



SPECIAL OPEN SESSION

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

**Monday, June 3, 2024 - 9:30 a.m.
24351 El Toro Road, Laguna Woods, California
Board Room/Virtual Meeting**

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

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

NOTICE OF MEETING AND AGENDA

This Meeting May Be Recorded

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

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



STAFF REPORT

DATE: June 3, 2024
FOR: Board of Directors
SUBJECT: Proposed 2025 Business Plan – Version 1 – Landscape Review

RECOMMENDATION

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

DISCUSSION

On June 3, 2024 the Board will meet to review all components of the proposed operating and reserve expenditure budgets. A brief narrative for each of the budgetary line items is listed in order of appearance and changes resulting from the meeting will be incorporated into future versions of the 2025 Business Plan. Managers responsible for the programs will be in attendance and available to answer questions at the meeting.

FINANCIAL ANALYSIS

In this version of the 2025 Business Plan, the operating portion of the Landscape budget totals \$5,675,862 for landscape services such as grounds maintenance, irrigation, and pest control. This proposal reflects an increase of \$743,462 or 15% when compared to the current year budget. These programs are funded from the Operating Fund and will require an increase in the assessment of \$9.79 per manor per month as presented.

Landscape planned reserve expenditures total \$1,416,233 an increase of \$45,303 or 2% for scheduled tree maintenance, landscape renovation, and improvement and restoration. All reserve components will be evaluated within a 30-year reserves plan and presented for Board consideration at the July 17, 2024 business planning meeting.

Prepared By: Jose Campos, Assistant Director of Financial Services

Reviewed By: Steve Hormuth, Director of Financial Services

Attachment(s):

Attachment 1: Landscape Expenditures by Program with Narratives

**UNITED LAGUNA WOODS MUTUAL
2025 PLAN
Programs Report**

DESCRIPTION	2021 ACTUALS	2022 ACTUALS	2023 ACTUALS	2024 BUDGET	2025 BUDGET	LABOR	MATERIALS	OUTSIDE SERVICES	HOURS	ASSESSMENT INCREASE/(DECREASE) \$ %
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Lines 1 to 16 discussed at M&C and General Services review on May 23.

OPERATING FUND - LANDSCAPE SERVICES

17	LANDSCAPE ADMINISTRATION	224,189	240,721	\$255,873	352,686	371,124	\$371,124	\$0	\$0	0	18,438	5%
18	NURSERY & COMPOSTING	179,886	168,001	\$181,423	176,054	199,452	\$189,988	\$9,464	\$0	2,943	23,398	13%
	Nursery	141,671	111,937	116,063	109,461	125,209	119,267	5,941	0	1,847	15,748	14%
	Composting	38,215	56,150	65,360	66,593	74,243	70,721	3,523	0	1,096	7,650	11%
19	GROUNDS MAINTENANCE	\$2,533,632	\$2,586,468	\$2,684,640	\$3,064,086	\$3,555,721	\$3,020,888	\$49,834	\$485,000	53,180	491,635	16%
	Shrub-Bed Maintenance	1,692,520	1,808,828	1,867,493	2,156,202	2,666,191	2,628,432	37,759	0	36,844	509,989	24%
	Turf Maintenance	510,587	405,810	456,311	609,759	498,758	6,825	6,933	485,000	9,540	(111,001)	(18%)
	Miscellaneous Tasks	318,462	343,196	336,868	289,240	378,323	373,345	4,978	0	6,576	89,083	31%
	Slope Maintenance	12,063	28,634	23,968	8,885	12,449	12,286	164	0	220	3,564	40%
20	IRRIGATION	728,291	798,217	\$737,370	808,269	973,472	839,795	133,677	0	9,477	165,203	20%
21	SMALL EQUIPMENT REPAIR	215,076	215,897	\$169,025	212,462	217,517	217,517	0	0	0	5,055	2%
22	PEST CONTROL	275,162	282,425	\$283,478	318,843	358,576	309,796	48,780	0	3,788	39,733	12%
23	IMPROVEMENT & RESTORATION	(5,312)	13,101	\$7,045	0	0	0	0	0	0	0	0%
24	TREE MAINTENANCE	5,974	2,095	\$11,592	0	0	0	0	0	0	0	0%
TOTAL		\$4,156,996	\$4,306,366	\$4,330,446	\$4,932,400	\$5,675,862	\$4,949,108	\$241,755	\$485,000	69,388	\$743,462	15%

Lines 25 to 54 discussed at M&C and General Services review on May 23.

RESERVE FUND - LANDSCAPE SERVICES

55	SLOPE RENOVATION	\$160,582	\$100,652	\$93,113	\$109,792	\$99,824	\$12,636	\$2,006	\$85,182	143	(\$9,968)	(9%)
56	IMPROVEMENT & RESTORATION	273,458	167,701	132,560	195,857	207,352	202,102	5,250	0	0	11,495	(2%)
57	TREE MAINTENANCE	764,125	857,213	839,698	1,065,281	1,109,057	377,895	3,671	727,491	3,788	43,776	4%
TOTAL		\$1,198,165	\$1,125,565	\$1,065,371	\$1,370,930	\$1,416,233	\$592,633	\$10,927	\$812,673	3,931	\$45,303	2%

**UNITED LAGUNA WOODS MUTUAL
2025 OPERATING FUND EXPENDITURES
LANDSCAPE SERVICES**

Lines 1 to 16 discussed at M&C and General Services review on May 23.

17) Landscape Administration \$371,124

Landscape Administration support is provided to the United Board and Landscape Committee at regularly scheduled meetings. Additionally, the administrative staff provides customer service, database maintenance, and prepares work efficiency reports and annual operating budgets. Supervision of daily operations is in this budget item. Other tasks not directly related to the daily operation of individual work centers are also included in this budget.

The 2025 Administration budget has increased by \$18,438, or 5% over the 2024 Budget due to annual increase in wage rates.

18) Nursery and Composting \$199,452

The Nursery and Composting work center provide support for other work centers by growing and providing shrubs and trees for use throughout the community for new and replanting tasks. By growing all the plants used by the work centers on site, the cost of new and replacement plant materials is greatly reduced.

The Nursery portion of the 2025 Budget is \$125,209. Nursery costs have increased \$15,748, or 14% over the 2024 Budget due to shifting of vacancy factor to other work centers. The average cost per plant in place for United is \$19.06; a quote from an Orange County wholesale nursery of 61 different plants used in the Village, had an average cost of \$22.83 per plant, not including delivery.

The 2025 Composting Budget portion of the 2025 Budget is \$74,243 has increased by \$7,650 or 11% from the 2024 Budget due to the shifting of vacancy factor to other work centers.

The Composting work center supports other crews by using a tub grinder to recycle tree and shrub cuttings, into mulch used throughout the community. By recycling the green waste produced by the pruning within the Community, disposal costs are eliminated as well as the expense of purchasing mulch.

19) Grounds Maintenance \$3,555,721

Grounds Maintenance work center crews perform the routine maintenance tasks. The total cost of these Grounds Maintenance tasks is broken out below. It includes shrub bed maintenance, turf maintenance, miscellaneous tasks, and slope maintenance. Due to landscape work being predicated by weather, costs are determined by an analysis of actual labor hours for the previous three years.

The 2025 Grounds Maintenance budget has increased by \$491,636, or 16% due to annual salary increases and reallocation of hours due to contracting of mowing operations.

Shrub-Bed Maintenance **\$2,666,191**

Components required for shrub-bed maintenance consist of all pruning, cleaning, weeding, mulching, re-planting, and edging of the planters around buildings. The shrub-bed maintenance cycle varies seasonally and is performed on 75 shrub-bed acres in United.

The 2025 Shrub-Bed Maintenance Budget has increased by \$509,989, 24% over the 2024 Budget due to the following factors:

- Annual increase in wage rates, reduction of turnover
- Increase in agronomic costs (fertilizer, herbicides, etc.) due to inflation
- Reallocation of hours from turf maintenance

Turf Maintenance **\$498,758**

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

The 2025 Turf Maintenance Budget has decreased by (\$111,001), (18%) less than the 2024 Budget due to reallocation of hours to shrub-bed maintenance resulting from contracting mowing.

Miscellaneous Tasks **\$378,323**

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

The 2025 Miscellaneous Tasks Budget has increased by \$89,083 or 31% more than the 2024 Budget due to the department focus on improving core services, including increased employee training and annual increase in wage rates and reallocation of hours to storm clean up.

Slope Maintenance **\$12,449**

Components required for slope maintenance are similar to shrub-bed maintenance pruning, cleaning, weeding, edging, re-planting, and renovation. The maintenance cycle is performed on all slopes, of which there are 24 acres in United Mutual.

Starting in 2020, all large slope maintenance is performed by contracted vendor(s). Smaller slope maintenance adjacent to housing units will continue to be performed by staff in conjunction with shrub-bed maintenance.

The 2025 Slope Maintenance budget has increased by \$3,564, or 40% from the 2024 Operating Budget due to reallocation of hours.

20) Irrigation **\$973,472**

This is a support work center, providing irrigation support to other landscape maintenance sections. The irrigation work center oversees 4,154 watering zones

throughout United controlled by 163 irrigation controllers. These controllers are managed by a central irrigation computer through the use of radio and telephone communication transmission technologies. The system is weather sensitized and adjusts watering schedules based on daily fluctuations in plant evapotranspiration (ET) rates. The irrigation crew also maintains and cleans landscape drains throughout the community on a regular basis.

The 2025 Irrigation Maintenance budget has increased by \$165,203, or 20% over the 2024 Budget due to increase in wage rates and high cost of replacement parts.

21) Small Equipment Repair **\$217,517**

The Small Equipment Repair work center supports other work centers by providing mower and small equipment maintenance, repair, and delivery. Supplies and materials used by other work centers to maintain lawns, slopes, and shrub beds are ordered and received through this department.

The 2025 Small Equipment Repair Budget has increased by \$5,055, or 2% from the 2024 Budget due to annual increase in wage rates.

22) Pest Control **\$358,576**

Pest Control is a support work center, providing pest control support to other landscape maintenance sections. Pest Control uses various methods to control a variety of landscape pests that include weeds, insects including wasps and bees (in landscaping), and rodents and other vertebrae.

The 2025 Pest Control budget has increased by \$39,733, or 12% over the 2024 Budget due to the annual increase in wage rates, and an added spray technician.

23) Improvement/Restoration **\$0**

Item is included in Reserves.

24) Tree Maintenance **\$0**

Item is included in Reserves.

**UNITED LAGUNA WOODS MUTUAL
2025 RESERVE FUND EXPENDITURES
LANDSCAPE SERVICES**

Lines 25 to 54 discussed at M&C and General Services review on May 23.

55) Slope Renovation

\$99,824

Landscape renovation and modernization programs are to address specific areas of concern, as determined by collaboration between staff and the Landscape Committee. These projects are funded through the Replacement Fund. Each program requires varying levels of time and materials, depending upon the site(s) and project(s) selected to be completed each year.

The 2025 Landscape Renovation Budget has decreased by (\$9,968), or (9%) from the 2024 Budget due to slope work scope changes.

56) Improvement & Restoration

\$207,352

The landscape in the Community is aging and in much of it is passed its useful life. The Improvement and Restoration work center replaces aging and dead plantings as well as re-landscaping areas that are difficult to maintain and irrigate.

The 2025 Improvement and Restoration Budget has increased by \$11,495, or 2%, due to annual increase in wage rates and efficiencies.

57) Tree Maintenance

\$1,109,057

The Tree Maintenance work center, supplemented by contractors, perform routine tree trimming on approximately 38,000 trees within the Community. The service level is a six-year rotating cycle based upon the specific trimming needs of each tree species. All pruning is performed in accordance with International Society of Arboriculture pruning techniques. The tree inventory is maintained using the Stellar program. Starting in 2020, Staff is supplemented by outside services to complete the scheduled maintenance cycle.

The 2025 Tree Maintenance budget has increased by \$43,776, or 4% from the 2024 budget. This increase is due to an anticipated increase in tree trimming outsource costs and annual wage rate increases.

2025 United Mutual Landscape Budget

Kurt Wiemann, Director of Landscape Services

June 3, 2024



Landscape Administration



2024 funding level: \$352,686

2025 funding level: \$371,124

- Landscape administrative support is provided to Mutual boards and committees at regularly scheduled meetings.
- Administrative Staff provides customer service, database maintenance, prepares work efficiency reports and annual operating budgets, and performs other tasks not directly related to the daily operation of individual work centers.
- Supervision of daily operations is included in this budget item

Nursery and Composting



2024 funding level: \$176,055

2025 funding level: \$199,452

- Nursery Work Center supports other crews by growing and providing shrubs and trees for use throughout the Community for new and replanting tasks.
- Growing all plants used by crews in the Mutual greatly reduces plant material costs and delivery costs.
- The composting work center supports other crews by recycling tree and shrub cuttings (via a tub grinder) into mulch used throughout the Community.
- By recycling the green waste produced by crews, disposal costs, and mulch expenditures are greatly reduced.

Grounds Maintenance



2024 funding level: \$3,064,085

2025 funding level: \$3,555,721

- Grounds Maintenance crews perform routine landscape maintenance tasks. The total cost of these tasks is broken out on following slides. It includes four tasks: shrub bed maintenance, turf maintenance, miscellaneous tasks, and slope maintenance.
- Due to landscape work being predicated by weather, costs are determined by an analysis of actual labor hours for the previous three years.
- Since most landscape activities are predicated by ever-changing weather patterns, annual costs are determined by analyzing the previous three-year actual costs of labor and materials, accounting for inflation.

Shrub-Bed Maintenance

2024 funding level: \$2,156,202

2025 funding level: \$2,666,191

- Components required for shrub-bed maintenance include pruning, cleaning, weeding, mulching, replanting, and edging planters around buildings.
- Shrub-bed maintenance cycle is performed on 75 shrub-bed acres in United.
- In 2025, the shrub-bed maintenance cycle will be performed at least five times annually.

Turf Maintenance



2024 funding level: \$609,759

2025 funding level: \$498,758

- Mowing cycle schedules are adjusted seasonally to respond to differing growing conditions.
- Lawn repair activity is slowed in summer months and usually only done in emergency situations due to increased water and care necessary for new growth during summer heat.
- Turf maintenance responsibilities consist of 138 acres in United.
- For 2025, turf mowing and edging will be outsourced, enabling grounds maintenance crews time to perform more cycles at evenly spaced intervals.

Miscellaneous Tasks

2024 funding level: \$289,240

2025 funding level: \$378,323



The Grounds Maintenance work center also performs various miscellaneous tasks including:

- General cleanup
- Prep for storms, storm damage clean up, and repair
- Prep for paint crew and fumigation access
- Ticket response crews
- Employee training

Slope Maintenance



2024 funding level: \$8,885

2025 funding level: \$12,449

- Components required for slope maintenance are similar to shrub-bed maintenance.
- The maintenance cycle is performed on 24 acres of slopes in United.
- Smaller slope maintenance adjacent to housing units is performed by staff twice annually in conjunction with shrub-bed maintenance.

Irrigation

2024 funding level: \$808,269

2025 funding level: \$973,472



This support work center provides irrigation support to other landscape maintenance sections.

- The irrigation work center oversees 4,154 watering zones throughout United, controlled by 163 irrigation controllers.
- The system is weather sensitized and adjusts watering schedules based on daily fluctuations in plant evapotranspiration (ET) rates.
- The irrigation crew also maintains and cleans landscape drains throughout the community on a regular basis.

Small Equipment Repair

2024 funding level: \$212,462

2025 funding level: \$217,517

Small Equipment Repair Center supports other crews:

- Provide mower and small equipment maintenance, repair, and delivery.
- Order and receive supplies and materials other crews use to maintain lawns, slopes, and shrub beds.
- Refurbish capital equipment, such as riding mowers, reducing capital expenditures.

Pest Control

2024 funding level: \$318,843

2025 funding level: \$358,576

- Pest Control uses various methods to control a variety of landscape pests.
- Pests include weeds, ants, wasps, bees, rodents, and other vertebrate (in landscaping).
- Pest Control provides support to other Landscape Maintenance work centers.

Slope Renovation



2024 funding level: \$109,792

2025 funding level: \$99,824

- Landscape renovation programs address specific areas of concern as determined by each Mutual and funded through the Replacement Fund.
- Each program requires varying levels of time/materials, depending on the site(s)/project(s) selected to be completed.
- For 2025, staff recommends:
 - \$85,182 for slope maintenance
 - \$14,642 for irrigation retrofit

Improvement and Restoration



2024 funding level: \$195,857

2024 funding level: \$207,352

- The community's landscape is aging, and much of it is past its useful life. The Improvement and Restoration work center replaces aging and dead plantings and re-landscapes turf areas that are difficult to maintain and irrigate.

Tree Maintenance



2024 funding level: \$1,065,281

2025 funding level: \$1,109,057

Funding is based on tree counts by species, work is done on an approved six-year trimming schedule.

- Contractors perform scheduled maintenance and large tree removals; staff performs service requests and smaller tree removals
- Service level is a six-year rotating cycle based on the specific trimming needs of each tree species.

All work is performed following the International Society of Arboriculture pruning techniques.

Resident Chargeable Services

2024 funding level: \$0

2025 funding level: \$0

- In addition to routine maintenance, Grounds Maintenance crew may perform various services upon request.
- The cost of these services, both labor and materials, is charged to the Member requesting the service.
- Chargeable services include additional plantings, weeding, or pruning done out of cycle.

Budget Considerations



Per Landscape Committee:

- Picnic Tables
- Benches
- 3rd slope rotation (+ \$45,100, 53%)
- Additional Tree Trimming

Questions