopted	\$336,286
2025 (Prelim)	\$352,348
Increase/(Decrease)	\$16,062
% Increase/(Decrease)	5%

6

## Operating: Gutter Cleaning Service



- Provides for cleaning of building rain gutters to ensure proper function and drainage
- Majority of work is completed during fourth quarter, prior to winter
- Includes funding for an outside vendor to clean gutters of multistory buildings once during fourth quarter
- In-house staff clean gutters of single-story buildings throughout year on a scheduled and as-requested basis



7

## Operating: Gutter Cleaning Service



Description	Units
Single Story	894
Multi-Story	337
Patio Covers	1,471

8

## Operating: Gutter Cleaning Service



2023 Actual	\$135,528
2024 Adopted	\$207,597
2025 (Prelim)	\$200,011
Increase/(Decrease)	(\$7,586)
% Increase/(Decrease)	(4%)

9

## Operating: Welding Service



Funds various welding services that are mutual's responsibility, which include:

- Walkway and stair railings
- Gate and fence repair
- Patio railings
- Chain link repair
- Other various welding needs

Work center receives approximately 110 welding tickets per year for Third



10



## Operating: Welding Service

2023 Actual	\$98,365
2024 Adopted	\$107,821
2025 (Prelim)	\$113,099
Increase/(Decrease)	\$5,279
% Increase/(Decrease)	5%

11

## Operating: Traffic Control

Addresses installation and maintenance of devices required to facilitate traffic safety and circulation throughout community, including:

- Parking lot and street striping
- Red and yellow curb painting
- Replacing directional and vehicular control signage



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## Operating: Traffic Control



### 2023 Tickets Received:

Description	Tickets
Signage Repaired or Replaced	44
Traffic Control Work Completed	12

13

## Operating: Traffic Control



2023 Actual	\$21,334
2024 Adopted	\$18,129
2025 (Prelim)	\$18,930
Increase/(Decrease)	\$801
% Increase/(Decrease)	4%

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# 2025 Business Plan Third Laguna Hills Mutual

General Services  
Business Planning Meeting - Reserve Fund  
May 23, 2024

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## Reserves: Prior to Paint

Mutual 15-year full exterior paint program includes contingency for railing, stairway metal work, balcony railing and other welding repairs on buildings scheduled for 2025 exterior paint program.

936 will need to address metal issues in about 15% of the buildings in Third



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## Reserves: Prior to Paint



2023 Actual	\$12,112
2024 Adopted	\$14,418
2025 (Prelim)	\$15,263
Increase/(Decrease)	\$845
% Increase/(Decrease)	6%

17

## Reserves: Paving/Concrete



Funds general asphalt repair, excavation work related to mainline repair and crack-filling work completed in conjunction with Maintenance and Construction planned slurry seal program

18

## Reserves: Paving/Concrete



2023 Actual	\$64,678
2024 Adopted	\$82,343
2025 (Prelim)	\$86,279
Increase/(Decrease)	\$3,936
% Increase/(Decrease)	5%

19

## Reserves: Exterior Walls



Contingency funding addresses common area and perimeter wall repair.

- Common area walls: Provides contingency funding for improvements to mutual common interior walls
- Perimeter walls: Perimeter walls enhance security; program replaces walls as needed due to damage or deterioration



20

## Reserves: Exterior Walls



2023 Actual	\$0
2024 Adopted	\$24,150
2025 (Prelim)	\$24,150
Increase/(Decrease)	\$0
% Increase/(Decrease)	0%

21

## Questions



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