



REGULAR MEETING OF THE FINANCE COMMITTEE

Tuesday, October 6, 2020 – 3:15 p.m. (Approx.)
Laguna Woods Village Virtual Meeting
24351 El Toro Road

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of Meeting Report for September 1, 2020
5. Member Comments (Items Not on the Agenda)
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 two options:

1. Via email to meeting@vmsinc.org any time before the meeting is scheduled to begin or during the meeting. Please use the name Third Finance Committee in the subject line of the email. Name and unit number must be included.

2. 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.

6. Chair Remarks
7. Department Head Update

Reports

8. Preliminary Financial Statements dated August 31, 2020

Items for Discussion and Consideration

9. Year-End Surplus Update
10. Insurance Program Update
11. Other Endorsements from Standing Committees
 - a. Landscape: Supplemental Funding for Damage from Ground Water
 - b. Landscape: Supplemental Funding for Moisture Intrusion Relandscaping

Future Agenda Items

NOL Status

Solar System Update – (Late 2020)

Concluding Business:

12. Committee Member Comments
13. Date of Next Meeting – Tuesday, November 3, 2020 immediately following counting of the ballots (Approx. 3pm)
14. Recess to Closed Session

Robert Mutchnick, Chair
Betty Parker, Staff Officer
Telephone: 949-597-4201



FINANCE COMMITTEE MEETING REPORT OF THE REGULAR OPEN SESSION

Tuesday, September 1, 2020 – 1:30 p.m.
Virtual Meeting

MEMBERS PRESENT: Robert Mutchnick – Chair, Annie McCary, Lynn Jarrett, John Frankel, Ralph Engdahl, Reza Karimi
Advisors: John Hess, Wei-Ming Tao

MEMBERS ABSENT: Steve Parsons, Cush Bhada, Craig Wayne, Doug Gibson

STAFF PRESENT: Steve Hormuth, Jose Campos, Christopher Swanson

Call to Order

Director Robert Mutchnick, Treasurer, chaired the meeting and called it to order at 1:32 p.m.

Approval of Meeting Agenda

A motion was made and carried unanimously to approve the agenda with the following revision:

- Change date from August 5, 2020 to August 4, 2020 under Item 4.

Approval of Meeting Report for August 4, 2020

A motion was made and carried unanimously to approve the report with the following revisions:

- Change the word reduce to increase in sentence 3 of the department head update
- Change the word reduction to increase in sentence 4 of the department head update
- Replace Jon Pearlstone with Robert Mutchnick as chair for the signature line

Member Comments

Bill Walsh (3162-C) provided a list of questions that are attached to this committee report for the Financial, Landscape and Maintenance Divisions regarding streetlight project in Third.

Chair Remarks

Director Mutchnick commented on the member comments and requested an update at the next finance committee meeting of staffs findings on the streetlight project inquiry.

Department Head Update

Steve Hormuth, Controller, provided update in Betty Parker's absence on Civil Code 5500 reporting, insurance and investments and the 2021 Budget.

Preliminary Financial Statements dated July 31, 2020

The committee reviewed financials and questions were addressed. The committee requested additional information on the following items.

- Provide an update on insurance year end projects vs total projected savings for December 31, 2020.
- Provide an update on the supplemental status report regarding the "Perimeter Wall Improvements"
- Research the 25% increase in the irrigation water charges and present findings at the next meeting.

Insurance Program Update

Director Mutchnick provided an overview of the special closed session GRF Finance meeting regarding insurance program alternatives. Advisor Tao commented on insurance.

Future Agenda Items

Solar System Update – Q2 (Late 2020)

Chargeable Services Analysis (Semi-Annual)

Committee Member Comments

Director McCary commented on insurance and that this was a great meeting

Director Jarrett commented on a great job Director Mutchnick is doing.

Director Karimi commented that Director Mutchnick is doing a great job.

Advisor Tao commented that Director Mutchnick is doing a great job.

Steve Hormuth commented on the issue with processing of checks at the Lockbox and is monitoring the issue.

Date of Next Meeting

Tuesday, October 6, 2020 at 1:30 p.m.

Recess to Closed Session

The meeting recessed at 2:23 p.m.

DRAFT

Robert Mutchnick, Chair



MEMORANDUM

To: Third Finance Committee
 From: Betty Parker, CFO
 Date: October 6, 2020
 Re: Department Head Update

Financial Highlights

- SUMMARY:** For the year-to-date period ending August 31, 2020, Third Mutual was better than budget by \$5,956K primarily due to various programs being put on hold in Mid-March due to the COVID-19 pandemic. Outside services \$3,556K, and materials \$535K, were greatly impacted. Compensation was also favorable by \$1,566K due to furloughs. In addition, \$669K of unrealized gains was recorded to reflect investment market conditions.

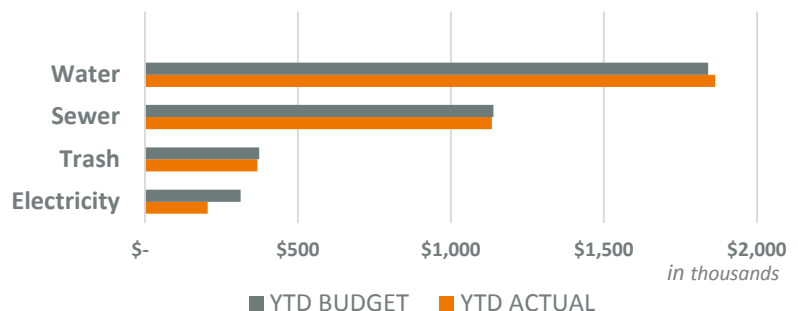
	INCOME STATEMENT (in Thousands)		
	Actual	Budget	Variance
Assessment Revenues	\$22,109	\$22,108	\$1
Other Revenues	1,740	1,325	415
Expenses	19,876	25,416	5,540
Revenue / (Expense)	\$3,973	(\$1,983)	\$5,956

- COMPENSATION:**

Actual compensation and related costs came in at \$7.8 million, with \$6.2 million in operations and \$1.6 million in reserves. Combined, this category is 16.8% favorable to budget due to open positions and various staff members being furloughed during COVID-19 closures. The most significant impacts were in Maintenance and Landscape.

	Budget (in Thousands)			Variance (in Thousands)	
	Comp.	Related	Total	Total \$	Total %
All Units					
Operating	\$4,742	\$1,971	\$6,713	\$516	7.7%
Reserves	1,825	794	2,619	1,050	40.1%
TOTAL	\$6,567	\$2,765	\$9,332	\$1,566	16.8%

- UTILITIES:** In total, this category was favorable to budget by \$97K. Trash came in on budget; electricity was favorable due to energy consumption offset by solar credits. Unfavorable variance in water resulted from high water usage during the summer.



Discussions

Section 5500 Update: Due to Covid-19 orders, information required for Board review of monthly financials is being provided to all board members via email. For signature requirements, authorization is obtained from two board members prior to remittance of reserve payments to vendors. Procedures for review of labor charges will be discussed further.

Insurance Update: Property valuation for the community was completed by Duff & Phelps. The insurance broker Beecher Carlson presented a renewal strategy update to All Boards All Directors on Monday, July 20, 2020, indicating significant increases driven by the markets for both casualty and property lines. Carrier negotiations have been ongoing and policies were bound on October 1.

Investment Update: Based on current market conditions, the portfolio target allocations were adjusted modestly by SageView in early April to shift from corporate bonds to intermediary Treasury bonds. Third portfolio balance has grown from \$16,711,420 on 12/31/19 to \$25,542,643 as of August 31, 2020 (inclusive of an \$8MM transfer from operating account), representing a market valuation gain of \$831,223 or 4.97%.

2021 Budget: On September 15, 2020, Third Board of Directors approved the 2021 Business Plan with a \$20.00 or 3.1% increase in the basic assessment. Assessment letters, along with required annual disclosures, will be mailed to members by December 1, 2020.

Calendar

The following scheduled meetings will be held remotely during COVID-19 stay home orders:

- October 6, 2020 @ 1:30 p.m. Third Finance Committee Meeting (August financials)
- October 9, 2020 @ 9:30 a.m. Third Board Agenda Prep
- October 20, 2020 @ 9:30 a.m. Third Board Meeting
- November 3, 2020 @ 1:30 p.m. Third Finance Committee Meeting (September financials)

September 2020							October 2020							November 2020						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5					1	2	3	1	2	3	4	5	6	7
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28
27	28	29	30				25	26	27	28	29	30	31	29	30					

Third Laguna Hills Mutual
Statement of Revenues & Expenses - Preliminary
8/31/2020
(\$ IN THOUSANDS)

		CURRENT MONTH			YEAR TO DATE			PRIOR YEAR	TOTAL
		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET
Revenues:									
Assessments:									
1	Operating	\$1,686	\$1,686		\$13,486	\$13,485	\$1	\$12,511	\$20,228
2	Additions to restricted funds	1,078	1,078		8,623	8,623		8,973	12,935
3	Total assessments	<u>2,764</u>	<u>2,764</u>		<u>22,109</u>	<u>22,108</u>	<u>1</u>	<u>21,485</u>	<u>33,163</u>
Non-assessment revenues:									
4	Fees and charges for services to residents	56	49	6	235	392	(157)	542	588
5	Laundry	17	18	(2)	150	147	3	137	220
6	Investment income	31	45	(13)	314	358	(43)	433	536
7	Unrealized gain/(loss) on AFS investments	(71)		(71)	669		669	299	
8	Miscellaneous	52	54	(1)	372	429	(56)	405	643
9	Total non-assessment revenue	<u>85</u>	<u>166</u>	<u>(81)</u>	<u>1,740</u>	<u>1,325</u>	<u>415</u>	<u>1,817</u>	<u>1,988</u>
10	Total revenue	<u>2,848</u>	<u>2,929</u>	<u>(81)</u>	<u>23,849</u>	<u>23,434</u>	<u>416</u>	<u>23,301</u>	<u>35,150</u>
Expenses:									
11	Employee compensation and related	1,088	1,168	81	7,766	9,332	1,566	8,523	13,940
12	Materials and supplies	136	149	12	666	1,201	535	901	1,787
13	Utilities and telephone	587	538	(49)	3,568	3,665	97	3,463	5,542
14	Legal fees	68	42	(26)	390	333	(56)	303	500
15	Professional fees	12	12		85	111	26	112	145
16	Equipment rental	1	2		13	13		18	20
17	Outside services	175	883	707	4,554	8,110	3,556	4,685	11,661
18	Repairs and maintenance	7	32	24	199	253	54	222	380
19	Other Operating Expense	7	16	9	71	132	61	100	199
20	Income taxes				20		(20)		
21	Insurance	182	126	(56)	1,376	1,011	(364)	874	1,517
22	Investment expense		4	4	6	31	25	23	47
23	Uncollectible Accounts	10	10		20	80	60	111	120
24	(Gain)/loss on sale or trade				108		(108)	3	
25	Depreciation and amortization	11	11		91	91		95	136
26	Net allocation to mutuals	117	131	13	942	1,051	109	816	1,577
27	Total expenses	<u>2,403</u>	<u>3,124</u>	<u>721</u>	<u>19,876</u>	<u>25,416</u>	<u>5,540</u>	<u>20,248</u>	<u>37,572</u>
28	Excess of revenues over expenses	<u>\$446</u>	<u>(\$194)</u>	<u>\$640</u>	<u>\$3,973</u>	<u>(\$1,982)</u>	<u>\$5,956</u>	<u>\$3,053</u>	<u>(\$2,421)</u>

**Third Laguna Hills Mutual
Operating Statement
8/31/2020
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$13,485,697	\$13,485,112	\$585	0.00%	\$20,227,669
Total Operating	13,485,697	13,485,112	585	0.00%	20,227,669
Additions To Restricted Funds					
41002000 - Monthly Assessments - Disaster Fund	755,672	755,672	0	0.00%	1,133,508
41003000 - Monthly Assessments - Unappropriated Expenditures Fund	390,528	390,528	0	0.00%	585,792
41003500 - Monthly Assessments - Replacement Fund	7,127,136	7,127,136	0	0.00%	10,690,704
41004000 - Monthly Assessments - Elevator Replacement Fund	244,080	244,080	0	0.00%	366,120
41004500 - Monthly Assessments - Laundry Replacement Fund	48,816	48,816	0	0.00%	73,224
41006000 - Monthly Assessments - Garden Villa Recreation Room Fund	57,132	57,132	0	0.00%	85,698
Total Additions To Restricted Funds	8,623,364	8,623,364	0	0.00%	12,935,046
Total Assessments	22,109,061	22,108,476	584	0.00%	33,162,715
Non-Assessment Revenues:					
Fees and Charges for Services to Residents					
46501000 - Permit Fee	96,840	95,674	1,166	1.22%	143,514
46501500 - Inspection Fee	46,497	51,012	(4,515)	(8.85%)	76,520
46502000 - Resident Maintenance Fee	91,534	245,415	(153,881)	(62.70%)	368,129
Total Fees and Charges for Services to Residents	234,871	392,100	(157,229)	(40.10%)	588,163
Laundry					
46005000 - Coin Op Laundry Machine	149,931	146,667	3,264	2.23%	220,000
Total Laundry	149,931	146,667	3,264	2.23%	220,000
Investment Income					
49001000 - Investment Income - Nondiscretionary	37,344	100,355	(63,010)	(62.79%)	150,532
49002000 - Investment Income - Discretionary	276,790	257,203	19,586	7.62%	385,805
Investment Interest Income	314,134	357,558	(43,424)	(12.14%)	536,337
Unrealized Gain/(Loss) On AFS Investments					
49008100 - Unrealized Gain/(Loss) On Available For Sale Investments	668,822	0	668,822	0.00%	0
Total Unrealized Gain/(Loss) On AFS Investments	668,822	0	668,822	0.00%	0
Miscellaneous					
46004500 - Resident Violations	7,582	37,996	(30,414)	(80.04%)	56,999
44501510 - Lease Processing Fee - Third	165,015	168,000	(2,985)	(1.78%)	252,000
44502500 - Non-Sale Transfer Fee - Third	1,200	1,328	(128)	(9.64%)	2,000
44503520 - Resale Processing Fee - Third	85,696	116,664	(30,968)	(26.54%)	175,000
44505500 - Hoa Certification Fee	6,950	3,496	3,454	98.80%	5,250
44507000 - Golf Cart Electric Fee	46,417	45,333	1,084	2.39%	68,000
44507200 - Electric Vehicle Plug-In Fee	8,115	4,667	3,448	73.89%	7,000
44507500 - Cartport/Carport Space Rental Fee	3,360	2,667	693	26.00%	4,000
47001500 - Late Fee Revenue	33,793	38,000	(4,207)	(11.07%)	57,000
47002020 - Collection Administrative Fee - Third	1,250	0	1,250	0.00%	0
47002500 - Collection Interest Revenue	12,049	6,000	6,049	100.82%	9,000
47501000 - Recycling	997	4,667	(3,670)	(78.64%)	7,000
49009000 - Miscellaneous Revenue	(6)	0	(6)	0.00%	0
Total Miscellaneous	372,418	428,818	(56,399)	(13.15%)	643,249
Total Non-Assessment Revenue	1,740,176	1,325,143	415,033	31.32%	1,987,749
Total Revenue	23,849,237	23,433,619	415,618	1.77%	35,150,463
Expenses:					
Employee Compensation					
51011000 - Salaries & Wages - Regular	1,585,167	1,813,985	228,818	12.61%	2,728,278
51021000 - Union Wages - Regular	3,092,143	4,004,497	912,354	22.78%	6,014,985
51041000 - Wages - Overtime	15,922	16,368	446	2.72%	24,561
51051000 - Union Wages - Overtime	53,812	38,029	(15,783)	(41.50%)	57,065
51061000 - Holiday & Vacation	502,631	491,229	(11,402)	(2.32%)	738,150
51071000 - Sick	246,416	200,370	(46,046)	(22.98%)	301,087
51081000 - Sick - Part Time	0	15	15	100.00%	24

**Third Laguna Hills Mutual
Operating Statement
8/31/2020
THIRD LAGUNA HILLS MUTUAL**

	YEAR TO DATE				TOTAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
51091000 - Missed Meal Penalty	2,458	718	(1,740)	(242.43%)	1,095
51101000 - Temporary Help	6,817	1,247	(5,569)	(446.49%)	1,876
51981000 - Compensation Accrual	(219,708)	0	219,708	0.00%	0
Total Employee Compensation	5,285,657	6,566,457	1,280,800	19.51%	9,867,121
Compensation Related					
52411000 - F.I.C.A.	420,114	496,411	76,298	15.37%	740,744
52421000 - F.U.I.	7,584	10,574	2,989	28.27%	10,574
52431000 - S.U.I.	51,818	53,774	1,957	3.64%	53,774
52441000 - Union Medical	1,239,516	1,262,962	23,446	1.86%	1,894,443
52451000 - Workers' Compensation Insurance	301,330	436,031	134,701	30.89%	613,988
52461000 - Non Union Medical & Life Insurance	209,981	203,226	(6,754)	(3.32%)	304,840
52471000 - Union Retirement Plan	238,246	223,291	(14,955)	(6.70%)	335,396
52481000 - Non-Union Retirement Plan	40,578	79,203	38,625	48.77%	119,124
52981000 - Compensation Related Accrual	(28,787)	0	28,787	0.00%	0
Total Compensation Related	2,480,379	2,765,473	285,095	10.31%	4,072,883
Materials and Supplies					
53001000 - Materials & Supplies	272,312	351,651	79,339	22.56%	513,296
53003000 - Materials Direct	393,406	849,168	455,762	53.67%	1,274,117
53004000 - Freight	376	0	(376)	0.00%	0
Total Materials and Supplies	666,093	1,200,819	534,726	44.53%	1,787,413
Utilities and Telephone					
53301000 - Electricity	204,468	312,700	108,232	34.61%	390,500
53301500 - Sewer	1,133,547	1,138,600	5,053	0.44%	1,715,400
53302000 - Water	1,863,154	1,840,721	(22,433)	(1.22%)	2,876,390
53302500 - Trash	366,856	373,234	6,378	1.71%	559,854
Total Utilities and Telephone	3,568,025	3,665,255	97,231	2.65%	5,542,144
Legal Fees					
53401500 - Legal Fees	389,545	333,323	(56,222)	(16.87%)	499,985
Total Legal Fees	389,545	333,323	(56,222)	(16.87%)	499,985
Professional Fees					
53402020 - Audit & Tax Preparation Fees - Third	42,000	44,500	2,500	5.62%	44,500
53403500 - Consulting Fees	0	7,286	7,286	100.00%	11,824
53403520 - Consulting Fees - Third	42,724	58,944	16,220	27.52%	88,436
Total Professional Fees	84,724	110,730	26,007	23.49%	144,760
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	13,470	13,022	(448)	(3.44%)	19,963
Total Equipment Rental	13,470	13,022	(448)	(3.44%)	19,963
Outside Services					
53601000 - Bank Fees	21,454	16,784	(4,670)	(27.82%)	25,179
53601500 - Credit Card Transaction Fees	4,198	0	(4,198)	0.00%	0
53604500 - Marketing Expense	3,580	0	(3,580)	0.00%	0
54603500 - Outside Services Cost Collection	4,491,158	8,041,076	3,549,918	44.15%	11,541,973
53704000 - Outside Services	33,889	52,574	18,685	35.54%	93,428
Total Outside Services	4,554,279	8,110,434	3,556,156	43.85%	11,660,580
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	2,453	10,754	8,301	77.19%	16,157
53703000 - Elevator /Lift Maintenance	196,629	242,727	46,097	18.99%	364,090
Total Repairs and Maintenance	199,083	253,481	54,398	21.46%	380,247
Other Operating Expense					
53801000 - Mileage & Meal Allowance	913	9,953	9,040	90.83%	14,959
53801500 - Travel & Lodging	246	1,955	1,709	87.43%	2,934
53802000 - Uniforms	41,068	62,356	21,289	34.14%	93,574
53802500 - Dues & Memberships	361	1,204	843	70.02%	2,053
53803000 - Subscriptions & Books	839	1,354	515	38.04%	2,042
53803500 - Training & Education	3,499	12,278	8,779	71.50%	18,731
53804000 - Staff Support	104	738	634	85.88%	1,107
53901500 - Volunteer Support	0	835	835	100.00%	1,253
53903000 - Safety	0	368	368	100.00%	556
54001000 - Board Relations	158	0	(158)	0.00%	0
54001020 - Board Relations - Third	1,709	5,000	3,291	65.83%	7,500

**Third Laguna Hills Mutual
Operating Statement
8/31/2020
THIRD LAGUNA HILLS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	TOTAL BUDGET
54002000 - Postage	21,967	35,856	13,889	38.74%	53,788
54002500 - Filing Fees / Permits	130	533	403	75.57%	956
Total Other Operating Expense	70,993	132,431	61,438	46.39%	199,454
Income Taxes					
54301000 - State & Federal Income Taxes	20,000	0	(20,000)	0.00%	0
Total Income Taxes	20,000	0	(20,000)	0.00%	0
Property and Sales Tax					
54302000 - Property Taxes	497	0	(497)	0.00%	0
Total Property and Sales Tax	497	0	(497)	0.00%	0
Insurance					
54401000 - Hazard & Liability Insurance	381,781	293,246	(88,536)	(30.19%)	439,870
54401500 - D&O Liability	31,089	32,310	1,220	3.78%	48,466
54402000 - Property Insurance	960,125	681,074	(279,050)	(40.97%)	1,021,615
54403000 - General Liability Insurance	2,799	4,715	1,916	40.63%	7,072
Total Insurance	1,375,795	1,011,345	(364,450)	(36.04%)	1,517,022
Investment Expense					
54201000 - Investment Expense	6,311	31,321	25,010	79.85%	46,981
Total Investment Expense	6,311	31,321	25,010	79.85%	46,981
Uncollectible Accounts					
54602000 - Bad Debt Expense	20,104	80,067	59,962	74.89%	120,100
Total Uncollectible Accounts	20,104	80,067	59,962	74.89%	120,100
(Gain)/Loss on Sale or Trade					
54101500 - (Gain)/Loss On Investments	108,078	0	(108,078)	0.00%	0
Total (Gain)/Loss on Sale or Trade	108,078	0	(108,078)	0.00%	0
Depreciation and Amortization					
55001000 - Depreciation And Amortization	90,816	90,816	0	0.00%	136,224
Total Depreciation and Amortization	90,816	90,816	0	0.00%	136,224
Net Allocation to Mutuals					
54602500 - Allocated Expenses	942,238	1,051,055	108,817	10.35%	1,576,803
Total Net Allocation to Mutuals	942,238	1,051,055	108,817	10.35%	1,576,803
Total Expenses	19,876,086	25,416,030	5,539,944	21.80%	37,571,680
Excess of Revenues Over Expenses	\$3,973,151	(\$1,982,411)	\$5,955,562	300.42%	(\$2,421,217)

**Third Laguna Hills Mutual
Balance Sheet - Preliminary
8/31/2020**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
	Assets		
1	Cash and cash equivalents	\$3,498,108	\$692,297
2	Non-discretionary investments	5,998,153	13,852,772
3	Discretionary investments	25,542,643	16,711,420
4	Receivable/(Payable) from mutuals	464,732	743,861
5	Accounts receivable and interest receivable	94,953	517,813
6	Prepaid expenses and deposits	120,226	807,109
7	Property and equipment	141,239	141,239
8	Accumulated depreciation property and equipment	(141,239)	(141,239)
9	Beneficial interest in GRF of Laguna Hills Trust	5,233,697	5,324,513
10	Non-controlling interest in GRF	37,749,056	37,749,056
11	Total Assets	<u>\$78,701,567</u>	<u>\$76,398,842</u>
	Liabilities and Fund Balances		
	Liabilities:		
12	Accounts payable and accrued expenses	\$868,128	\$2,396,340
13	Accrued compensation and related costs	454,762	629,534
14	Deferred income	780,994	748,436
15	Income tax payable	80,710	80,710
16	Total liabilities	<u>\$2,184,594</u>	<u>\$3,855,020</u>
	Fund balances:		
17	Fund balance prior years	72,543,822	72,327,726
18	Change in fund balance - current year	3,973,151	216,095
19	Total fund balances	<u>76,516,973</u>	<u>72,543,822</u>
20	Total Liabilities and Fund Balances	<u>\$78,701,567</u>	<u>\$76,398,842</u>

**Third Laguna Hills Mutual
Fund Balance Sheet - Preliminary
8/31/2020**

	Operating Fund	Unappropriated Expenditures Fund	Disaster Fund	Replacement Fund	Elevator Replacement Fund	Laundry Replacement Fund	Garden Villa Rec Room Fund	Total
Assets								
1 Cash and cash equivalents	\$884,456	\$412,383		\$2,189,396			\$11,873	\$3,498,108
2 Non-discretionary investments	1,999,375	502,611	1,257,230	2,195,062	27,584	6,178	10,113	5,998,153
3 Discretionary investments		3,210,486	8,030,697	14,021,208	176,193	39,461	64,597	25,542,643
4 Receivable/(Payable) from mutuals	464,732							464,732
5 Receivable/(Payable) from operating fund	(444,601)	3	(46,759)	(1,739,608)	1,848,399	381,717	849	
6 Accounts receivable and interest receivable	94,953							94,953
7 Prepaid expenses and deposits	120,226							120,226
8 Property and equipment	141,239							141,239
9 Accumulated depreciation property and equipment	(141,239)							(141,239)
10 Beneficial interest in GRF of Laguna Hills Trust	5,233,697							5,233,697
11 Non-controlling interest in GRF	37,749,056							37,749,056
12 Total Assets	\$46,101,893	\$4,125,484	\$9,241,168	\$16,666,058	\$2,052,176	\$427,355	\$87,432	\$78,701,567
Liabilities and Fund Balances								
Liabilities:								
13 Accounts payable and accrued expenses	\$598,848		\$123,670	\$144,835			\$775	\$868,128
14 Accrued compensation and related costs	454,762							454,762
15 Deferred income	780,994							780,994
16 Income tax payable	80,710							80,710
17 Total liabilities	\$1,915,314		\$123,670	\$144,835			\$775	\$2,184,594
Fund balances:								
18 Fund balance prior years	43,747,038	3,625,772	9,064,862	13,779,220	1,837,556	416,421	72,953	72,543,822
19 Change in fund balance - current year	439,542	499,711	52,636	2,742,004	214,620	10,934	13,704	3,973,151
20 Total fund balances	44,186,579	4,125,484	9,117,498	16,521,223	2,052,176	427,355	86,657	76,516,973
21 Total Liabilities and Fund Balances	\$46,101,893	\$4,125,484	\$9,241,168	\$16,666,058	\$2,052,176	\$427,355	\$87,432	\$78,701,567

**Third Laguna Hills Mutual
Changes in Fund Balances - Preliminary
8/31/2020**

	Operating Fund	Unappropriated Expenditures Fund	Disaster Fund	Replacement Fund	Elevator Replacement Fund	Laundry Replacement Fund	Garden Villa Rec Room Fund	Total
Revenues:								
Assessments:								
1 Operating	\$13,485,697							\$13,485,697
2 Additions to restricted funds		390,528	755,672	7,127,136	244,080	48,816	57,132	8,623,364
3 Total assessments	<u>13,485,697</u>	<u>390,528</u>	<u>755,672</u>	<u>7,127,136</u>	<u>244,080</u>	<u>48,816</u>	<u>57,132</u>	<u>22,109,061</u>
Non-assessment revenues:								
4 Fees and charges for services to residents	234,871							234,871
5 Laundry	149,931							149,931
6 Interest income		39,496	98,563	170,046	4,275	957	796	314,134
7 Unrealized gain/(loss) on AFS investments		84,065	234,613	351,507	(2,483)	(496)	1,617	668,824
8 Miscellaneous	372,418		(24,333)	15,631	7,096	1,529	74	372,416
9 Total non-assessment revenue	<u>757,220</u>	<u>123,561</u>	<u>308,843</u>	<u>537,185</u>	<u>8,889</u>	<u>1,990</u>	<u>2,488</u>	<u>1,740,176</u>
10 Total revenue	<u>14,242,917</u>	<u>514,089</u>	<u>1,064,514</u>	<u>7,664,321</u>	<u>252,969</u>	<u>50,806</u>	<u>59,620</u>	<u>23,849,237</u>
Expenses:								
11 Employee compensation and related	6,197,250		14,994	1,532,427		9,070	12,295	7,766,036
12 Materials and supplies	465,085		629	168,045		29,866	2,467	666,093
13 Utilities and telephone	3,565,711		55	2,252			7	3,568,025
14 Legal fees	389,545							389,545
15 Professional fees	84,724							84,724
16 Equipment rental	2,523		83	10,828			36	13,470
17 Outside services	482,015		957,698	3,046,784	37,560		30,222	4,554,279
18 Repairs and maintenance	198,692		22	368			1	199,083
19 Other Operating Expense	61,126		101	9,666		49	51	70,993
20 Income taxes	20,000							20,000
21 Property and sales tax	497							497
22 Insurance	1,375,795							1,375,795
23 Investment expense		793	1,984	3,464	44	10	16	6,311
24 Uncollectible Accounts	20,104							20,104
25 (Gain)/loss on sale or trade		13,584	33,980	59,328	746	167	273	108,078
26 Depreciation and amortization	90,816							90,816
27 Net allocations to mutuals	849,493		2,332	89,155		710	548	942,238
28 Total expenses	<u>13,803,376</u>	<u>14,378</u>	<u>1,011,878</u>	<u>4,922,317</u>	<u>38,349</u>	<u>39,872</u>	<u>45,916</u>	<u>19,876,086</u>
29 Excess of revenues over expenses	<u>\$439,542</u>	<u>\$499,711</u>	<u>\$52,636</u>	<u>\$2,742,004</u>	<u>\$214,620</u>	<u>\$10,934</u>	<u>\$13,704</u>	<u>\$3,973,151</u>
30 Excluding unrealized gain/(loss) and depreciation	<u>\$530,358</u>	<u>\$415,646</u>	<u>(\$181,977)</u>	<u>\$2,390,497</u>	<u>\$217,103</u>	<u>\$11,430</u>	<u>\$12,087</u>	<u>\$3,395,143</u>

THIRD LAGUNA HILLS MUTUAL
Provision For Doubtful Accounts
As of August 31, 2020

Month	Delinquent Assessments ⁽¹⁾	Assessments Write-Offs ⁽²⁾	Bad Debt Small Claims ⁽³⁾	Delinquent Fines, Fees, and Chargeable Services ⁽⁴⁾	Chargeable Services Write-Offs ⁽⁵⁾	Change in Provision ⁽⁶⁾	Total Delinquent Units ⁽⁷⁾
December-19	100,999			512,865			12
January-20	104,299	-	-	506,468		(3,097)	11
February-20	107,143		(2,610)	495,154	-	(11,080)	11
March-20	121,333		-	498,595	-	17,630	15
April-20	125,552		-	495,157	-	781	13
May-20	137,801		-	494,047	-	11,139	14
June-20	139,567		-	493,459	-	1,178	14
July-20	141,335		-	485,561	-	(6,130)	16
August-20	150,010		-	486,568	-	9,683	15
September-20			-		-	-	
October-20			-		-	-	
November-20			-		-	-	
December-20		-	-		-	-	
YTD TOTAL						20,104	

(1) Delinquent Assessments: Represents the balance from the monthly Delinquency Report presented in the Closed Session of the Finance Committee and accounted for as a specific allowance against Accounts Receivable balance.

(2) Assessments Write-Offs: Represents write-off activities approved by the Third Board.

(3) Bad Debt Small Claims: Represents the change in the Small Claims Receivable account balance.

(4) Delinquent Fines, Fees and Chargeable Services: Balances represents a combination of a general allowance percentage and a specific allowance amount recorded for the purpose of reducing the Account Receivable balance to the amount the company anticipates to be collectible.

(5) Chargeable Services Write-Offs: Represents Chargeable Service write-off activities approved by the Third Board.

(6) Change in Provision: Calculated as the difference between the current and prior month Delinquent Assessments and Delinquent Fine, Fees and Chargeable Services balances plus current month activities from Assessment Write-Offs, Bad Debt Small Claims, and Chargeable Services Write-Offs.

(7) Total Delinquent Units: Units reported on the monthly Delinquency Reports - Assessments

**THIRD LAGUNA HILLS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
8/31/20**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *	BOOK VALUE	8/31/2020	
										MARKET VALUE	UNREALIZED GAIN/(LOSS)
9127962H1	U.S. TREASURY BILL	0.00%	08-03-20	09-24-20	2,000,000.00	0.07%	1,999,783.33		1,999,891.67	\$1,999,884.00	(\$7.67)
9127962Z1	U.S. TREASURY BILL	0.00%	05-15-20	11-12-20	2,000,000.00	0.10%	1,998,994.44		1,999,581.02	\$1,999,580.00	(\$1.02)
912796TU3	U.S. TREASURY BILL	0.00%	07-31-20	12-03-20	2,000,000.00	0.09%	1,999,375.00		1,999,531.25	\$1,999,380.00	(\$151.25)
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$ 6,000,000.00		\$ 5,998,152.77	1.16%	\$5,999,003.94	\$5,998,844.00	(\$159.94)

*Yield is based on all investments held during the year

**THIRD LAGUNA HILLS MUTUAL
DISCRETIONARY ACCOUNT - SAGEVIEW/FIDELITY
SCHEDULE OF INVESTMENTS
8/31/20**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECTIVE YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *	BOOK VALUE	8/31/2020	
										MARKET VALUE	UNREALIZED GAIN/(LOSS)
	FIDELITY GOVT CASH RESERVES				\$ 104,253.79		\$ 104,253.79		104,253.79	\$104,253.79	\$0.00
92206C870	VCIT Vanguard Corp Bond Index	0.00%	12-17-19	-	1,867,466.66	0.00%	1,867,466.66		1,867,466.66	\$1,938,113.73	\$70,647.07
31635V216	FUMBX Fidelity Treas Bond Index	0.00%	12-13-19	-	7,385,638.68	0.00%	7,385,638.68		7,385,638.68	\$7,611,122.38	\$225,483.70
31635V257	FUAMX Fidelity Treas Bond Index	0.00%	12-13-19	-	6,405,463.86	0.00%	6,405,463.86		6,405,463.86	\$6,607,622.08	\$202,158.22
922031851	VFIRX Vanguard Treas Admiral	0.00%	12-13-19	-	1,238,614.21	0.00%	1,238,614.21		1,238,614.21	\$1,274,336.91	\$35,722.70
92206C607	VSCSX Vanguard Corp Bond Index	0.00%	12-13-19	-	1,879,539.54	0.00%	1,879,539.54		1,879,539.54	\$1,915,603.15	\$36,063.61
92206C755	VMBSX Vanguard Sec Index Admiral	0.00%	12-13-19	-	5,979,304.08	0.00%	5,979,304.08		5,979,304.08	\$6,091,590.61	\$112,286.53
TOTAL FOR DISCRETIONARY INVESTMENTS					24,860,280.82		24,860,280.82	1.73%	\$24,860,280.82	\$25,542,642.65	\$682,361.83
TOTAL INVESTMENTS					\$ 30,860,280.82		\$ 30,858,433.59	1.59%			

*Yield is based on all investments held during the year

**Third Laguna Hills Mutual
Supplemental Appropriation Schedule
Period Ending: 08/31/2020**

Fund / Item	Resolution	BUDGET	EXPENDITURES I-T-D*			Remaining Encumbrance
		Total Appropriations	2020	Prior Years	Total	
Replacement Fund						
Ridge Route Perimeter Wall Improvements	03-18-84	\$330,000	\$0	\$253,937	\$253,937	\$76,063
Cul-De-Sac Sign Replacement	03-19-73	\$23,000	\$0	\$20,304	\$20,304	\$2,696
Totals		\$353,000	\$0	\$274,241	\$274,241	\$78,759
Disaster Fund						
Slope Repairs Monte Hermosa	03-19-59	\$42,216	\$0	\$38,378	38,378	\$3,839
Totals		\$42,216	\$0	\$38,378	\$38,378	\$3,839

*Incurred To Date

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF AUGUST 31, 2020**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET *	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
REPLACEMENT FUND - MAINTENANCE & CONSTRUCTION								
BUILDING NUMBERS	0	2,500	0	20,000	30,000	0%	20,000	100%
BUILDING STRUCTURES	15,384	232,612	696,503	1,858,199	2,787,028	25%	1,161,697	63%
ELECTRICAL SYSTEMS	0	4,957	1,090	39,656	59,495	2%	38,566	97%
ENERGY PROJECTS	0	833	923	6,664	10,000	9%	5,742	86%
EXTERIOR LIGHTING	0	6,249	681,571	789,992	815,000	84%	108,421	14%
FENCING	7,692	4,597	24,760	36,488	54,703	45%	11,728	32%
GARDEN VILLA LOBBY	3,736	9,375	32,036	75,000	112,500	28%	42,964	57%
GARDEN VILLA MAILROOM	0	2,836	0	22,573	33,867	0%	22,573	100%
GARDEN VILLA RECESSED AREA	(84)	5,416	26	43,328	65,000	0%	43,302	100%
GV REC ROOM WATER HEATER/HEAT PUMP	948	804	7,051	6,423	9,644	73%	(628)	(10%)
GUTTER REPLACEMENTS	4,449	8,228	24,472	65,543	98,289	25%	41,072	63%
MAILBOXES	15,005	4,181	23,870	33,342	50,000	48%	9,472	28%
PAINT PROGRAM - EXTERIOR	204,771	172,778	977,936	1,371,479	2,055,556	48%	393,543	29%
PRIOR TO PAINT	79,869	123,622	376,449	980,851	1,470,323	26%	604,402	62%
PAVING	0	64,591	3,014	516,728	775,112	0%	513,714	99%
ROOF REPLACEMENTS	0	117,991	418,512	943,928	1,415,904	30%	525,416	56%
WALL REPLACEMENTS	0	13,750	137,928	110,000	165,000	84%	(27,928)	(25%)
WASTE LINE REMEDIATION	84	83,333	196,757	666,664	1,000,000	20%	469,907	70%
WATER LINES - COPPER PIPE REMEDIATION	0	41,666	151,438	333,328	500,000	30%	181,890	55%
TOTAL	\$331,853	\$900,319	\$3,754,333	\$7,920,186	\$11,507,422	33%	\$4,165,853	53%
* Exterior Lighting includes \$740,000 carried over from the 2019 plan.								
REPLACEMENT FUND - GENERAL SERVICES								
PRIOR TO PAINT	0	959	1,842	7,609	11,405	16%	5,767	76%
PAVING	12,158	6,397	48,611	50,784	76,146	64%	2,174	4%
EXTERIOR WALLS	0	4,095	0	32,760	49,147	0%	32,760	100%
TOTAL	\$12,158	\$11,451	\$50,452	\$91,153	\$136,698	37%	\$40,701	45%
REPLACEMENT FUND - LANDSCAPE SERVICES								
LANDSCAPE MODIFICATION	7,963	49,949	408,489	699,414	899,129	184%	290,925	42%
TREE MAINTENANCE	111,136	71,769	646,251	569,580	853,812	76%	(76,671)	(13%)
TOTAL	\$119,099	\$121,718	\$1,054,740	\$1,268,994	\$1,752,942	60%	\$214,254	17%
* Landscape Modification includes \$300,000 carried over from the 2019 plan.								
ELEVATOR REPLACEMENT FUND								
ELEVATOR REPLACEMENT	\$0	\$21,250	\$37,560	\$170,000	\$255,000	15%	\$132,440	78%
TOTAL	\$0	\$21,250	\$37,560	\$170,000	\$255,000	15%	\$132,440	78%
LAUNDRY REPLACEMENT FUND								
LAUNDRY APPLIANCES	\$6,140	\$4,885	\$31,362	\$38,998	\$58,508	54%	\$7,636	20%
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	4,395	5,006	8,333	39,946	59,912	14%	31,612	79%
TOTAL	\$10,536	\$9,892	\$39,695	\$78,943	\$118,420	34%	\$39,248	50%

**THIRD LAGUNA HILLS MUTUAL
FUND EXPENDITURES REPORT
AS OF AUGUST 31, 2020**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		TOTAL BUDGET *	% EXPENDED	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
GARDEN VILLA RECREATION ROOM FUND								
GARDEN VILLA RECREATION ROOMS	\$11,866	\$5,929	\$45,626	\$47,278	\$70,982	64%	\$1,652	3%
TOTAL GARDEN VILLA REC ROOMS FUND	\$11,866	\$5,929	\$45,626	\$47,278	\$70,982	64%	\$1,652	3%
OPERATING FUND - MAINTENANCE & CONSTRUCTION								
APPLIANCE REPAIRS	\$7,812	\$7,341	\$86,829	\$58,201	\$87,257	100%	(\$28,628)	(49%)
CARPENTRY SERVICE	38,634	35,522	435,748	281,795	422,426	103%	(153,954)	(55%)
ELECTRICAL SERVICE	7,878	11,275	74,105	89,321	133,883	55%	15,216	17%
FIRE PROTECTION	16,971	10,935	50,486	87,480	131,252	38%	36,994	42%
MISC REPAIRS BY OUTSIDE SERVICE	675	4,888	5,080	39,104	58,664	9%	34,024	87%
PEST CONTROL	430	30,355	20,039	242,840	364,272	6%	222,801	92%
PLUMBING SERVICE	68,035	57,391	540,040	455,589	682,989	79%	(84,451)	(19%)
SOLAR MAINTENANCE	1,371	2,083	11,881	16,664	25,000	48%	4,783	29%
TOTAL	\$141,805	\$159,790	\$1,224,209	\$1,270,994	\$1,905,743	64%	\$46,785	4%
OPERATING FUND - GENERAL SERVICES								
CONCRETE REPAIR/REPLACEMENT	36,075	30,898	218,616	245,483	368,011	59%	26,867	11%
JANITORIAL SERVICE	93,241	79,165	660,199	629,594	943,316	70%	(30,605)	(5%)
GUTTER CLEANING	0	14,929	18,734	119,215	178,802	10%	100,481	84%
TRAFFIC CONTROL	1,916	1,627	10,651	12,912	19,357	55%	2,261	18%
WELDING	14,931	9,308	56,360	73,877	110,744	51%	17,516	24%
TOTAL	\$146,162	\$135,927	\$964,560	\$1,081,081	\$1,620,230	60%	\$116,521	11%
DISASTER FUND - MAINTENANCE & CONSTRUCTION								
MOISTURE INTRUSION - RAIN LEAKS	\$20,739	\$39,585	362,779	\$316,680	\$475,025	76%	(46,099)	(15%)
MOISTURE INTRUSION - PLUMBING LEAKS	8,173	54,166	308,785	433,328	650,000	48%	124,543	29%
MOISTURE INTRUSION - PLUMBING STOPPAGES	0	8,333	49,927	66,664	100,000	50%	16,737	25%
MOISTURE INTRUSION - MISCELLANEOUS	913	7,757	45,514	62,056	93,095	49%	16,542	27%
DAMAGE RESTORATION SERVICES	7,666	30,868	169,250	246,564	369,812	46%	77,314	31%
TOTAL DISASTER FUND	\$37,492	\$140,709	\$936,255	\$1,125,292	\$1,687,932	55%	\$189,037	17%
DISASTER FUND - LANDSCAPE SERVICES								
RISK FIRE MANAGEMENT	\$4,506	\$15,000	\$39,659	\$120,000	\$180,000	22%	\$80,341	67%
TOTAL UNAPPROPRIATED EXPENDITURES FUND	\$4,506	\$15,000	\$39,659	\$120,000	\$180,000	22%	\$80,341	67%

**THIRD LAGUNA HILLS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF AUGUST 31, 2020**

DESCRIPTION	YTD ACTUAL			
	TOTAL EXPENDITURES	LABOR	MATERIALS	OUTSIDE SERVICES
RESERVE FUNDS - MAINTENANCE & CONSTRUCTION				
ALARM SYSTEM	\$0	\$0	\$0	\$0
BUILDING NUMBERS	0	0	0	0
BUILDING STRUCTURES	696,503	81,943	6,038	608,521
ELECTRICAL SYSTEMS	1,090	980	110	0
ENERGY PROJECTS	923	0	0	923
EXTERIOR LIGHTING	681,571	0	0	681,571
FENCING	24,760	20,786	3,974	0
GARDEN VILLA LOBBY	32,036	0	0	32,036
GARDEN VILLA MAILROOM	0	0	0	0
GARDEN VILLA RECESSED AREA	26	26	0	0
GV REC ROOM WATER HEATER/HEAT PUMP	7,051	2,520	2,907	1,624
GUTTER REPLACEMENTS	24,472	22,504	1,968	0
MAILBOXES	23,870	4,671	19,199	0
PAINT PROGRAM - EXTERIOR	977,936	908,465	67,712	1,758
PRIOR TO PAINT	376,449	313,890	20,780	41,779
PAVING	3,014	0	0	3,014
ROOF REPLACEMENTS	418,512	0	0	418,512
WALL REPLACEMENTS	137,928	0	0	137,928
WASTE LINE REMEDIATION	196,757	821	0	195,936
WATER LINES - COPPER PIPE REMEDIATION	151,438	0	0	151,438
SUPPL. APPROPRIATIONS	0	0	0	0
TOTAL	\$3,754,333	\$1,356,607	\$122,688	\$2,275,039

* Exterior Lighting includes \$740,000 carried over from the 2019 plan.

RESERVE FUNDS - GENERAL SERVICES

PRIOR TO PAINT	1,842	1,837	5	0
PAVING	48,611	44,578	4,033	0
EXTERIOR WALLS	0	0	0	0
TOTAL	\$50,452	\$46,415	\$4,038	\$0

RESERVE FUNDS - LANDSCAPE

LANDSCAPE MODIFICATION	408,489	22,617	0	385,871
TREE MAINTENANCE	646,251	262,748	0	383,503
TOTAL	\$1,054,740	\$285,366	\$0	\$769,374

* Landscape Modification includes \$300,000 carried over from the 2019 plan.

RESERVE FUNDS - ELEVATOR

ELEVATOR REPLACEMENT	\$37,560	\$0	\$0	\$37,560
TOTAL	\$37,560	\$0	\$0	\$37,560

RESERVE FUNDS - LAUNDRY

LAUNDRY APPLIANCES	\$31,362	\$4,423	\$26,940	\$0
LAUNDRY COUNTERTOP/FLOOR/TILE REPAIRS	8,333	\$5,690	\$2,643	\$0
SUPPL. APPROPRIATIONS	0	0	0	0
TOTAL	\$39,695	\$10,113	\$29,583	\$0

GARDEN VILLA REC ROOM FUND - MAINTENANCE & CONSTRUCTION

GARDEN VILLA RECREATION ROOMS	\$45,626	\$13,727	\$1,678	\$30,222
TOTAL	\$45,626	\$13,727	\$1,678	\$30,222

**THIRD LAGUNA HILLS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF AUGUST 31, 2020**

YTD ACTUAL

DESCRIPTION	TOTAL			OUTSIDE
	EXPENDITURES	LABOR	MATERIALS	SERVICES

OPERATING FUND - MAINTENANCE & CONSTRUCTION

APPLIANCE REPAIRS	86,829	77,139	9,690	0
CARPENTRY SERVICE	435,748	415,647	20,101	0
CURB CUT/SIDEWALK RAMPS	0	0	0	0
ELECTRICAL SERVICE	74,105	68,584	5,522	0
FIRE PROTECTION	50,486	0	9	50,478
GUTTER CLEANING	0	0	0	0
MISC REPAIRS BY OUTSIDE SERVICE	5,080	0	0	5,080
PEST CONTROL	20,039	0	0	20,039
PLUMBING SERVICE	540,040	485,614	19,006	35,420
SOLAR MAINTENANCE	11,881	0	0	11,881
TOTAL	\$1,224,209	\$1,046,983	\$54,328	\$122,898

OPERATING FUND - GENERAL SERVICES

CONCRETE REPAIR/REPLACEMENT	218,616	199,883	18,733	0
GUTTER CLEANING	18,734	18,734	0	0
JANITORIAL SERVICE	660,199	647,820	12,379	0
TRAFFIC CONTROL	10,651	10,651	0	0
WELDING	56,360	55,408	953	0
TOTAL	\$964,560	\$932,496	\$32,064	\$0

DISASTER FUND - MAINTENANCE & CONSTRUCTION

MOISTURE INTRUSION - RAIN LEAKS	\$362,779	\$0	\$0	\$362,779
MOISTURE INTRUSION - PLUMBING LEAKS	308,785	0	0	\$308,785
MOISTURE INTRUSION - PLUMBING STOPPAGES	49,927	0	0	\$49,927
MOISTURE INTRUSION - MISCELLANEOUS	45,514	0	0	\$45,514
DAMAGE RESTORATION SERVICES	169,250	7,659	120	161,471
SUPPL. APPROPRIATIONS	0	0	0	0
TOTAL	\$936,255	\$7,659	\$120	\$928,476

DISASTER FUND - LANDSCAPE

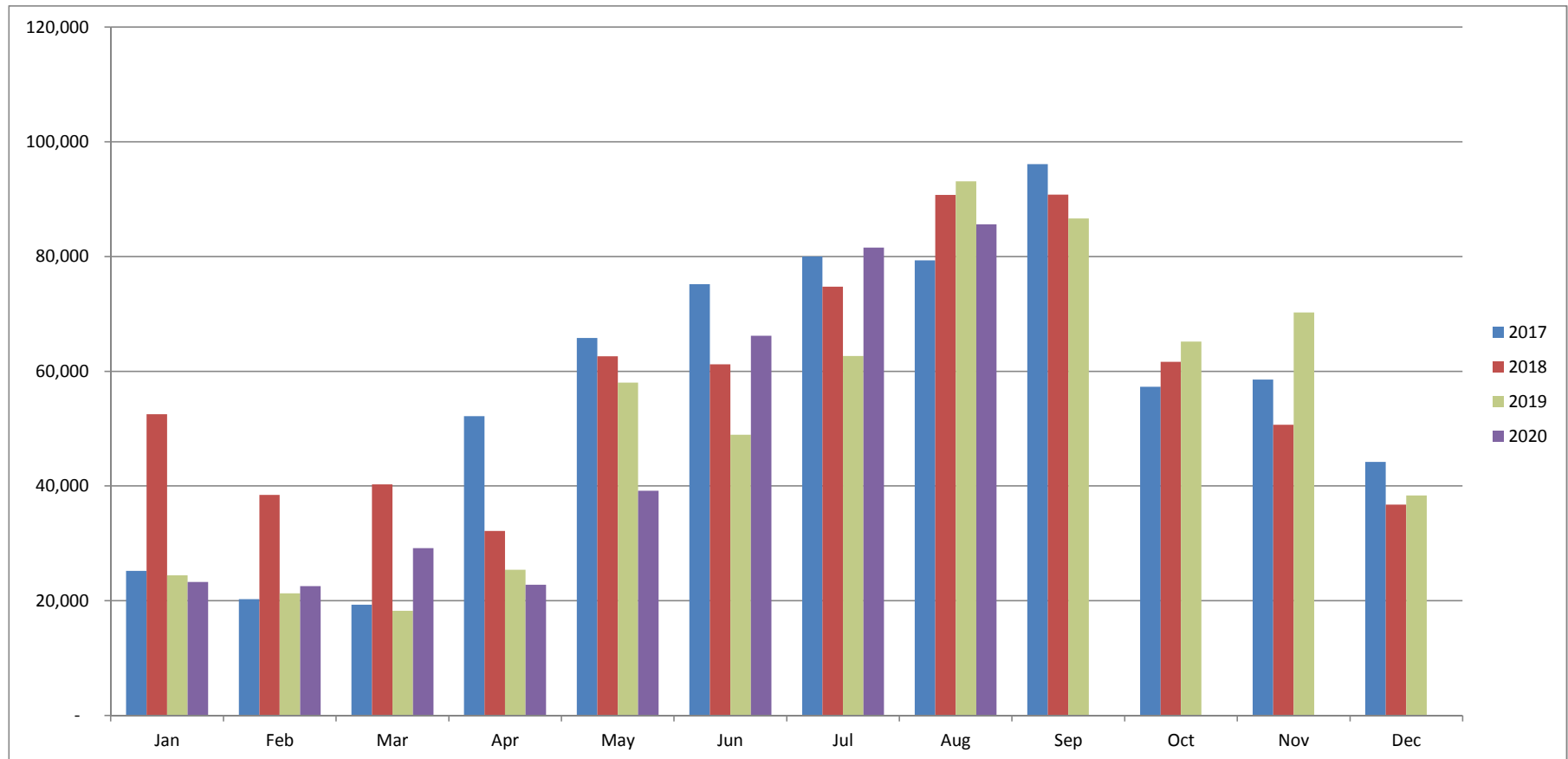
RISK FIRE MANAGEMENT	\$39,659	\$10,291	\$0	\$29,368
TOTAL	\$39,659	\$10,291	\$0	\$29,368

UNAPPROPRIATED EXPENDITURES FUND

SUPPLEMENTAL APPROPRIATIONS	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0

Third Mutual Water Usage in 100 cubic feet units

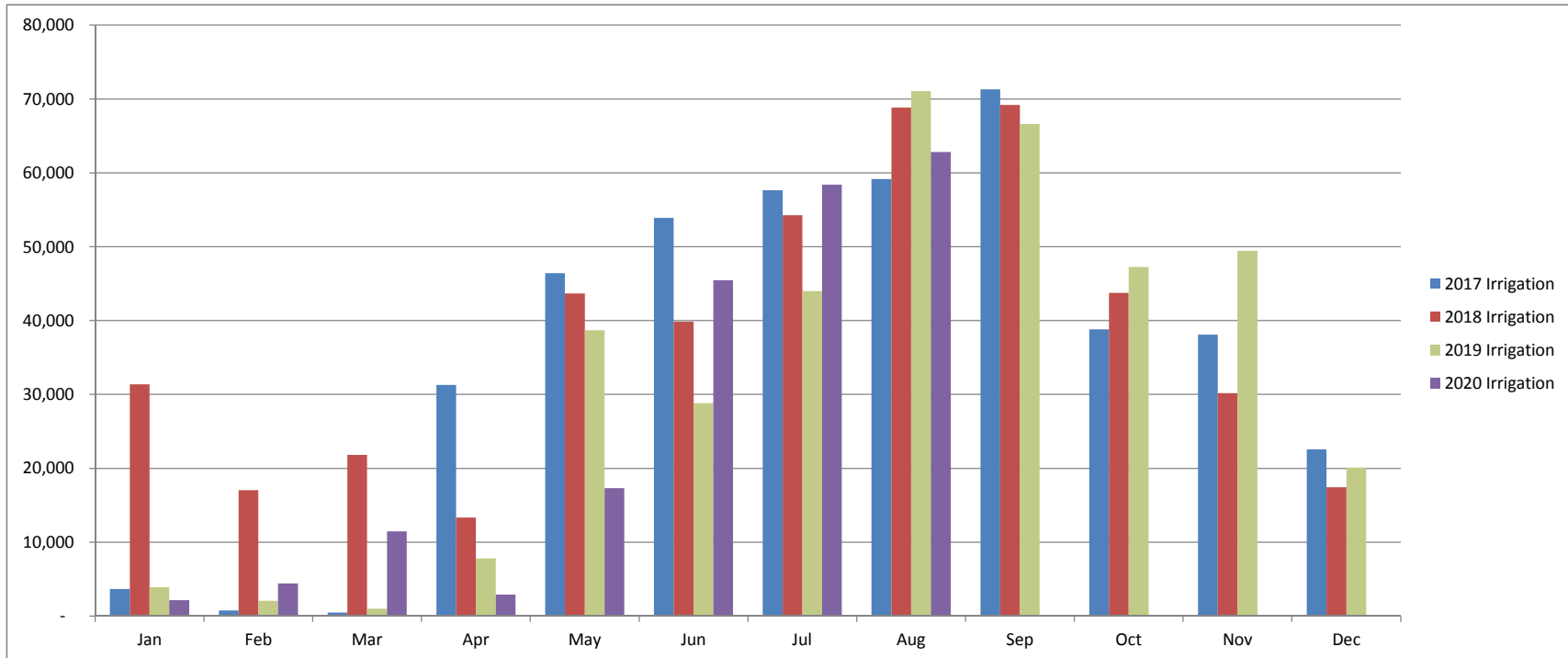
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2017	25,226	20,286	19,299	52,174	65,796	75,181	79,992	79,315	96,121	57,296	58,557	44,191	417,269	673,434
2018	52,495	38,446	40,263	32,183	62,631	61,214	74,756	90,767	90,776	61,661	50,693	36,777	452,755	692,662
2019	24,432	21,298	18,269	25,378	58,015	48,914	62,672	93,135	86,655	65,159	70,254	38,350	352,113	612,531
2020	23,285	22,570	29,169	22,804	39,197	66,203	81,581	85,602	-	-	-	-	370,411	370,411



Third Mutual

Irrigation Water Usage in 100 cubic feet units

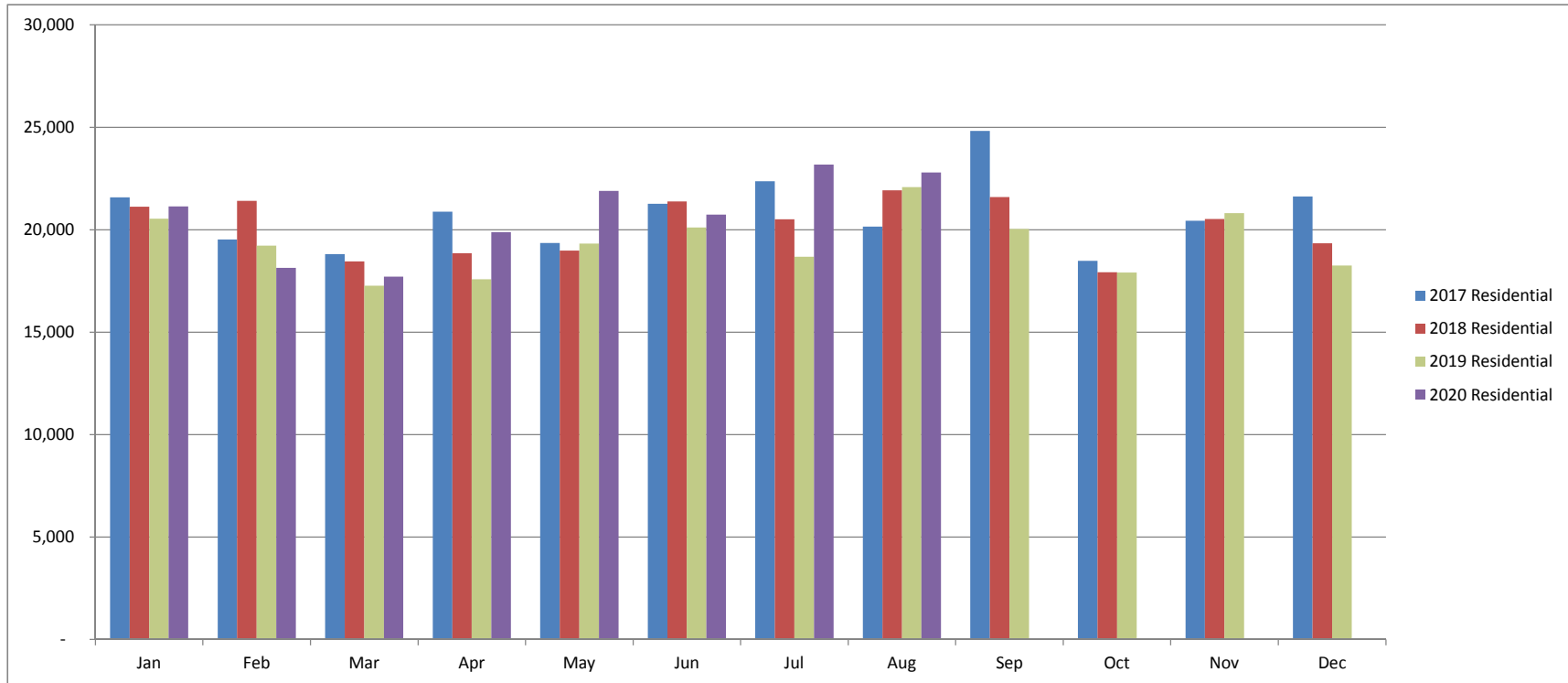
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2017 Irrigation	3,646	766	494	31,291	46,437	53,911	57,625	59,166	71,293	38,819	38,114	22,567	253,336	424,129
2018 Irrigation	31,368	17,039	21,814	13,332	43,653	39,833	54,254	68,843	69,176	43,741	30,171	17,434	290,136	450,658
2019 Irrigation	3,892	2,081	1,000	7,803	38,696	28,811	43,994	71,052	66,612	47,254	49,451	20,096	197,329	380,742
2020 Irrigation	2,146	4,430	11,464	2,923	17,310	45,463	58,399	62,806	-	-	-	-	204,941	204,941



Third Mutual

Residential Water Usage in 100 cubic feet units

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2017 Residential	21,580	19,520	18,805	20,883	19,359	21,270	22,367	20,149	24,828	18,477	20,443	21,624	163,933	249,305
2018 Residential	21,127	21,407	18,449	18,851	18,978	21,381	20,502	21,924	21,600	17,920	20,522	19,343	162,619	242,004
2019 Residential	20,540	19,217	17,269	17,575	19,319	20,103	18,678	22,083	20,043	17,905	20,803	18,254	154,784	231,789
2020 Residential	21,139	18,140	17,705	19,881	21,887	20,740	23,182	22,796	-	-	-	-	165,470	165,470





STAFF REPORT

DATE: October 6, 2020
FOR: Finance Committee
SUBJECT: Supplemental Funding for Damage Caused by Ground Water at 5127 Brazo

RECOMMENDATION

Approve a supplemental appropriation in the amount of \$9,598, to be funded from the Disaster Fund, for emergency repair of damages caused by groundwater.

BACKGROUND

On June 15, 2020, the resident of this manor called Resident Services to report a water leak in the front courtyard of this unit. Plumbing staff responded and could not locate a leak in the plumbing of the unit. Irrigation staff was subsequently called to investigate an irrigation leak. El Toro Water District was also called to determine if the water was originating from their system. All investigations determined there was no active leak from potable, waste, or irrigation water lines.

Investigative potholes were dug around the interior of the courtyard and it was determined that the water was coming from ground water seeping to the surface. This area has experienced ground water issues in the past.

This was reviewed and approved by the Landscape Committee on October 1, 2020.

DISCUSSION

Once the source of the water was determined to be groundwater, staff removed a portion of the existing concrete patio slab to enable the installation of a French drain in the courtyard. An overflow drain was also installed adjacent to the exterior wall of the unit. The French drain was connected to an existing drain system in the rear of the unit. The French drain is functioning as designed and the courtyard of the unit is dry. The concrete patio portion was subsequently replaced, landscaping was restored, and all irrigation is intact.

FINANCIAL ANALYSIS

A supplemental appropriation of \$9,598 from the Disaster Fund is necessary to fund this work which was completed on an emergency basis.

Prepared By: Kurt Wiemann, Director of Landscape Services
Reviewed By: Eve Morton, Landscape Coordinator
Siobhan Foster, COO

ATTACHMENT(S)

Attachment 1: Photos
Attachment 2: Cost Report

ATTACHMENT 1



LANDSCAPE COST REPORT
Manor 5127 Brazo - Water Drainage Problem From Slope
Completed on September 22, 2020

W/C	Tasks	Size (Sq.ft.)	Labor		Material Cost	Chargeable Service	Outside Services	Total Expenses
			Hours	Costs				
530	Reseed and Plant Replacement	120	6.40	\$ 297.54	\$ 32.68			\$ 330.21
540	Irrigation Prep Work	120	49.20	\$ 3,136.99	\$ 250.00			\$ 3,386.99
909	1st Solutions Services (SA21499536)						\$ 1,425.32	\$ 1,425.32
914	Red Star Plumbing (SA21501147)						\$ 540.00	\$ 540.00
932	Painting - New Slab and Patio	582	10.20	\$ 584.66	\$ 64.04	\$ (396.46)		\$ 252.24
936	Paving - Cement Slab	157	46.20	\$ 2,869.02	\$ 794.07			\$ 3,663.09
	Totals:		112.00	\$ 6,888.21	\$ 1,140.79	\$ (396.46)	\$ 1,965.32	\$ 9,597.86

Notes:

Job Code: JB321001000



STAFF REPORT

DATE: October 6, 2020
FOR: Finance Committee
SUBJECT: Supplemental Funding for Moisture Intrusion Relandscaping at 3129-B Via Serena

RECOMMENDATION

Recommend approval of a supplemental appropriation in the amount of \$75,200 to be funded from the Disaster Fund, for the regrading and relandscaping of the slope adjacent to Building 3129.

BACKGROUND

Beginning in March of 2010, records show moisture intrusion events indicating high moisture levels within this unit. Over the succeeding years, staff has attempted multiple methodologies to lower the moisture levels within this unit; drains and vents were installed in the crawl space, drywall was removed and replaced, exterior drains and irrigation were modified, portions of the slab were removed and replaced, and multiple attempts at dry down were attempted. Also, the potable, waste, and irrigation piping has been checked multiple times for leaks. Since 2018, approximately \$40,000 has been spent on moisture mitigation for this unit.

This was reviewed and approved by the Landscape Committee on October 1, 2020.

DISCUSSION

In July of 2020, potholes were dug to determine the depth of moisture levels in the soil adjacent to the building. A solid layer of sandstone was discovered two feet below finished grade on the upslope side of the building. It was therefore determined that surface water could not percolate into the subgrade and would ultimately sit on the layer of sandstone beneath the building.

Staff hired a landscape architect and surveyor to determine the grading of the area and develop a plan to reroute all surface water away from the building. The survey determined that all of the slopes adjacent to the building slope towards the building, furthering the issue. A plan was developed to regrade the entire area adjacent to the structure, install a new drain system, install a concrete swale to reroute surface water, remove existing irrigation and install a drip irrigation system, and to remove existing plant material and turf and replant with low water use plant material. The estimated cost for this construction is \$60,000; this project is currently out to bid.

FINANCIAL ANALYSIS

A supplemental appropriation of \$75,200 (\$60,000 for construction, \$13,200 for design and \$2,000 survey) from the Disaster Fund is necessary to fund this work.

Prepared By: Kurt Wiemann, Director of Landscape Services
Reviewed By: Eve Morton, Landscape Coordinator
Siobhan Foster, COO

ATTACHMENT(S)

Attachment 1: Construction Cost Estimate
Attachment 2: Landscape Architect Contract (purchase order)
Attachment 3: Rendering of Proposed Construction

SLOPE REGRADING & MOISTURE MITIGATION PROJECT

Landscape CD Phase Opinion of Probable Cost
September 15, 2020

ATTACHMENT 1

MS+MEGT

MS+ME Architecture | Site Planning

General				
ITEM	QTY.	UNIT	UNIT PRICE	EXTENSION
Mobilization and Staking	1	LS	\$ 3,000.00	\$ 3,000.00
SUBTOTAL GENERAL				\$ 3,000.00
SITE PREPARATION/DRAINAGE				
Rough Grading	4,630	SF	\$ 1.25	\$ 5,787.50
Clear and Grub	4,630	SF	\$ 0.75	\$ 5,787.50
Export Soil	75	CY	\$ 45.00	\$ 3,375.00
Gravel French Drain	1	LS	\$ 700.00	\$ 700.00
SUBTOTAL SITE PREPARATION				\$ 15,650.00
HARDSCAPE				
ITEM	QTY.	UNIT	UNIT PRICE	EXTENSION
Stone Cobble - Swale	3	CY	350	\$ 1,050.00
Concrete Drainage Swale 3 'x 19'	19	LF	150	\$ 2,850.00
Metal Edging for Gravel	109	LF	\$ 12.00	\$ 1,308.00
Crushed Gravel	120	SF	\$ 10.00	\$ 1,200.00
SUBTOTAL HARDSCAPE				\$ 6,408.00
SOFTSCAPE				
TREES/SHRUBS				
Lagerstroemia indica 'Natchez' - 24" Box	2	EA	\$ 475.00	\$ 950.00
Lophostemon confertus -24" Box	2	EA	\$ 425.00	\$ 850.00
Bougainvillea 'Rosenka' - 5 gal	7	EA	\$ 45.00	\$ 315.00
Lomandra hybrida 'Lomlon' Lime - 5 Gal	50	EA	\$ 40.00	\$ 2,000.00
Rosa x 'Radrass' - 5 Gal	6	EA	\$ 60.00	\$ 360.00
Tecoma-x-Crimson-Flare - 15 Gal.	1	EA	\$ 175.00	\$ 175.00
GROUNDCOVER				
Carissa mac. 'Green carper' - 1 Gal	153	EA	\$ 10.50	\$ 1,606.50
Lantana montevidensis 'Alba' - 1 Gal	160	EA	\$ 10.50	\$ 1,680.00
Rosemarinus officinalis 'Huntington Carpet' - 1 Ga	40	EA	\$ 10.50	\$ 420.00
Tuechrium chamaedyrs nanum - 1 Gal	120	EA	\$ 10.50	\$ 1,260.00
Agrostis pallens - Sod	923	SF	\$ 2.50	\$ 2,307.50
Fine Grading, Bed Preparation-soil import	4,630	SF	\$ 1.25	\$ 5,787.50
Jute Mat	140	SF	\$ 0.75	\$ 105.00
Gro Mulch and Finish Mulch 3"	42	CY	\$ 1.00	\$ 42.00
Irrigation-drip/bubblers	4,630	LS	\$ 1.50	\$ 6,945.00
90 Day Maintenance	1	EA	\$ 3,000.00	\$ 3,000.00
SUBTOTAL LANDSCAPE				\$ 27,803.50
Total				\$ 52,861.50
10% Contingency				\$ 5,286.15
GRAND TOTAL				\$ 58,147.65

Third Laguna Hills Mutual
P.O. BOX 2220
Laguna Hills, CA 92654-2220
Telephone
Fax

Monica L Simpson A Landscape
Architect PC
Architect PC
364 Nyes Pl
Laguna Beach, CA 92651
USA
Phone

Purchase order

Page 1 of 1
Number P300007201-1
Date 7/23/2020
Delivery terms
Delivery address
Golden Rain Foundation of Laguna
Woods
23081 Via Campo Verde
Laguna Woods, CA 92637
USA



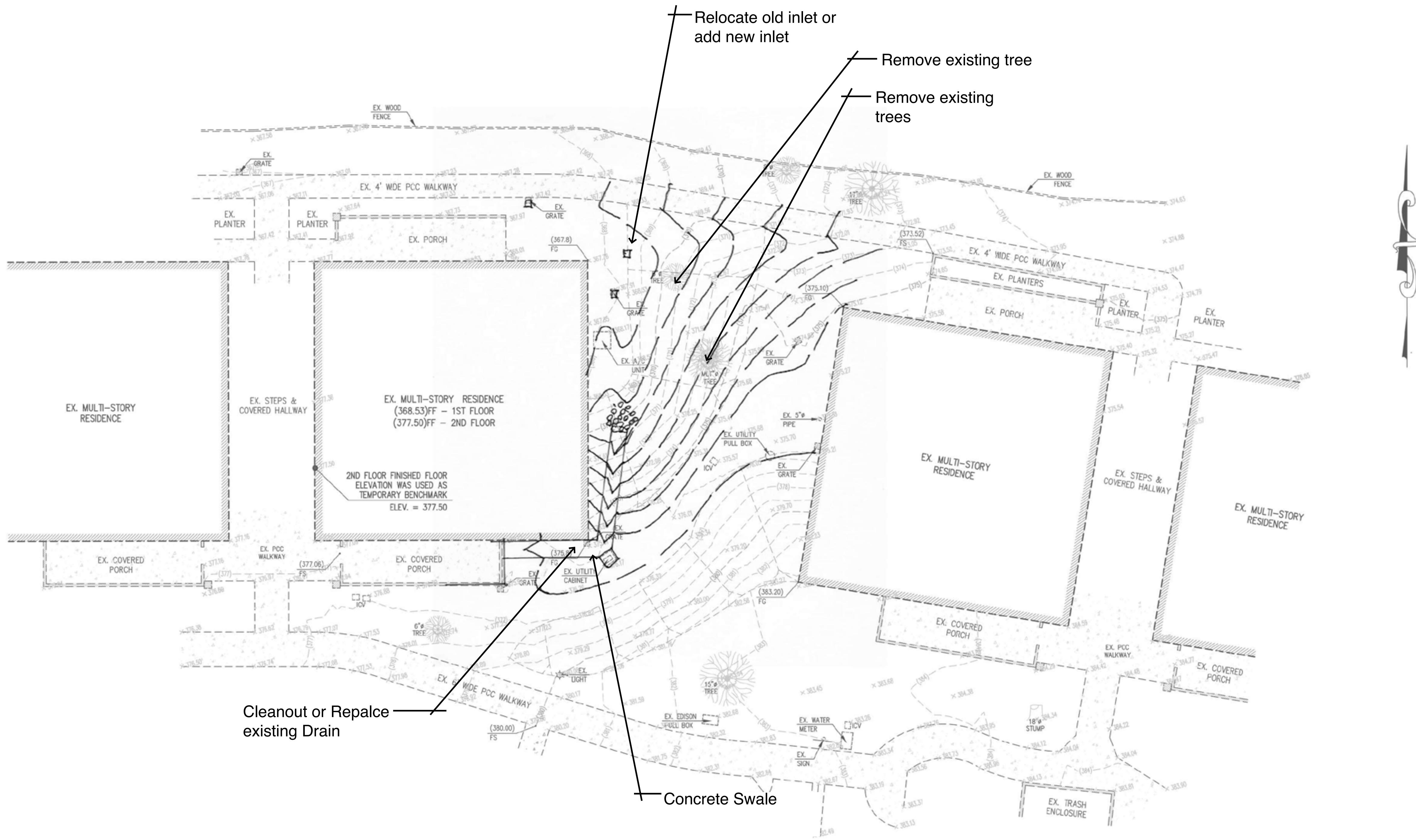
DBA Name MS+MEGT
Buyer Name Daniel Hoxie
Work Center 530
Requester Mindra Fielding
Job code JA553704000
Req Type Contracts

ATTACHMENT 2

Item Line number	Description	Procurement category	Delivery	Qty	Unit	Unit price	Amount
1	2020 Landscape & Grading 3129-B Via Serena North- Included in Annual Contract P100007041 for funding. Additional Scope of Work as described and authorized by Work Order(s).	54603500 Outside Services CC	7/20/2020	13,200.00	USD	1.00	13,200.00
2	2020 Partial Slope and Building Survey (3129-B)-	54603500 Outside Services CC	7/20/2020	2,000.00	USD	1.00	2,000.00

Vendor, Please Note: The PO number must appear on all invoices and shipping documents. If FOB point other than Laguna Woods, prepay freight and add. Receiving hours are from 8:00AM to 12:00PM and 12:30PM to 3:30PM Mon-Fri only.

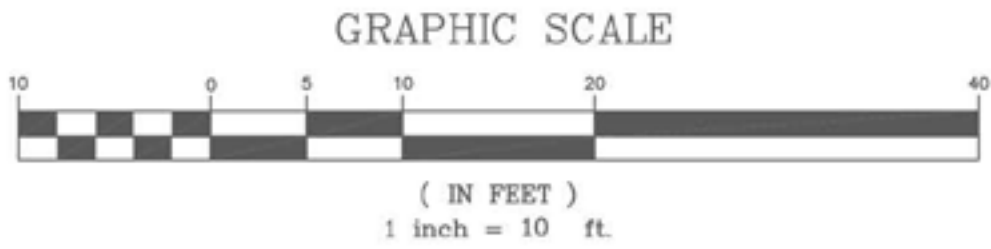
Sales subtotal						
Currency	amount	Total discount	Charges	Sales tax	Round-off	Total
USD	15,200.00	0.00	0.00	0.00	0.00	15,200.00



ABBREVIATIONS :	
AB	= AGGREGATE BASE
AC	= ASPHALT PAVEMENT
AD	= AREA DRAIN
BRMP	= BOTTOM OF RAMP
CB	= CATCH BASIN
CF	= CURB FACE
CLF	= CHAIN LINK FENCE
EG	= EDGE OF GUTTER
EMH	= ELECTRIC MANHOLE
EP	= EDGE OF PAVEMENT
EPB	= ELECTRIC PULL BOX
EV	= ELECTRIC VAULT
EVB	= ELECTRICAL VENTILATION BOX
FF	= FINISH FLOOR
FG	= FINISH GRADE
FH	= FIRE HYDRANT
FL	= FLOW LINE
FS	= FINISH SURFACE
GB	= GRADE BREAK
GM	= GAS METER
GP	= GAS PIPE
HP	= HIGH POINT
IE	= INVERT ELEVATION
LP	= LOW POINT
PLT	= PARKING LOT LIGHT
MP	= METAL POST
NG	= NATURAL GROUND ELEVATION
O/HW	= OVERHEAD WIRE
PM	= PARKING METER POST
PP	= POWER POLE
PS	= PULL BOX
PC	= PROPERTY CORNER
PCC	= PORTLAND CEMENT CONCRETE
RCE	= REGISTERED CIVIL ENGINEER
RW	= RETAINING WALL
SB	= SPLASH BOX
SDMH	= STORM DRAIN MANHOLE
SMH	= SEWER MANHOLE
SPB	= SIGNAL PULL BOX
STLT	= STREET LIGHT
T.B.M.	= TEMPORARY BENCHMARK
TC	= TOP OF CURB
TG	= TOP OF GRADE ELEVATION
TELMH	= TELEPHONE MANHOLE
TS	= TRAFFIC SIGNAL
TW	= TOP OF WALL
WDFCE	= WOOD FENCE
WFCE	= WROUGH IRON FENCE
WM	= WATER METER
WV	= WATER VALVE
(00.00)	= EXISTING ELEVATION
00.00	= PROPOSED ELEVATION
-E---	= ELECTRICAL
-G---	= GAS
-W---	= WATER
-S---	= SEWER
-T---	= TELEPHONE

LEGEND

P.C.C. SLAB	
WROUGHT IRON FENCE	
CHAIN LINK FENCE	
RETAINING WALL	
WOOD FENCE	
TOP OF SLOPE	
TOE OF SLOPE	
TREES	
STUMP	
PALM	



Option B - Concrete Swale
3129 Via Serena North Slope
Laguna Woods Village
August 5, 2020

MS + MEGT
Landscape Architecture | Urban Design | Land Planning
305 North Coast Hwy Suite T
Laguna Beach CA 92651 T: 949.375.2523



PREPARED UNDER THE SUPERVISION OF
NADER J. QOBORSKI, PLS 7402 EXP. 12/31/21

FORESIGHT ENGINEERING INC. 		
CIVIL ENGINEERING & LAND SURVEYING 17621 IRVINE BLVD, SUITE 210 TUSTIN, CA 92780 TEL (714)542 1214 * FAX (714)542 0117		
PARTIAL TOPOGRAPHIC SURVEY 3129 VIA SERENA NORTH, LAGUNA WOODS, CA 92637		
DRAWING PREPARED FOR:		
DRAWN BY: JLB	SCALE: 1" = 10'	07/30/2020
CHECKED BY: NJQ	PROJ. NO. 373-106	SHEET 1 OF 1

Trees and Large Shrubs



Lophostemon confertus
Brisbane Box



Heteromeles arbutifolia
Toyon or equal



Cercis
Forest Pansy



Arbutus unedo - Dwarf
Dwarf Strawberry tree

Concept Plan - Plant Images and Options

Accent Shrubs



Dietes spp
Fortnight Lily



Raphiolepis
Indian Hawthorne



Cistus x purpureus spp
Orchid Rockrose



Salvia leucantha
Purple Sage - Option



Westringia fruticosa 'Blue Gem'
Coast Rosemary - Option



Dianella 'silver streak'

Groundcover / Grass Swale Options



Juncus patens
California Grey Rush



Carex praegracilis
Slender Sedge



Rosmarinus officinalis 'Prostratus'
Prostrate Rosemary



Carissa m. 'Green Carpet'
Trailing Natal Plum



Lantana Species
Lantana -New Gold



No Mow Fescue
Mid Slope Walkable