

# Third Laguna Hills Mutual Year in Review

Thursday, October 6, 2022



# Financial Report

Mark Laws, President

# General Financial Overview

As of August 31, 2022

<b>INCOME STATEMENT (in Thousands)</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE B/(W)</b>
Assessment Revenue	\$27,609	\$27,610	(\$1)
Non-assessment Revenue	\$1,422	\$1,396	\$25
Total Revenue	\$29,031	\$29,006	\$24
Total Expense	\$24,693	\$27,845	\$3,152
Net Revenue/(Expense)	\$4,338	\$1,161	\$3,176

# Non-Operating Funds Overview

As of August 31, 2022

<b>NON OPERATING FUND BALANCES (in Thousands)</b>	<b>Reserve Funds*</b>	<b>Garden Villa Fund</b>	<b>Disaster Fund</b>	<b>Unappropriated Expenditures Fund</b>	<b>TOTAL</b>
Beginning Balances: 1/1/22	\$19,069	\$104	\$5,442	\$3,847	\$28,462
Contributions & Interest	\$7,508	\$60	\$1,085	\$9	\$8,662
Expenditures	\$4,795	\$74	\$358	\$1	\$5,228
Current Balances: 8/31/22	\$21,782	\$90	\$6,169	\$3,855	\$31,986

\* Includes elevator and laundry funds

# 2023 Assessment Overview

Per Manor Per Month (PMPM)

MUTUAL	2022	2023	CHANGE
Third	\$559.62	\$559.62	\$0.00
GRF	\$217.50	\$221.31	\$3.81
<b>Total</b>	<b>\$777.12</b>	<b>\$780.93</b>	<b>\$3.81</b>

# Property Insurance Update

- Insurance remains at 22% of Third's expenses
- Board continuing to work to lower property insurance rates:
  - Beginning formal discussions with United to see if we can both reduce costs by jointly purchasing insurance
  - Working with our insurance broker to confirm the amount sufficient for property insurance coverage
  - Piloting idea to determine if it will meet lenders' requirements regarding property insurance coverage

# Landscaping

Ira Lewis, Landscape Committee Chair

# 2022 Accomplishments

- Continued providing basic services, including maintaining lawns, shrubs, trees, irrigation
- Trimmed more than 3,000 trees
- Planted more than 10,000 shrubs
- Reduced irrigation to save water and money



# 2023 Priorities

- Reduce costs while maintaining service levels
  - Focus on turf reduction
  - Focus on landscaping transition
- Improve beauty of landscape, including:
  - Piloting ways to fill bare spots on slopes
  - Improve process to decide which plants go in bare spots
  - Cut back slope overgrowth on sidewalks
- Ensure staff is trained on appropriate landscaping and customer service processes
- Review landscaping-related policies and resolutions to ensure they're clear and relevant

# Manor Alterations

Jim Cook, Architecture Controls and Standards Committee Chair

# 2022 Accomplishments

- Transitioned variance approvals from board to committee
- Once a variance is approved, it becomes an over-the-counter variance
  - Examples: Soffit removal, raising ceiling, cathedral ceiling
- Began updating standards to be more flexible and forward thinking
  - Example: Added colors and conformance to “current codes” for exterior doors

# 2022 Accomplishments

- Revise alterations processes to improve ease and speed for members
- Revise alterations processes to make it easier for contractors to do business in Third
- Improve services for residents
  - Example: Create chargeable service for small area of asbestos removal
- Review architectural standards, policies and resolutions to ensure they're clear and relevant

# Maintenance & Construction

Ralph Engdahl, Second Vice President and M&C Committee Chair

# 2022 Accomplishments

- PVC roofs: roofs replaced on 32 buildings this year
- Dry rot: 8 buildings underwent significant dry-rot repairs
- Exterior paint: all buildings in 6 cul-de-sacs will be repainted
- Waste line remediation: sewer epoxy lining completed on 4 three-story buildings
- Copper pipe epoxy: will complete internal building pipe re-lining on three buildings by year-end
- Pest control: 22 buildings are included in the 2022 fumigation program and on-track for completion
- Asphalt paving: overlay paving work was completed in multiple cul-de-sacs and entry drives

# 2022 Accomplishments

- Seal coat: asphalt seal coat maintenance was completed in 2 cul-de-sac areas and several street sections
- GV lobby: final lobby was completed in June; no additional lobbies planned until 2031
- GV rec room: funding provided to replace heat pumps and water heaters in 2 rec rooms
- Elevator mechanical upgrades: mechanical parts were replaced for 2 elevators
- Solar: our 12 solar installations helped offset some recent electricity cost increases

# 2023 Priorities

- Reduce costs while maintaining service levels, including:
  - Reduce moisture intrusion events by expanding pipe relining and installing pressure regulators
  - Determine if effective non-fumigation options exist for termite control
- Reduce safety issues, including:
  - Investigate causes and solutions for water seepage into GVA garages
  - Ensure appropriate safety lighting exists within mutual



# 2023 Priorities

- Improve services for residents, including:
  - Determine if upstairs units can support washers/dryers given latest technologies
  - Monitor latest technologies in electric vehicle charging capabilities for cost-effective solutions
- Review M&C-related policies and resolutions to ensure they're clear and relevant

# Water Conservation

Mark Laws, President

# Accomplishments

- ETWD directors participate in Water Conservation Committee meetings
- ETWD managers have shared updates at Third board meetings
- Educational flyers distributed throughout community
- Water conservation presentations at Laguna Woods Earth Day program
- Water conservation presentations at various residential meetings
- Significant decrease in tier 4 (excessive use) charges
- Residential (potable/drinkable) water use reduced 19% in 12 months
- Outside hose use (potable/drinkable) limited

# 2023 Priorities

- Work with other mutuals to help them to also reduce water use
- Continue communicating with members to make water conservation a way of life

# Communications

Annie McCary, First Vice President

# 2022 Accomplishments

- Continued working to communicate to Third members and residents via:
  - Periodic Wednesday emails from Third board president
  - Contribute to weekly “What’s Up in the Village” emails
  - Monthly town halls
  - Monthly TV6 appearances
  - Monthly new resident orientation events
  - Village Breeze articles
  - All Third’s committee and board meetings

# 2023 Priorities

- Continue working to communicate to Third members and residents
- Share policy and resolution information earlier in process to allow for more member input

# Compliance

Mark Laws, President



# Accomplishments

- Continued working to address rule violations to improve member enjoyment of Village – top violations include:
  - Clutter
  - Animal nuisance
  - Illegal occupancy
  - Landscaping
  - Maintenance

# 2023 Priorities

- Modify processes and communications to be more considerate and compassionate of members
- Review policies and resolutions to ensure they're clear and relevant

Thank you for your support