



OPEN SESSION

REGULAR OPEN MEETING OF THIRD LAGUNA WOODS MUTUAL ARCHITECTURAL CONTROL AND STANDARDS COMMITTEE

**Monday, August 23, 2021: 9:30AM -11:00AM
VIRTUAL/IN-PERSON MEETING**

Laguna Woods Village owners/residents are welcome to participate in all open committee meetings and submit comments or questions regarding virtual meetings using one of three options:

1. Via Zoom : <https://us06web.zoom.us/j/93156707417>
2. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name of the committee in the subject line of the email. Name and unit number must be included.
3. By calling (949) 268-2020 beginning one half hour before the meeting begins and throughout the remainder of the meeting. You must provide your name and unit number.

NOTICE and AGENDA

This Meeting May Be Recorded

1. Call to Order
2. Acknowledgement of Media
3. Approval of Agenda
4. Approval of Meeting Report – July 26, 2021
5. Chair's Remarks
6. Member Comments - (Items Not on the Agenda)
7. Department Head Update

Consent:

All matters listed under the Consent Calendar are considered routine and will be enacted by the Committee by one motion. In the event that an item is removed from the Consent Calendar by members of the Committee, such item(s) shall be the subject of further discussion and action by the Committee.

8. Monthly Mutual Consent Report (Attachment 1)

Items for Discussion:

9. City of Laguna Woods Meeting Minutes (Attachment 2)
10. Alteration Fee Update (Attachment 3)
11. SCAQMD & Asbestos Update

Items for Future Discussion & Agendas:

- Manor Alterations News Bulletin Topics
- In-person Manor Alterations Seminar and Q&A

Concluding Business:

12. Committee Member Comments
13. Date of Next Meeting – September 27, 2021
14. Adjournment

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OPEN MEETING

**REGULAR OPEN MEETING OF THE THIRD LAGUNA WOODS MUTUAL
ARCHITECTURAL CONTROL AND STANDARDS COMMITTEE**

Monday, July 26 2021: 9:30AM-11:30AM
Laguna Woods Village Community Center (Zoom)
24351 El Toro Road, Laguna Woods, CA 92637

REPORT

COMMITTEE MEMBERS PRESENT: Robert Mutchnick, John Frankel, Ralph Engdahl, Reza Karimi

DIRECTORS PRESENT:

COMMITTEE MEMBERS ABSENT: Steve Parsons

ADVISORS PRESENT: Michael Plean, Michael Butler

STAFF PRESENT: Robbi Doncost, Lauryn Varnum, Richard DeLaFuente

1. Call to Order

Acting Chair Engdahl called the meeting to order at 9:31AM.

2. Acknowledgement of Media

Zoom recording.

3. Approval of Agenda

Agenda was approved by consensus.

4. Approval of Meeting Report for May 24, 2021

The committee approved the meeting report as presented.

5. Chair's Remarks

None.

6. Member Comments - (Items Not on the Agenda)

Doug Gibson approached the committee to discuss the possibility of adding recommended solar contractors onto the Third Recommended Contractor List. Mr. Gibson discussed how many of his neighbors experienced inflated pricing from vendors, and that many members are unsure of whom to trust in order to receive good service. The committee discussed the logistics of roof warranties once solar is installed, Staff Officer Doncost discussed the process of a Mutual Consent approval regarding



solar installation, and pledged to investigate options for vendors to add to the Recommended Contractor list.

Susan Smallwood inquired about the possibility of adding additional color options for those considering painting their exterior gates, increasing the color options from black and white to include bronze which is in line with current window color options. Ms. Smallwood also inquired if new updates surrounding Civil Code 4600 were available, as she was hoping to discuss the legislation surrounding common area, specifically regarding sliding doors. Ms. Smallwood also inquired as the process surrounding documentation and alterations required during the resale inspection process.

Mr. Doncost explained the resale inspection process, highlighting that “After the Fact” alterations will occur when owners have completed alterations in their manor without first acquiring a Mutual Consent. Discussion ensued regarding unauthorized alterations, and examples of members side-stepping the Mutual Consent process.

Staff Officer Lauryn Varnum read a prepared statement by Mr. Jay Laessi, in which he recommended the ACSC not approve the proposed variance at 5555-A. Mr. Laessi claimed the variance would encroach into common area and would not add or match the existing aesthetic value of Laguna Woods Village.

7. Manor Alterations Division Update

Mr. Doncost updated the current status of the Manor Alterations (“MA”) office, with one employee resigning, and the MA department restricting temporarily to account for the lost staff member. Mr. Doncost discussed the internal promotion of two staff members, and the hiring of a float inspector to assist with the workload. Mr. Doncost clarified that VMS has frozen the added MA positions until the 2022 budget is approved as requested previously by ACSC.

Consent:

All matters listed under the Consent Calendar are considered routine and will be enacted by the Committee by one motion. In the event that an item is removed from the Consent Calendar by members of the Committee, such item(s) shall be the subject of further discussion and action by the Committee.

8. Monthly Mutual Consent Report

Mr. Doncost summarized the totals of Mutual Consents processed and tickets initiated within the month of June, and discussed the increased workload due to this time of year being historically busy. Director Mutchnick expressed a desire to receive sequential monthly comparisons which Mr. Doncost pledged to accommodate. Mr. Doncost discussed that these reports are manually created, and MA is working with the tech department in order to better automate their analytics.

Variance Request:

A. Request – 5236 Elvira (Villa Resposa, C11A_1) – Handrail Installation Along the Driveway Approach to the Manor



Staff Officer Richard DeLaFuente summarized the variance including staff's recommendation to deny the request, referencing the medical needs expressed by the resident's physician and the potential impact on maintenance staff working in common areas.

Discussion ensued regarding similar previously proposed, however no instances could be referenced as approved from Third Mutual, only requests with United. Acting Chair Engdahl called for a vote. The motion to approve was denied.

B. Variance Request – 5555-A Rayo Del Sol (Casa Palma, 10R-13) – Room Addition on Existing Rear Private Garden

Mr. DeLaFuente summarized the variance request, and the staff recommendation to deny the request. Discussion ensued between the ACSC and the member proposing the variance. The member claimed that his variance met all the required rules for extensions upon the manor, including a new foundation. The ACSC posed questions regarding load-bearing wall relocation, details of materials and occupancy impact. After discussion, Acting Chair Engdahl called for a vote. The motion to approve was denied.

Items for Discussion:

9. Permitless Alteration Policy

Mr. Doncost expressed the success of the Permitless Policy within the United Mutual. Director Mutchnick pointed out details that do not align with Third Mutual's regulations, and a section referencing the Interior Flooring Policy which was currently under review by other committees, therefore further review was not prudent. Mr. Doncost pledged to review the document and resubmit it to Director Mutchnick for review in advance of the next ACSC meeting.

10. SCAQMD Follow Up & Next Steps

Mr. Doncost summarized the efforts of Manor Alterations to engage with SCAQMD resulting in minimal reciprocation. The VMS executive team has been engaged in an effort to facilitate further communication, but with no results as of yet.

11. City of Laguna Woods Meeting

Mr. Doncost discussed the minor issues within coordinating a meeting between the City and Laguna Woods in order clarify the roles and responsibility. Currently, a tentative meeting was set within a week of the ACSC meeting.

12. Manor Alterations FAQs

Mr. Doncost explained the process of Manor Alterations culling questions that were regularly posed. These FAQs would be published within the newsletter and the Laguna Woods website. Director Mutchnick and Acting Chair Engdahl highlighted specific questions and proposed edits to these sections.



13. Contractor Violations & Policy

Mr. Doncost stated that this policy has been an ongoing topic of discussion, giving the history of the negative experiences from contractors thus far, and the benefit to adding leverage for Manor Alterations to enforce rules/regulations within the contractor pool. Director Mutchnick expressed support for the policy, including that a factor should be reducing the work timeline for contractors. Discussion ensued regarding the option of limiting the number of jobs contractors are permitted to work within the same timeline, and Acting Chair Engdahl agreed that members should be more informed as to the positive and negative actions of potential contractors.

14. Reduce Available Timeline of Mutual Consent Alteration Process to 90 Days

No additional comments.

15. Fee Schedule Update

Mr. Doncost summarized the update fee schedule, referencing the escalated fees are reflective of the staff hours expended in order to properly process submissions. Director Mutchnick praised the clean and updated Fee Schedule, and Mr. Doncost discussed that a resolution could be proposed at the next ACSC meeting, and the committee could weigh the options in the interim.

Items for Future Agendas:

- Manor Alterations News Bulletin Topics
- In-Person Manor Alterations Seminar and Q&A

Concluding Business:

16. Committee Member Comments:

None.

17. Date of Next Meeting – August 23, 2021

18. Adjournment at 11:50AM

X _____

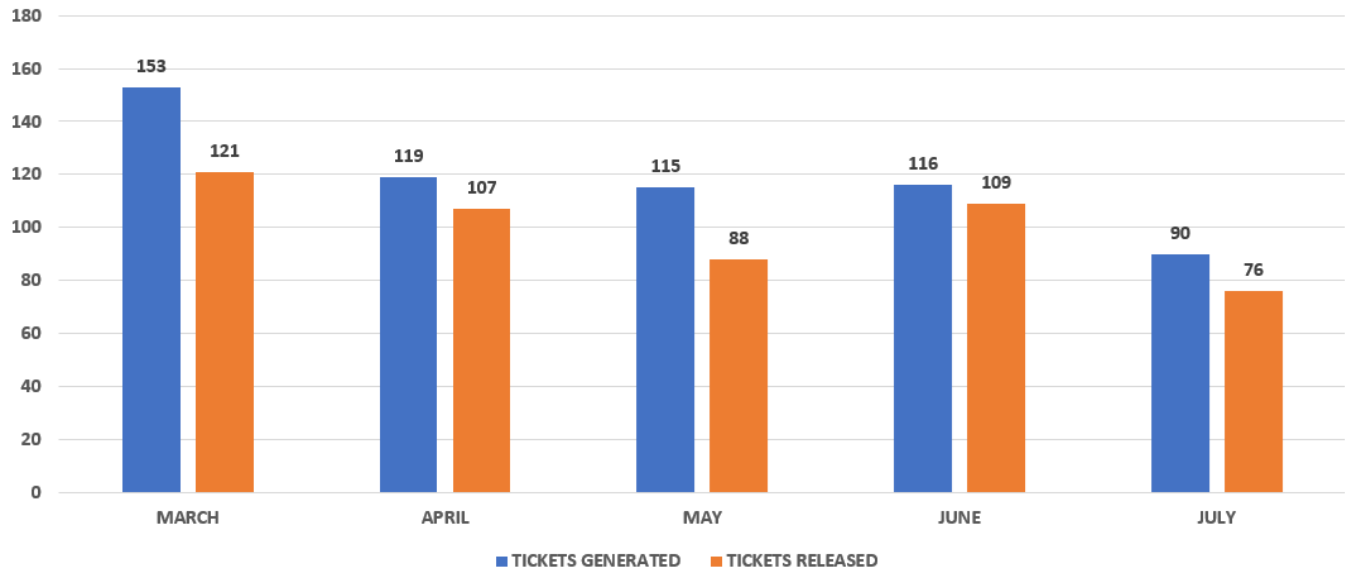
Ralph Engdahl, Acting Chair

Robbi Doncost, Staff Officer

Telephone: (949) 268-2281



THIRD
MONTHLY MUTUAL CONSENT REPORT



Average Numbers:

Phone in-take: received per day / responded to per day =
 25 – 35 Received per day / 25 – 35 Responded per day
 E-mail in-take: received per day / responded to per day =
 70– 90 Emails per day / 60 – 70 Responded per day
 Remote counter: total for March /average per day =
 34 Appointments total for June / 0-3 Appts per day
 Unanswered emails / average per day =
 Approximately 160 per day

Average MC Sub process (From a complete application being submitted)

Class I Permits = 7-11 Business Days
 Class II Permits = 7-12 Business Days
 Class III Permits = 10-90 Business Days

Mutual Consents Processed and released July 2021:

United – 95
 Third – 76
 Total – 171

Mutual Consent Tickets generated in July 2021:

United – 98
 Third – 90
 Total - 188

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Village Management Services, Inc.

**Coordination Meeting Minutes
City of Laguna Woods and VMS Manor Alterations Division
July 2021 Meeting**

These meeting minutes are provided as a brief account of the meeting discussion of the July 29, 2021 coordination meeting between the City of Laguna Woods, and VMS. The City written comments attached as Exhibit “A” – City Supplemental Notes contain red mark notes by VMS. These minutes merge the original agenda, brief summary, and Exhibit “A” material for a complete summation of discussion. See the italic underlined text below as discussion to the content.

The minutes will reflect the basic intent of the conversation and do not include all discussions. *Italic and underlined text* represent the meeting minutes.

Attendees: City of Laguna Woods: Christopher Macon, Corrie Kates
VMS: Jefferey Parker, Siobhan Foster, Guy West, Robbi Doncost,
Gavin Fogg

Meeting Type: Virtual Go-To Virtual Meeting Conference Call

0. Raymond Saidah, 2184-B – Shower Remodel

Manor faucet replacement and tile overlay.

Meeting Minutes: Clarification to questions involving permitting, and MC issuance clarifications on this manor. City issues permits based upon Manor Alterations (“MA”) issuance of Mutual Consent(s) (“MC”) on a one-to-one basis. City process mimics MA mutual consent issuance. For instance, if MA issues a demo permit, the City would issue a demolition permit. The City only tracks MC permits. The City stated that no permit is required for maintenance on items such as a shower valve replacement, plumbing fixture change out, or tile overlay.

1. Open Inspection 483-D

- a. Manor owner installed improvements w/o permits
- b. Manor owner submitted plans for city permit review
- c. Manor Alterations (MA) requested city inspect open areas w/MA engineer to view beam connections and potential correction items. Plans to be submitted in future. City denied MA inspection request.

Meeting Minutes: The City participation and willingness to cooperate is not in question. This item is only a matter of clarification to the process and role of each party. City inspections of existing conditions are not necessary, and the City will rely upon the existing observations of the licensed professional engineer. If the City has reason to believe the existing conditions vary from those represented by the engineer, the City reserves the right to request validation of the conditions. The City does not assume the role of designer. In this particular circumstance the observations of the engineer will be accepted in the application of finding by the engineer as the existing conditions are verified and will be reported. VMS intends to have the engineer provide plans and

supporting documents for validation of existing conditions. In the event further remedies are required, the plans and documents will reflect all remedial actions in the permit submittal. Upon Board acceptance of Phase II cost, VMS will have the engineer's findings submitted for a City permit application to finalize this matter.

2. ACM, PACM City Involvement

- a. SCAQMD meeting update
- b. City position re ACM testing, report review and clearances regarding permit process

Meeting Minutes: The City asbestos process is different from the current VMS process. The City provided viewing and location of all forms regarding asbestos management and requirements for permit issuance. The fundamental differences in the approach is as follows:

City: Obtains CAC certification and signature to forms acknowledging the disposition of ACM material – no CAC survey documents are retained, or peer reviewed. It is the CAC and contractor that are liable for conformance to the governing agency requirements. Forms are archived with the permit. If the City is aware of an inappropriate procedure reporting to AQMD can be made.

VMS: Requires actual CAC report and manifest documents for file archive. CalOSHA requirements are enforced by VMS due to potential worker exposure to ACMs.

VMS will further define the mutual's archive, and procedures regarding assembly of documents and role in asbestos management.

3. Demolition Permits for ATF Improvements

- a. MA and city process for demolition and ATF permitting

Meeting Minutes: The City does not require a Demolition permit. A City demolition permit for an ATF is only required if a MC is requested by Manor Alterations. This City operating procedure will be considered should any future changes be made to MA Mutual Consent issuance policies.

4. Possible Responsibility Matrix Defining Housing Mutual, City Roles

Meeting Minutes: VMS will revise the Matrix to account for information obtained in the meeting. It will be transmitted for review and comment by the City.

5. Contractor Penalties for Working Without Permits

Meeting Minutes: The City has the authority to issue fines, penalties, and invoke litigation procedures (in extreme cases, to attempt to better align contractors with city code and ethics. The mutual(s) are likely to begin their own non-material contractor violation process. The current outline of the policy includes suspension of contractors for violation of mutual rules. VMS informed the City that a transitional period of violation suspensions is likely and accounted for in the proposed violation policy. The policy is not yet adopted by the mutuals. Some of the items for concern to the City and VMS relate to open communication regarding contractor replacement, revisions to certificates of insurance, and city notification of suspensions. The members at times desire to replace contractors on City Issued permits. VMS and the City will work towards a mutually agreeable notification process for each of these two circumstances.

6. Open Discussion of Additional Procedures, Quarterly Meetings

Meeting Minutes: The City and VMS agreed that more meetings are desired in order to continue the coordination and service to the Village. It was agreed that the MA manager and supervisor would meet with the Building Official and Ms. Pennington on a monthly basis, and meetings with

Mr. Macon, Ms. Foster, and Mr. Parker could be held more infrequently such as on a quarterly basis.

Coordination Outline

ITEM	RESPONSIBLE PARTY	
	MA	CITY
Confirm conformity to Laguna Woods Village criteria	X	
After-the-fact permits	X	X
Code compliance		X
Building structure calc., inspections		X
MEP&S permit approvals, inspections		X
Asbestos testing, air clearance req.		
Primary party re SCAQMD rules		X
Contractor concerns	X	
Contractor bd. reporting	X	
Ramifications to future permitting		X

New Agenda Item City Additional Processes

Meeting Minutes: The City informed VMS of a new inspector iPad integration, expanded Friday inspection availability, new Online Inspection Scheduling, and Online Permit Applications. Mr. Parker was informed that the City uses new iPad integration software of Interqov and iG-inspect.

Closing Comments

Meeting Minutes: VMS acknowledged and thanked the City for the past and current coordination. This meeting further confirms the willingness on both parties to continue these efforts and adjust accommodations as conditions arise.

EXHIBIT “A” - CITY OF LAGUNA WOODS
Written Comments for July 29, 2021 VMS/City Coordination Meeting

0. Raymond Saidah, 2184-B – Shower Remodel

To be clear, Mr. Saidah was not required to obtain a building permit for the faucet replacement and tile overlay that took place within his residence. To the extent it appears that the City’s process was unduly cumbersome, it is a result of a lack of clarity in information presented to City Permit Staff.

VMS issued two manor alteration consent forms for work within Mr. Saidah’s residence – one in May 2020 for general work and a second in July 2021 for demolition. Based on (1) VMS’ issuance of a manor alteration consent form for demolition, (2) VMS’ referral of Mr. Saidah to City Permit Staff to obtain a building permit for some manner of work, and (3) photographs presented by Mr. Saidah which indicated that – at a minimum – tile and some plumbing work had been done, City Permit Staff were concerned that the work that occurred may have exceeded a faucet replacement and tile overlay (neither of which, on their own, would require a building permit). City Permit Staff’s concern was compounded by their understanding that United Mutual does not treat either faucet replacement or tile overlay as demolition, making it unclear why a manor alteration consent form for demolition was issued.

Rather than disregard the existence of VMS’ manor alteration consent form for demolition, City Permit Staff conducted due diligence to clarify the nature of the work that had taken place. After speaking with Mr. Saidah and VMS Staff, City Permit Staff determined that no building permit was required.

I. Barbara Darden, 438-D – Unpermitted Construction

The file history on this case is long, but operative facts are as follows:

- Ms. Darden is suspected of having unpermitted construction done at her residence. Her prior attorney, Karl R. Petrey, confirmed that unpermitted construction took place in a letter to City Code Enforcement Staff dated June 5, 2018. Mr. Petrey indicated that a structural engineer had been hired and made findings with respect to the work necessary to bring the unpermitted construction into conformance with the California Building Standards Code.
- Building Permit #58033C was issued on March 28, 2019 to complete the remedial work Ms. Darden proposed to correct the unpermitted construction. The City granted an extension of the time of the validity of that building permit, to allow Ms. Darden to secure a contractor and complete the proposed remedial work, and due to COVID-19.
- Building Permit #58033C expired on February 20, 2021 without the work having been completed. Ms. Darden has since disputed the necessity of the work.

Why did the City decline to participate in the April 21, 2021 meeting?

The City declined to participate in the April 21, 2021 meeting in deference to the fact that United Mutual intervened to undertake and/or coordinate the remedial work required. As City Staff explained in an email to Robbi Doncost dated April 15, 2021: “... the first step would be for the engineer to draw plans showing the work that was completed. In the course of drawing the plans, the engineer may need to expose certain elements of the work in order to get to a point of being comfortable stamping the plans. Once the plans are submitted to the City and they’ve gone through plan review, [the City’s Building Official] can provide specific direction regarding what, if anything, needs to be exposed for him to complete the inspection. This initial meeting sounds like it should be between all of the parties listed, except the City, so that Village staff and consultants can get an understanding of the work that was completed and begin the process of preparing plans. [The City’s] submittal requirements for those plans are no different than if the work had yet to be done.” Robbi: The request to seek the City’s inspection was to allow the plan checker or Building Official the opportunity to confirm the existing conditions. There has been no request or suggestion that the city participate in a design effort. If the design engineer’s opinion is to be taken as factual then there is no further issue. Some city building officials want the work uncovered and proof of existing conditions. This was the sole intent of the request to keep the city informed. The purpose of Mr. Doncost’s statement of “If the city will accept the engineer’s opinion as to verification of the existing conditions then your approach is fine.” Is still valid today.

In short, the City does not design projects on behalf of private parties. Generally speaking, licensed design professionals, such as the engineer and contractor retained by United Mutual, are responsible for evaluating existing conditions and preparing plans based on those conditions. The City then reviews the plans and conducts inspections

The April 21, 2021 meeting was a part of the design process.

In a subsequent email from Mr. Doncost to City Staff on April 15, 2021, he wrote: *“If the city will accept the engineer’s opinion as to verification of the existing conditions then your approach is fine.”* For the purpose of building plan preparation and permit issuance, that is precisely what occurs – licensed design professionals prepare plans based on their own assessment of existing conditions. That is, for example, why the City does not conduct pre-inspections of project sites to verify or document existing conditions before issuing building permits. In that regard, the City’s approach is no different than other cities.

The City’s attendance at the April 21, 2021 meeting would have been inconsistent with its role as a regulatory – rather than design – agency. City Permit Staff are ready to review plans and conduct inspections related to future building permits for remedial work. If additional information regarding plan submittal requirements is needed, City Permit Staff are available to provide such assistance.

II. Asbestos

City Staff have long expressed to Laguna Woods Village Staff (VMS and PCM before), as well as various mutual directors in both formal and informal settings over the years, that the mutuals’ asbestos-related requirements exceed that which is required by applicable law. City Staff have caveated that by saying that the mutuals are likely able to adopt their own asbestos-related requirements, and may choose to do so for a variety of reasons including, but not limited to, protecting the health of their workforce. **Robbi: The mutual nor VMS enforce governing agency rules and regulations. What specific procedures, in the City’s opinion, are being managed by VMS that exceed applicable law?**

After reviewing the agenda provided for the April 30, 2021 meeting, City Staff understood that there was no formal role for, or information sought from, the City. The City was not asked to speak nor provided a speaking role at the meeting, and the agenda included no reference to the City. The agenda indicated that the intent was for VMS Staff and various mutual officials to dialogue with AQMD Staff and seek clarification as to the applicability of AQMD regulations for Laguna Woods Village. In an email from Lauryn Varnum preceding the meeting, the meeting was described as being “between contractors, members, VMS staff, AQMD, and IHS” (no reference to the City). Given the lack of a role for the City and with the understanding that AQMD is in the best position to provide clarity regarding its own regulations, City Staff determined that their participation was unnecessary and may have distracted from the focus of the meeting – direct dialogue with AQMD about AQMD’s regulations.

It should be noted that City Staff discussed the City’s asbestos-related requirements with Jeff Parker and Siobhan Foster on January 7, 2021. Written information on the City’s requirements was provided to Mr. Parker and Ms. Foster via email on January 14, 2021.

City Staff met with Ernesto Munoz, Brett Crane, Gavin Fogg, and Alisa Rocha on February 13, 2020 to discuss a variety of topics, including the City’s asbestos-related requirements.

City Staff continue to be available to discuss the City’s asbestos-related requirements. A document summarizing those requirements is available by [clicking here](#). **Robbi: Regardless of the desire of the mutual and VMS’s conversation with AQMD, the need to clarify the City’s role is critical to compliance in this matter. VMS wants to understand the City role of issues such as CAC reports, for ACM identification, the remediation, and finals.**

III. Demolition Permits for After-the-Fact Work

The City does not require a demolition permit for after-the-fact work, except that in instances where VMS has issued only a manor alteration consent form for demolition, then a demolition permit will be issued in order to allow the resident to obtain a manor alteration consent form for construction. The decision of whether to issue a separate manor alteration consent form for demolition rests with the mutuals. Because the City uses mutual consent forms as the basis for property owner authorization, the type of consent form that is issued has a direct impact on the nature of the building permits the City can issue.

When an after-the-fact building permit is issued for a project that would have required compliance with AQMD Rule 1403, the City requires the same asbestos-related documentation that would have been required for work following the issuance of regular building permits. When such documentation is not available, City Permit Staff may consult with AQMD and enforce agreed upon requirements.

IV. Responsibility Matrix Defining Housing Mutual, City Roles

City Staff support the development of a responsibility matrix defining housing mutual and City roles. Please advise as to what information the City can provide. **Robbi: Work to validate a Matrix of Responsibility.**

V. Contractor Penalties for Working Without Building Permits

The City's primary focus is compliance, rather than punitive action. The City does have the ability to issue administrative citations with civil fines and may do so based on the nature of the work done without a building permit, the impact on public health/safety/welfare, the status of remedial action, and other factors.

While not a penalty, building permits obtained after-the-fact are charged an additional fee ranging from \$207 to \$362 to offset increased review and processing costs. As a reminder, the City establishes its fees annually following a third-party fee study and is unable to charge more than its reasonable costs. **Robbi: VMS is seeing an increase in contractors performing work without permits and wants to understand the City actions in this regard. Has the City issued fines or reported contractors to the State Contractor's Board?**

VI. Future Coordination Meetings

Due to the recurring nature of many of the topics discussed at these meetings and the frequency of turnover within VMS' Maintenance & Construction Department, City Staff recommends that coordination meetings take place monthly, rather than quarterly. City Staff also recommends that, for at least the next six months (or longer if turnover persists), the City Manager and VMS CEO participate, in addition to City Permit Staff and VMS Manor Alterations Staff. **Robbi: It will be very taxing to do a monthly meeting. I suggest a follow-up working meeting with the primary parties to further progress the items discussed today.**

VII. Miscellaneous City Updates

Since the last formal coordination meeting on December 11, 2020, the City has implemented the following enhancements to its building permitting operation:

- *Online inspection scheduling* – Inspections can be scheduled, modified, or cancelled from the [City's website](#). This functionality allows inspections to be scheduled without calling or visiting City Hall, as well as before and after City Hall's office hours. Email reminders are sent in advance of inspections when the individual scheduling the inspection provides an email address.
- *Online permit applications* – Applications can be initiated for the following project types from the [City's website](#). Applicants choosing to do so only need to visit City Hall to sign and make payment. This reduces wait times and allows more individuals to be seen at the permit counter.
 - Re-roof (Tile, Single-Ply)
 - Re-roof (All Other)
 - Electrical Panel Modification
 - Electrical Panel Change Out
 - Shower to Shower Insert
 - Water Heater Change Out
- *iPads for building inspectors* – Building inspectors are provided with iPads to log inspection results in the field. This allows City Permit Staff to provide real-time assistance to applicants immediately following inspections. It also provides additional flexibility regarding the number of inspections that can be conducted per day.



STAFF REPORT

DATE: August 23, 2021
FOR: Third Mutual ACSC
SUBJECT: Fee Schedule Revision

RECOMMENDATION

That the ACSC approve the new Fee Schedule, as provided in Attachment One, which allows for a more appropriate fee structure to the actual cost of staff labor expended on Mutual Consent Alterations.

BACKGROUND

The current Fee Schedule was adopted in 2017. The actual cost expended by Manor Alterations at its current rate do not align with the 2017 adopted Fee Schedule.

DISCUSSION

Prior to the commencement of most manor alterations, Mutual members or their authorized contractors are required to obtain a Mutual Consent (permit application) from the Permits & Inspections Office. A Permit Fee is charged to partially offset administrative costs associated with the processing and review of Mutual Consents. Depending on the type of alteration to be performed, the fees are currently calculated using either a flat fee or the value of the proposed alteration. The process starts as soon as the Mutual Consent is submitted to the Permits & Inspections Office. Staff reviews the application and ensures that the proposed alteration conforms to Mutual Standards.

Since alterations are optional, and chosen by the Member, it is reasonable that the cost for processing the applications and inspecting the work be borne by those electing to alter their manor. Over the past year, several new processes and services, along with improvements to customer service, have been implemented in the Manor Alterations Division. Contractor parking passes, demolition mutual consents, and conformance deposits have all brought significant improvements to the services offered and have increased safety within the Village. Given the processes and administrative requirements currently involved, it is suggested that the ACSC now consider updating the alteration fee schedule to reflect the increased administrative and processing cost increase for Mutual Consents.

As shown on Attachment 1, the Financial Analysis factors in the cost of each staff members time in order to process Mutual Consents, Variances, Resale Inspections, and other submissions.

Third Laguna Woods Mutual ACSC
Fee Schedule Update Manor Alterations
August 23, 2021
Page 2

The cost of each staff members time is based upon their position within Manor Alterations (Attachment 2). The financial analysis extrapolates the amount of additional earnings captured by the proposed fee increase (Attachment 3). The proposed resolution 03-21-XX (Attachment 4) would serve to update the existing fee schedule and enact a more accurate fee schedule reflective of current costs incurred by the Mutual.

FINANCIAL ANALYSIS

The total average increase is estimated to incur a \$67,200 increase to the assessment value in Mutual Consents with an increase of \$12,300 in Variance fees. The proposed fee increases will partially offset the operating costs of the added staff. This additional income is not represented in the current 2022 Budget projection for Manor Alterations.

Prepared By: Robbi Doncost, Manor Alterations Manager

Reviewed By: Gavin Fogg, Manor Alterations Supervisor
Guy West, Maintenance & Construction Director
Jeff Parker, CEO

ATTACHMENT(S)

- Attachment 1 – Financial Analysis
- Attachment 2 – Organizational Chart
- Attachment 3 – Revised Fee Schedule
- Attachment 4 – Resolution 03-21-XX

Third Laguna Woods Mutual ACSC
Fee Schedule Update Manor Alterations
August 23, 2021
Page 3

Attachment 1 – Financial Analysis

925 ADDED STAFF FINANCIAL ANALYSIS					
DIVISION 925		January 15, 2020			
See Organizational Chart for listing of new positions and new staff added.					
STAFF ADDITIONS		Economical Impact			
Counter Staff Added		Rate/Hr.	Yearly Pay		
0	promotion-Sr. Op Specialist	2.2	\$ 4,576	1) Previously Appv'd position	
1	1 Counter Operational Specialist	19	\$ 39,520		
2	2 Counter Operational Specialist	19	\$ 39,520		
Phone Staff Added					
3	3 Phone Operational Specialist	19	\$ 39,520		
4	4 Phone Operational Specialist	19	\$ 39,520		
Resales Staff Added					
5	5 Inspector Float	28.85	\$ 60,000		
6	6 Operational Specialist	19	\$ 39,520		
Inspectors Staff Added					
7	7 Float Inspector (3rd & United)	28.85	\$ 60,000		
Total Salary Increase Per Org Chart				\$ (322,176)	
Economical Resource Alternatives					
Mutual Consents		Current Fees	MC Proposed Fee Increase		
MC Permit Fees Collected 2020		\$ 110,500	\$ 120,000.00		2) MC Permit Fees Calculated See Exhibit "A"
Resale Inspection & Report Fees		Current Fees	Proposed Fee Increase		
Third Resale Inspections		\$ 37,375	\$ 45,000.00		3) Resale Inspection & Report Fees Calculated See
United Resale Inspections		\$ 48,750	\$ 45,000.00		Exhibit "A" for Fees
		\$ 86,125	\$ 90,000		
			Proposed Fee Increase		
		Current Fees			
Variances		24	24		
		VARs/YEAR	VARs Actual	Additional Fee Generated	
Variance Fee \$150/VAR.		\$ 3,600	\$ 7,944	\$ 4,344 5) 24 Variances per year average.	
Added Fines					
MA Issued IN110 Stop Notice		Fine of \$500 X 17 events		\$ 8,500 6) 1.42 per month	
MA Issued N of Correction 9378		Fine of \$250 X 43 events		\$ 10,740 7) 3.58 per month	
Added Proceeds for Various Cost Revisions				\$ 323,584	
Total Financial Impact				\$ 1,408 per year	
NOTES:				Added Income	
1) This rate is noted as the increase from prior position to new position rate increase as previously approved.					
2) MC Permit Fees see Exhibit "A" for Current & Proposed Fees					
3) Resale Fees see Exhibit "A" for Current & Proposed Fees					
4) Resale Inspection & Report Fees See Exhibit "A"					
5) Increase of Variance fee proposed to cover actual cost to owner					
6) MA Stop Notice Fee- Many are issued for illegal work or ACM P-5 Cleanup					
7) Correction Notice Issuance for work not conforming to Standards and Policy					
The current variance fee of \$150 doesn't come close to covering the site visits, staff reporting, and preparation					

Third Laguna Woods Mutual ACSC
Fee Schedule Update Manor Alterations
August 23, 2021
Page 4

Attachment 1 – Financial Analysis (continued)

EXHIBIT "A"				
MUTUAL CONSENT CURRENT FEES				
Mutual Consent Current fee based on Average of records searched in 2020				
MCs processed '2020	325	records for the AV yr.		
MC Fee Av 2020	\$ 340	for PA01 & PA02 Mutual Consent		
MC FEES COLLECTED 2020	\$ 110,500			
MUTUAL CONSENT PROPOSED FEE INCREASE				
United \$100 Fee Increase X 600 AV MC's/yr	\$ 60,000	Fee Increase only		
Third \$100 Fee Increase X 600 AV MC's/yr.	\$ 60,000	Fee Increase only		
MC PROPOSED FEE INCREASE	\$ 120,000	Proposed Fee Increase		
RESALE INSPECTION & REPORT FEES CURRENT & PROPOSED				
	Current Fees 2020			
Third Report Cost Current : \$115	\$ 37,375	325 resales inspections		
United Report Cost Current: \$150	\$ 48,750	325 resales inspections		
	\$ 86,125	Current Fees		
	Fee Increase			
Resale Inspections in 20211				
United \$100 Fee Increase X 450 Insp't	\$ 45,000.00	Fee Increase only		
Third \$100 Fee Increase X 450 Insp't	\$ 45,000.00	Fee Increase only		
	\$ 90,000	Proposed Fee Increase		
Projected an increase in Resale Inspections due to staff and no malware problems				
VARIANCE FEES ACTUAL				
	Per 2021 Bill Rates Schedule			
	\$ 38.94			
		Hrs.	Total	
Inspection Site Visit & Gen. Data	\$ 38.94	1.5	\$ 58.41	
Manor Research Tickets/MC's/Violations	\$ 38.94	2.5	\$ 97.35	
Operations Specialist Report	\$ 38.94	1.5	\$ 58.41	
Operations Specialist Filing & Transmittal	\$ 38.94	1.5	\$ 58.41	
Misc. Reissue & Resale Coord. O.S.	\$ 38.94	1.5	\$ 58.41	
		8.50	\$ 330.99	
		Hrs	per report	
			Actual Cost	
	Actual Fee 24 X @330.99 =			\$ 7,943.76

Third Laguna Woods Mutual ACSC
Fee Schedule Update Manor Alterations
August 23, 2021
Page 5

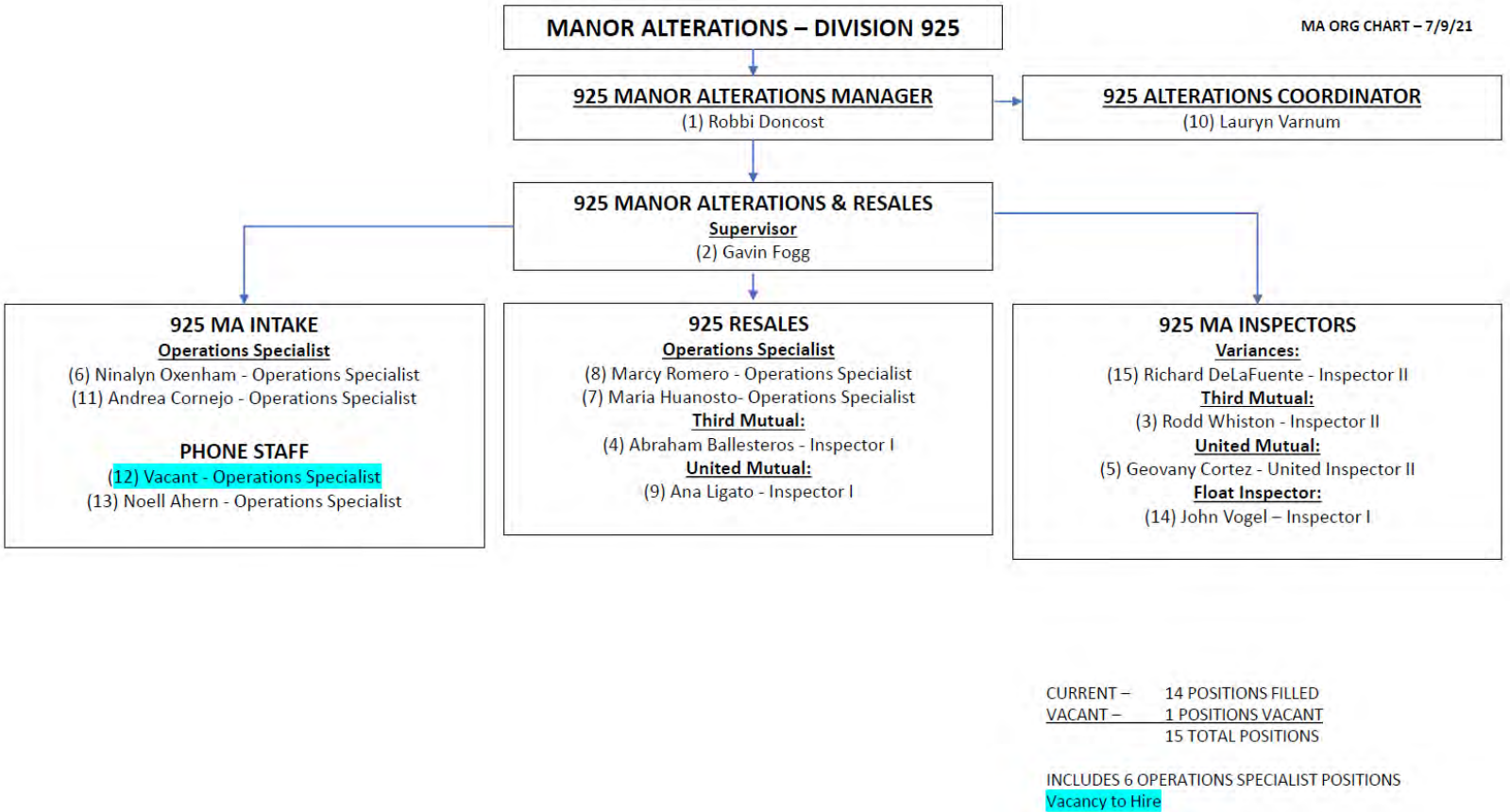
Attachment 1 – Financial Analysis (continued)

EXHIBIT "B"				
VARIANCE ASSEMBLY & REPORT PROCESSING FEE ALLOCATION				
Per 2021 Bill Rates Schedule				
	\$ 38.94	Hrs.	Total	
Rev of Variance Initial Req. & Discssions of Policy	\$ 38.94	0.5	\$ 19.47	
Initial Stellar & Policy Review	\$ 38.94	1	\$ 38.94	
Site Visit & Doc Assembly	\$ 38.94	4	\$ 155.76	
Report Assembly	\$ 38.94	7	\$ 272.58	
Added Plan Coordination/MC	\$ 38.94	2	\$ 77.88	
Supervisor Review & Comments	\$ 38.94	1.5	\$ 58.41	
Manager Review & Edits	\$ 38.94	1	\$ 38.94	
		17	\$ 662.0	
		Hrs	Per Variance	
			Actual Cost	
Calculate AV # of Variances / Yr.				
24 Variances per year at \$662 = \$15,900				

Valuation	Permit Fee Legend			
	Current Fee	% Fee Increase	New Fee	Actual \$ Increase
Less than \$750	\$50	40%	\$70.0	\$20.0
\$751 to \$2,000	\$77	40%	\$107.8	\$30.8
\$2,001 to \$4,000	\$168	40%	\$235.2	\$67.2
\$4,001 to \$6,000	\$280	40%	\$392.0	\$112.0
\$6,001 to \$8,000	\$392	40%	\$548.8	\$156.8
\$8,001 tp \$10,000	\$504	40%	\$705.6	\$201.6
Above \$10,000	\$700	40%	\$980.0	\$280.0
What are # of AV MC's issued				
What is AV Fee Collected		600	in 2021 IN Third Mutual	
		280		
Calculate Total Fee Tally 2021			\$168,000	Third Mutual
Calculate Total Fee Increase 2022			\$67,200	Third Mutual

Third Laguna Woods Mutual ACSC
Fee Schedule Update Manor Alterations
August 23, 2021
Page 6

Attachment 2 – Organizational Chart



Third Laguna Woods Mutual ACSC
Fee Schedule Update Manor Alterations
August 23, 2021
Page 7

Attachment 3 – Revised Fee Schedule



Revised Alteration Fee Schedule

For items not listed, please contact Manor Alterations at (949) 597-4616 or alterations@vmsinc.org

Visit www.lagunawoodsvillage.com for Mutual Standards and Standard Plans

All items require HOA Mutual Consent from Manor Alterations and a City Permit as indicated below.

Unauthorized Alteration Fee		Variance Processing Fee	
\$350		\$662	

\$50 Alteration Processing Fee		Permit Alteration Fees Based on Valuation	
Alteration Type	City Permit Required	Alteration Type	City Permit Required
Acoustic Ceiling Removal	Yes	Air Conditioner (Through the Wall)	Yes
Awnings (Standard, Less than 54")	Yes	Bathroom Addition (Split)	Yes
Awnings (Powered)	Yes	Central HVAC (New Installation)	Yes
HVAC (No Increase in Amperage)	No	Atrium, Balcony, Patio Covers (Replacement or New Installation)	Yes
Tub Replacement	Yes	Doors (New Construction)	Yes
Block Walls (Less than 48" H)	No	Atrium, Balcony, Patio Enclosures	Yes
Block Walls (More than 48" H)	Yes	French Doors (New Installation)	Yes
Planter Wall	No	Garden Room, Solarium	Yes
Dishwasher (New Installation)	Yes	Heat Pumps (New Installation through Wall)	Yes
Door Revision (Exterior)	No	Man Doors (New Installation)	Yes
Electrical	Yes	Plumbing (New Installation or Relocation)	Yes
Exhaust Fan	Yes	Room Addition	Yes
Fences (Less than 84") and Gates	No	Shower to Shower Replacement	Yes
Floor Coverings (Exterior)	No	Skylights	Yes
Flooring (Vinyl)	No	Sliding Glass Doors (New Installation)	Yes
Gutters and Downspouts	No	Sliding Glass Doors (Retrofit)	Yes
Metal Drop Shades	No	Solar Tubes	Yes
Modesty Panels (Balcony)	No	Tub to Shower Installation	Yes
Patio Slab Revision	No	Tub to Tub Replacement	Yes
Patio Wall Revision	No	Wall Revisions	Yes
Plumbing	Yes	Washer and Dryer (New Installation)	Yes
Soft Water System (Independent)	No	Water Heater (Relocation)	Yes
Soft Water System (Connected to Water Heater)	No	Windows (New Construction)	Yes
Storage Cabinets (Carport)	No	Windows (Retrofit)	Yes
Shades (Roll-up)	No		

Permit Fee Legend	
Valuation	Fee
Less than \$750	\$70
\$751 to \$2,000	\$108
\$2,001 to \$4,000	\$235
\$4,001 to \$6,000	\$392
\$6,001 to \$8,000	\$549
\$8,001 to \$10,000	\$706
Above \$10,000	\$980

*Some Alterations may require a Demolition Permit, which carries a \$50 fee. To confirm if your Alteration will require a Demolition Permit, please contact the Manor Alterations Department.

*Alteration Fees are paid via credit card upon approval of a completed permit. Manor Alterations will contact applicants directly upon approval to collect payment.

Third Laguna Woods Mutual ACSC
Fee Schedule Update Manor Alterations
August 23, 2021
Page 8

Attachment 4 – Resolution 03-21-XX

RESOLUTION 03-21-XX

Alteration/Variance Processing Fee Policy

WHEREAS, alteration and variance requests require significant staff time for proper processing, including research, report preparation, and then presentation to the appropriate committee and then the Board; and

WHEREAS, in order to offset administrative costs associated with processing variance requests, which is often followed by multiple resubmittals, and can be followed by an appeal to the Board as mandated in accordance with Resolution 03-13-105; and

WHEREAS, the Mutual currently charges a \$50 fee for a Mutual Consent and a \$150 fee for a Variance; and

WHEREAS, the new Alteration Fee Schedule increase to better align the fees with the administrative time it takes to process each task.

WHEREAS, the Board realizes that the current fee schedule does not appropriately cover staff time;

NOW THEREFORE BE IT RESOLVED, September 21, 2021, to partially offset administrative costs associated with processing alteration and variance requests, the Board of Directors of this Corporation hereby revise the alteration and inspection fees as attached to the official minutes of this meeting; the Variance request processing fee will increase to \$662, the Alteration processing fee will increase to \$50, the Unauthorized Alteration Fee will increase to \$350, the Revised Inspection Fee Schedule will be adopted; and

RESOLVED FURTHER, October 20, 2017, that Resolution 03-17-120 adopted October 20, 2017 is hereby superseded and cancelled; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the resolution.