



REGULAR MEETING OF THE FINANCE COMMITTEE

**Tuesday, March 26, 2019 – 2:00 p.m.
Laguna Woods Village Community Center Sycamore Room
24351 El Toro Road**

AGENDA

1. Call to Order
2. Acknowledgment of Media
3. Approval of the Agenda
4. Approval of Meeting Report for January 29, 2019
5. Chair Remarks
6. Member Comments (Items Not on the Agenda)
7. Department Head Update

Reports

8. Preliminary Financial Statements dated February 28, 2019

Items for Discussion and Consideration

9. Payment Plan Form for Delinquent Assessments
10. Discuss E-Z Pay Service
11. Discuss Recognition Agreement
12. Investment Task Force Update
13. Select Audit Task Force Update
14. 2019 Reserve Study Update
15. Endorsements from Standings Committees
 - a. Financial Qualifications
 - b. Golf Cart Charging Violation Fees

Future Agenda Items

Finance Committee Charter

Concluding Business:

16. Committee Member Comments
17. Date of Next Meeting – Tuesday, May 28, 2019 at 2:00 p.m.
18. Recess to Closed Session

Gary Morrison, Chair
Betty Parker, Staff Officer
Telephone: 949-597-4201



OPEN MEETING

REPORT OF THE REGULAR MEETING OF THE
UNITED LAGUNA WOODS MUTUAL FINANCE COMMITTEE

Tuesday, January 29, 2019 – 2:00 p.m.

Laguna Woods Village Community Center Sycamore Room, 24351 El Toro Road

MEMBERS PRESENT: Gary Morrison - Chair, Juanita Skillman, Carl Randazzo, Sue Margolis, Elsie Addington (Alternate)

OTHERS PRESENT: Maggie Blackwell, Manuel Armendariz, Andre Torng, Dick Rader (VMS)

MEMBERS ABSENT: None

STAFF PRESENT: Betty Parker, Siobhan Foster, Steve Hormuth, Christopher Swanson

Call to Order

Director Morrison chaired the meeting and called it to order at 2:00 p.m.

Approval of Agenda

A motion was made and carried unanimously to approve the agenda as presented.

Approval of the Regular Meeting Report of November 28, 2018

A motion was made and carried unanimously to approve the Committee report with a correction of spelling to Director Addington's first name. Additionally, Director Margolis requested the time she entered the meeting be added for clarification.

Member Comments (Items Not on the Agenda)

Director Torng commented on procedures for creation of annual budgets.

Director Armendariz commented on the incorrect schedule of traffic fines sent out in the November 2018 mailing. Security advised that they will resend the revised fee schedule in the April 2019 mailing.

Department Head Update

Betty Parker, Chief Financial Officer, provided an update on the Investment Task Force, noting that an RFI is being drafted to seek vendor proposals.

Review Preliminary Financial Statements dated December 31, 2018

The Committee was provided a handout of preliminary December 31, 2018 Financial Statements at the meeting. Discussion ensued and questions were addressed.

Payment Plan Form for Delinquent Assessments

The Committee reviewed recommendations from the Governing Documents Committee regarding the Delinquent Assessments Payment Plan Form. Director Armendariz requested that additional language be included into the Payment Plan Form to clarify that interest is calculated on the unpaid delinquent assessments, not fines or fees.

A motion was made and carried by a vote of 3-1 (Skillman opposed) to recommend the Board remove the monthly administrative fee of \$25.00 and replace with a one-time setup fee of \$50.00 per payment plan.

Damage Reimbursement Administrative Fee

Director Skillman provided background information on the amount of staff time and work associated with Damage Restoration Hearings.

A motion was made and carried unanimously to recommend the Board approve the Damage Reimbursement Administrative Fee as outlined in the Staff Report.

Guarantor Agreement Form

The Committee discussed a proposal under review to reintroduce a Guarantor Policy for prospective members unable to meet established financial qualifications. If approved, the Governing Document Committee requested that delinquent letters be sent to both the Member and the Guarantor on file.

Purchase of Used Laundry Dryers from Third Laguna Hills Mutual

A verbal update was provided by various Committee members.

2019 Reserve Study Update

The Committee was provided with a status of the bidding process and timeframe for completion. Staff will present a bid analysis and recommendation for awarding the contract at the February 12, 2019 Board meeting during closed session.

Post Emergent Herbicides

The Committee discussed herbicide use in the Community. A motion was made to recommend the Board approve discontinuing the use of Roundup immediately in United Laguna Woods Mutual. The motion failed for a lack of a second.

Solar Energy Update

The Committee reviewed and discussed a handout, United Solar System First-Year Charges. The Committee requested summary page to present total figures for all 8 solar systems.

Date of Next Meeting

Tuesday, March 26, 2019 at 2:00 p.m.

Recess to Closed Session

The meeting recessed to closed session at 4:12 p.m.



Gary Morrison, Chair

United Laguna Woods Mutual
Statement of Revenues & Expenses - Preliminary
2/28/2019
(\$ IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			YTD 2017 ACTUAL	ANNUAL BUDGET	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE			
Revenues:									
Assessments:									
1	Operating	\$2,337	\$2,229	\$108	\$4,674	\$4,458	\$216	\$4,538	\$26,750
2	Additions to restricted funds	1,031	1,031		2,061	2,061		1,985	12,368
3	Total assessments	3,368	3,260	108	6,736	6,519	216	6,523	39,118
Non-assessment revenues:									
4	Merchandise sales	4	2	1	6	5	1	8	30
5	Fees and charges for services to residents	49	39	10	106	79	27	42	475
6	Laundry	23	23	(1)	45	47	(2)	37	280
7	Interest income	34	12	22	70	48	22	61	289
8	Miscellaneous	49	53	(4)	81	107	(26)	67	641
9	Total non-assessment revenue	159	131	28	308	286	23	215	1,715
10	Total revenue	3,527	3,390	136	7,044	6,805	239	6,738	40,832
Expenses:									
11	Employee compensation and related	1,105	1,166	61	2,399	2,432	33	2,244	14,884
12	Materials and supplies	275	256	(19)	593	511	(81)	414	3,068
13	Utilities and telephone	318	305	(14)	552	617	66	592	4,232
14	Legal fees	4	15	11	20	29	9	25	175
15	Professional fees	4	9	5	8	18	10	(1)	168
16	Equipment rental	2	3	1	2	6	4		37
17	Outside services	385	654	269	604	1,308	704	361	7,848
18	Repairs and maintenance	5	4	(1)	7	8	1	4	47
19	Other Operating Expense	14	17	3	23	32	10	18	186
20	Property and sales tax	947	818	(129)	1,835	1,635	(200)	1,684	9,811
21	Insurance	104	108	4	214	215	1	213	1,292
22	Investment expense	9	9		9	9		9	9
23	Uncollectible Accounts	(6)		6	1		(1)	(3)	
24	(Gain)/loss on sale or trade	1	1	(1)	1		(1)		(6)
25	Depreciation and amortization	17	17		35	35		35	208
26	Net allocation to mutuals	87	93	5	181	194	12	189	1,185
27	Total expenses	3,271	3,473	202	6,485	7,051	565	5,785	43,144
28	Excess of revenues over expenses	\$256	(\$83)	\$339	\$559	(\$246)	\$804	\$954	(\$2,312)

**United Laguna Woods Mutual
Operating Statement
2/28/2019
UNITED LAGUNA WOODS MUTUAL**

	Actual	YEAR TO DATE Budget	VAR\$ B/(W)	VAR% B/(W)	ANNUAL BUDGET
Revenues:					
Assessments:					
Operating					
41001000 - Monthly Assessments	\$2,689,678	\$2,689,678	\$0	0.00%	\$16,139,892
41007000 - Monthly Assessments - Property Taxes	1,780,348	1,635,130	145,218	8.88%	9,810,779
41007500 - Monthly Assessments - Supplemental Property Taxes	71,233	0	71,233	0.00%	0
41008000 - Monthly Assessments - Property Insurance	133,187	133,188	(1)	0.00%	799,133
Total Operating	4,674,446	4,457,996	216,450	4.86%	26,749,804
Additions To Restricted Funds					
41001500 - Monthly Assessments - Contingency Fund	189,690	189,690	0	0.00%	1,138,140
41003500 - Monthly Assessments - Replacement Fund	1,871,608	1,871,608	0	0.00%	11,229,648
Total Additions To Restricted Funds	2,061,298	2,061,298	0	0.00%	12,367,788
Total Assessments	6,735,744	6,519,294	216,450	3.32%	39,117,592
Non-Assessment Revenues:					
Merchandise Sales					
41501500 - Merchandise Sales - Warehouse	6,174	4,998	1,176	23.53%	30,000
Total Merchandise Sales	6,174	4,998	1,176	23.53%	30,000
Fees and Charges for Services to Residents					
46501000 - Permit Fee	17,929	12,536	5,393	43.02%	75,223
46501500 - Inspection Fee	7,206	8,974	(1,768)	(19.70%)	53,849
46502000 - Resident Maintenance Fee	80,815	57,466	23,349	40.63%	346,066
Total Fees and Charges for Services to Residents	105,950	78,976	26,974	34.15%	475,138
Laundry					
46005000 - Coin Op Laundry Machine	45,087	46,666	(1,579)	(3.38%)	280,000
Total Laundry	45,087	46,666	(1,579)	(3.38%)	280,000
Interest Income					
49001000 - Interest Income - Treasury Notes	16,203	11,920	4,283	35.93%	71,522
49001500 - Interest Income - Treasury Notes - Discretionary	37,416	25,232	12,184	48.29%	151,391
49002000 - Interest Income - Money Market	671	263	408	155.23%	1,576
49002500 - Interest Income - Gnma Securities - Discretionary	15,794	10,741	5,053	47.04%	64,444
Total Interest Income	70,083	48,156	21,928	45.53%	288,933
Miscellaneous					
46004500 - Resident Violations	17,800	1,666	16,134	968.43%	10,000
44501000 - Additional Occupant Fee	7,100	12,000	(4,900)	(40.83%)	72,000
44501500 - Lease Processing Fee - United	17,900	20,000	(2,100)	(10.50%)	120,000
44502000 - Variance Processing Fee	900	2,082	(1,182)	(56.77%)	12,500
44503000 - Stock Transfer Fee	1,850	2,166	(316)	(14.59%)	13,000
44503510 - Resale Processing Fee - United	12,712	35,000	(22,288)	(63.68%)	210,000
44507000 - Golf Cart Electric Fee	9,885	10,000	(115)	(1.15%)	60,000
44507200 - Electric Vehicle Plug-In Fee	2,527	1,000	1,527	152.70%	6,000
44507500 - Cartport/Carport Space Rental Fee	413	500	(88)	(17.50%)	3,000
47001500 - Late Fee Revenue	8,575	8,000	575	7.19%	48,000
47002010 - Collection Administrative Fee - United	0	12,000	(12,000)	(100.00%)	72,000
47002500 - Collection Interest Revenue	145	0	145	0.00%	0
47501000 - Recycling	983	666	317	47.56%	4,000
48001000 - Legal Fee	0	1,666	(1,666)	(100.00%)	10,000
49009000 - Miscellaneous Revenue	89	0	89	0.00%	0
Total Miscellaneous	80,879	106,746	(25,867)	(24.23%)	640,500
Total Non-Assessment Revenue	308,172	285,542	22,630	7.93%	1,714,571
Total Revenue	7,043,916	6,804,835	239,081	3.51%	40,832,163

Expenses:

**United Laguna Woods Mutual
Operating Statement**

2/28/2019

UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
Employee Compensation					
51011000 - Salaries & Wages - Regular	334,188	417,476	83,288	19.95%	2,629,806
51021000 - Union Wages - Regular	875,895	1,055,480	179,586	17.01%	6,529,655
51041000 - Wages - Overtime	8,297	4,868	(3,429)	(70.43%)	29,215
51051000 - Union Wages - Overtime	20,261	10,725	(9,536)	(88.92%)	64,364
51061000 - Holiday	236,854	124,415	(112,439)	(90.37%)	773,571
51071000 - Sick	46,918	50,748	3,830	7.55%	315,535
51091000 - Missed Meal Penalty	291	150	(141)	(93.85%)	910
51101000 - Temporary Help	17,747	8,454	(9,293)	(109.92%)	50,735
51981000 - Compensation Accrual	122,227	611	(121,616)	(19906.96%)	3,670
Total Employee Compensation	1,662,676	1,672,927	10,251	0.61%	10,397,460
Compensation Related					
52411000 - F.I.C.A.	115,056	126,081	11,025	8.74%	776,410
52421000 - F.U.I.	7,446	5,534	(1,912)	(34.55%)	13,222
52431000 - S.U.I.	57,113	27,670	(29,442)	(106.40%)	58,909
52441000 - Union Medical	331,235	352,411	21,176	6.01%	2,114,466
52451000 - Workers' Compensation Insurance	112,519	123,415	10,895	8.83%	765,713
52461000 - Non Union Medical & Life Insurance	52,978	49,467	(3,511)	(7.10%)	296,801
52471000 - Union Retirement Plan	61,944	55,857	(6,087)	(10.90%)	345,553
52481000 - Non-Union Retirement Plan	7,578	18,206	10,628	58.38%	114,678
52981000 - Compensation Related Accrual	(9,512)	126	9,638	7642.01%	765
Total Compensation Related	736,356	758,767	22,411	2.95%	4,486,515
Materials and Supplies					
53001000 - Materials & Supplies	83,332	97,409	14,077	14.45%	584,690
53003000 - Materials Direct	509,432	413,862	(95,570)	(23.09%)	2,483,765
Total Materials and Supplies	592,763	511,271	(81,493)	(15.94%)	3,068,455
Utilities and Telephone					
53301000 - Electricity	61,689	40,800	(20,889)	(51.20%)	185,320
53301500 - Sewer	273,537	293,000	19,463	6.64%	1,776,600
53302000 - Water	138,079	213,960	75,881	35.46%	1,850,960
53302500 - Trash	78,091	69,725	(8,366)	(12.00%)	418,741
53304000 - Telephone	112	0	(112)	0.00%	0
Total Utilities and Telephone	551,508	617,485	65,977	10.68%	4,231,621
Legal Fees					
53401500 - Legal Fees	20,377	29,166	8,789	30.13%	175,000
Total Legal Fees	20,377	29,166	8,789	30.13%	175,000
Professional Fees					
53402000 - Audit & Tax Preparation Fees	0	0	0	0.00%	57,600
53403500 - Consulting Fees	0	1,185	1,185	100.00%	7,116
53403510 - Consulting Fees - United	8,185	17,198	9,013	52.41%	103,199
Total Professional Fees	8,185	18,383	10,198	55.48%	167,915
Equipment Rental					
53501500 - Equipment Rental/Lease Fees	2,393	6,390	3,997	62.55%	37,424
Total Equipment Rental	2,393	6,390	3,997	62.55%	37,424
Outside Services					
53601000 - Bank Fees	0	678	678	100.00%	4,071
54603500 - Outside Services CC	594,361	1,285,050	690,689	53.75%	7,710,601
53704000 - Outside Services	9,600	22,285	12,685	56.92%	133,771
Total Outside Services	603,962	1,308,013	704,051	53.83%	7,848,443
Repairs and Maintenance					
53701000 - Equipment Repair & Maint	2,727	2,630	(97)	(3.67%)	15,823
53703000 - Elevator /Lift Maintenance	4,425	5,168	743	14.37%	31,008
Total Repairs and Maintenance	7,152	7,798	646	8.28%	46,831
Other Operating Expense					
53801000 - Mileage & Meal Allowance	920	2,536	1,617	63.74%	15,244
53801500 - Travel & Lodging	0	171	171	100.00%	1,031

**United Laguna Woods Mutual
Operating Statement**

2/28/2019

UNITED LAGUNA WOODS MUTUAL

	YEAR TO DATE				ANNUAL
	Actual	Budget	VAR\$ B/(W)	VAR% B/(W)	BUDGET
53802000 - Uniforms	9,120	15,823	6,704	42.37%	85,428
53802500 - Dues & Memberships	208	312	104	33.43%	2,054
53803000 - Subscriptions & Books	843	332	(512)	(154.15%)	1,992
53803500 - Training & Education	1,332	2,716	1,384	50.95%	16,324
53901500 - Volunteer Support	0	0	0	0.00%	1,626
53903000 - Safety	0	30	30	100.00%	182
54001000 - Board Relations	316	611	295	48.31%	3,666
54001010 - Board Relations - United	178	832	654	78.64%	5,000
54002000 - Postage	9,580	8,740	(840)	(9.61%)	52,439
54002500 - Filing Fees / Permits	89	167	78	46.63%	1,239
Total Other Operating Expense	22,585	32,270	9,685	30.01%	186,226
Property and Sales Tax					
54302000 - Property Taxes	1,835,252	1,635,130	(200,122)	(12.24%)	9,810,779
Total Property and Sales Tax	1,835,252	1,635,130	(200,122)	(12.24%)	9,810,779
Insurance					
54401000 - Hazard & Liability Insurance	69,536	69,990	454	0.65%	419,942
54401500 - D&O Liability	10,681	10,941	261	2.38%	65,650
54402000 - Property Insurance	133,123	133,189	66	0.05%	799,133
54403000 - General Liability Insurance	769	1,221	452	37.00%	7,328
Total Insurance	214,109	215,341	1,232	0.57%	1,292,054
Investment Expense					
54201000 - Investment Expense	9,385	9,385	0	0.00%	9,385
Total Investment Expense	9,385	9,385	0	0.00%	9,385
Uncollectible Accounts					
54602000 - Bad Debt Expense	1,311	0	(1,311)	0.00%	0
Total Uncollectible Accounts	1,311	0	(1,311)	0.00%	0
(Gain)/Loss on Sale or Trade					
54101000 - (Gain)/Loss - Warehouse Sales	(57)	(1,250)	(1,193)	(95.41%)	(7,500)
54101500 - (Gain)/Loss On Investments	1,137	1,137	0	0.00%	1,137
Total (Gain)/Loss on Sale or Trade	1,079	(113)	(1,193)	(1051.97%)	(6,363)
Depreciation and Amortization					
55001000 - Depreciation And Amortization	34,668	34,668	0	0.00%	208,010
Total Depreciation and Amortization	34,668	34,668	0	0.00%	208,010
Net Allocation to Mutuals					
54602500 - Allocated Expenses	181,436	193,648	12,211	6.31%	1,184,743
Total Net Allocation to Mutuals	181,436	193,648	12,211	6.31%	1,184,743
Total Expenses	6,485,198	7,050,529	565,331	8.02%	43,144,498
Excess of Revenues Over Expenses	\$558,718	(\$245,694)	\$804,412	327.40%	(\$2,312,335)

**United Laguna Woods Mutual
Balance Sheet - Preliminary
2/28/2019**

		<u>Current Month End</u>	<u>Prior Year December 31</u>
Assets			
1	Cash and cash equivalents	\$6,180,865	\$3,195,910
2	Non-discretionary investments	3,961,546	4,952,044
3	Discretionary investments	15,133,370	15,069,666
4	Receivable/(Payable) from mutuals	1,925,801	2,098,613
5	Accounts receivable and interest receivable	804,143	(63,374)
6	Prepaid expenses and deposits	232,934	129,498
7	Property and equipment	91,989,605	91,989,605
8	Accumulated depreciation property and equipment	(83,753,639)	(83,753,128)
9	Beneficial interest in GRF of Laguna Hills Trust	5,957,972	5,992,130
10	Non-controlling interest in GRF	38,371,267	38,371,267
11	Total Assets	<u>\$80,803,864</u>	<u>\$77,982,230</u>
Liabilities and Fund Balances			
Liabilities:			
12	Accounts payable and accrued expenses	\$2,925,457	\$1,509,166
13	Accrued compensation and related costs	612,761	612,761
14	Deferred income	1,820,443	973,818
15	Income tax payable	10,621	10,621
16	Asset retirement obligation	1,128,798	1,128,798
17	Total liabilities	<u>\$6,498,081</u>	<u>\$4,235,165</u>
Fund balances:			
18	Fund balance prior years	73,747,065	75,340,207
19	Change in fund balance - current year	558,718	(1,593,142)
20	Total fund balances	<u>74,305,783</u>	<u>73,747,065</u>
21	Total Liabilities and Fund Balances	<u>\$80,803,864</u>	<u>\$77,982,230</u>

3/15/2019

**United Laguna Woods Mutual
Fund Balance Sheet - Preliminary
2/28/2019**

		<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Assets					
1	Cash and cash equivalents	\$6,180,865			\$6,180,865
2	Non-discretionary investments	3,961,546			3,961,546
3	Discretionary investments	15,133,370			15,133,370
4	Receivable/(Payable) from mutuals	1,925,801			1,925,801
5	Receivable/(Payable) from operating fund	(22,164,328)	2,820,766	19,343,562	
6	Accounts receivable and interest receivable	804,143			804,143
7	Prepaid expenses and deposits	227,532	5,403		232,934
8	Property and equipment	91,989,605			91,989,605
9	Accumulated depreciation property and equipment	(83,753,639)			(83,753,639)
10	Beneficial interest in GRF of Laguna Hills Trust	5,957,972			5,957,972
11	Non-controlling interest in GRF	38,371,267			38,371,267
12	Total Assets	<u>\$58,634,134</u>	<u>\$2,826,168</u>	<u>\$19,343,562</u>	<u>\$80,803,864</u>
Liabilities and Fund Balances					
Liabilities:					
13	Accounts payable and accrued expenses	\$2,713,488	\$2,558	\$209,412	\$2,925,458
14	Accrued compensation and related costs	612,761			612,761
15	Deferred income	1,820,443			1,820,443
16	Income tax payable	10,621			10,621
17	Asset retirement obligation	1,128,798			1,128,798
18	Total liabilities	<u>\$6,286,111</u>	<u>\$2,558</u>	<u>\$209,412</u>	<u>\$6,498,081</u>
Fund balances:					
19	Fund balance prior years	52,033,712	2,661,010	19,052,344	73,747,065
20	Change in fund balance - current year	314,311	162,601	81,806	558,718
21	Total fund balances	<u>52,348,022</u>	<u>2,823,611</u>	<u>19,134,150</u>	<u>74,305,783</u>
22	Total Liabilities and Fund Balances	<u>\$58,634,134</u>	<u>\$2,826,168</u>	<u>\$19,343,562</u>	<u>\$80,803,864</u>

United Laguna Woods Mutual
Changes in Fund Balances - Preliminary
2/28/2019

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Revenues:				
Assessments:				
1	\$4,674,446			\$4,674,446
2		189,690	1,871,608	2,061,298
3	<u>4,674,446</u>	<u>189,690</u>	<u>1,871,608</u>	<u>6,735,744</u>
Non-assessment revenues:				
4	6,174			6,174
5	105,950			105,950
6	45,087			45,087
7		8,689	61,394	70,083
8	80,879			80,879
9	<u>238,089</u>	<u>8,689</u>	<u>61,394</u>	<u>308,172</u>
10	<u>4,912,535</u>	<u>198,379</u>	<u>1,933,002</u>	<u>7,043,916</u>
Expenses:				
11	1,588,337	2,846	807,850	2,399,032
12	118,730	159	473,875	592,763
13	544,211	24	7,273	551,508
14	20,377			20,377
15	8,185			8,185
16	749	9	1,636	2,393
17	65,243	31,316	507,404	603,962
18	6,474	1	678	7,152
19	17,954	12	4,619	22,585
20	1,835,252			1,835,252
21	214,109			214,109
22		1,177	8,208	9,385
23	1,311			1,311
24	(57)	143	994	1,079
25	34,668			34,668
26	142,683	92	38,661	181,436
27	<u>4,598,225</u>	<u>35,778</u>	<u>1,851,196</u>	<u>6,485,198</u>
28	<u>\$314,311</u>	<u>\$162,601</u>	<u>\$81,806</u>	<u>\$558,718</u>
29	<u>\$348,979</u>	<u>\$162,601</u>	<u>\$81,806</u>	<u>\$593,386</u>

**UNITED LAGUNA WOODS MUTUAL
NON-DISCRETIONARY ACCOUNT HELD BY BANK OF AMERICA
SCHEDULE OF INVESTMENTS
2/28/19**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
912796RH4	U.S. TREASURY BILL	0.00%	11-30-18	04-18-19	3,000,000.00	2.38%	2,972,981.88	
912796QH5	U.S. TREASURY BILL	0.00%	11-30-18	05-23-19	1,000,000.00	2.42%	988,564.33	
TOTAL FOR NON-DISCRETIONARY INVESTMENTS					\$ 4,000,000.00		\$ 3,961,546.21	2.53%

*Yield is based on all investments held during the year

**UNITED LAGUNA WOODS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
2/28/19**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
	M.L. MONEY MARKET				\$ 484,735.98		\$ 484,735.98	
912796RB7	U.S. TREASURY BILL	0.00%	11-02-10	03-14-19	575,000.00	2.40%	573,904.55	
912828KQ2	U.S. TREASURY NOTE	3.13%	11-02-10	05-15-19	594,000.00	3.77%	562,212.10	
912828KQ2	U.S. TREASURY NOTE	3.13%	11-02-10	05-15-19	150,000.00	3.18%	149,309.19	
02665WBE0	CORPORATE BOND	1.20%	11-02-10	07-12-19	150,000.00	1.57%	148,920.00	
9128283N8	U.S. TREASURY NOTE	1.88%	01-02-18	12-31-19	350,000.00	1.90%	349,795.51	
94974BGF1	CORPORATE BOND	2.15%	01-10-17	01-30-20	175,000.00	2.22%	174,613.25	
912828MP2	U.S. TREASURY NOTE	3.63%	04-21-10	02-15-20	150,000.00	3.77%	148,131.47	
20030NBA8	CORPORATE BOND	5.15%	04-19-16	03-01-20	150,000.00	1.41%	171,006.00	
20030NBA8	CORPORATE BOND	5.15%	10-23-17	03-01-20	50,000.00	1.90%	53,715.50	
9128284C1	U.S. TREASURY NOTE	2.25%	04-20-18	03-31-20	250,000.00	2.43%	249,141.05	
912828K33	U.S. TIP NOTE	0.13%	03-08-17	04-15-20	300,000.00	0.12%	314,656.48	
912828ND8	U.S. TREASURY NOTE	3.50%	07-15-10	05-15-20	500,000.00	3.02%	520,119.19	
912828ND8	U.S. TREASURY NOTE	3.50%	10-30-12	05-15-20	225,000.00	1.35%	259,524.34	
17275RAX0	CORPORATE BOND	2.45%	08-18-17	06-15-20	100,000.00	1.76%	101,878.00	
912828XY1	U.S. TREASURY NOTE	2.50%	08-06-18	06-30-20	150,000.00	2.66%	149,549.08	
912828NT3	U.S. TREASURY NOTE	2.63%	10-28-10	08-15-20	250,000.00	2.68%	248,721.70	
375558BB8	CORPORATE BOND	2.55%	04-18-16	09-01-20	100,000.00	1.72%	103,465.00	
9128285G1	U.S. TREASURY NOTE	2.88%	11-02-18	10-31-20	250,000.00	2.87%	249,990.65	
06051GFT1	CORPORATE BOND	2.63%	04-23-18	10-19-20	100,000.00	2.95%	99,216.00	
912828M98	U.S. TREASURY NOTE	1.63%	12-24-15	11-30-20	300,000.00	1.72%	298,629.41	
05531FAZ6	CORPORATE BOND	2.15%	05-31-18	02-01-21	150,000.00	3.02%	146,655.00	
46625HQJ2	CORPORATE BOND	2.55%	04-18-16	03-01-21	100,000.00	2.31%	101,049.00	
89236TCZ6	CORPORATE BOND	1.90%	05-31-18	04-08-21	125,000.00	2.74%	122,136.25	
9128284G2	U.S. TREASURY NOTE	2.38%	04-20-18	04-15-21	250,000.00	2.57%	248,594.17	
0258M0EB1	CORPORATE BOND	2.25%	04-23-18	05-05-21	150,000.00	3.10%	146,322.00	
037833AR1	CORPORATE BOND	2.85%	04-18-16	05-06-21	100,000.00	1.79%	105,086.00	
037833AR1	CORPORATE BOND	2.85%	10-23-17	05-06-21	50,000.00	2.06%	51,324.50	
369550BE7	CORPORATE BOND	3.00%	11-02-18	05-11-21	150,000.00	3.23%	149,140.50	
857477AV5	CORPORATE BOND	1.95%	10-23-17	05-19-21	50,000.00	2.06%	49,801.00	
38141GGQ1	CORPORATE BOND	5.25%	12-27-18	07-27-21	150,000.00	3.80%	155,265.00	

**UNITED LAGUNA WOODS MUTUAL
DISCRETIONARY ACCOUNT - BLACKROCK/MERRILL LYNCH
SCHEDULE OF INVESTMENTS
2/28/19**

I.D. NO.	DESCRIPTION	STATED RATE	SETTLEMENT DATE	MATURITY DATE	PAR VALUE	EFFECT. YIELD	ORIGINAL COST	ANNUALIZED YTD YIELD *
912828WY2	U.S. TREASURY NOTE	2.25%	05-30-18	07-31-21	300,000.00	2.65%	296,367.69	
594918BP8	CORPORATE BOND	1.55%	11-01-16	08-08-21	100,000.00	1.55%	98,911.00	
912828RC6	U.S. TREASURY NOTE	2.13%	11-09-11	08-15-21	750,000.00	2.04%	755,452.22	
404280AN9	CORPORATE BOND	4.00%	04-23-18	03-30-22	100,000.00	3.32%	102,466.00	
747525AE3	CORPORATE BOND	3.00%	12-26-18	05-20-22	125,000.00	3.57%	122,707.50	
91324PCN0	CORPORATE BOND	3.35%	07-19-16	07-15-22	100,000.00	1.99%	107,590.00	
912828L24	U.S. TREASURY NOTE	1.88%	11-06-15	08-31-22	600,000.00	1.88%	592,149.64	
375558BC6	CORPORATE BOND	3.25%	07-20-16	09-01-22	100,000.00	2.04%	106,727.00	
375558BC6	CORPORATE BOND	3.25%	10-23-17	09-01-22	50,000.00	2.38%	51,901.00	
912828M80	U.S. TREASURY NOTE	2.00%	12-08-15	11-30-22	600,000.00	2.00%	599,954.33	
46625HJH4	CORPORATE BOND	3.20%	08-18-17	01-25-23	100,000.00	2.68%	102,577.00	
46625HJH4	CORPORATE BOND	3.20%	10-23-17	01-25-23	50,000.00	2.67%	51,270.50	
912828P38	U.S. TREASURY NOTE	1.75%	02-22-16	01-31-23	250,000.00	1.58%	252,666.52	
037833AK6	CORPORATE BOND	2.40%	04-23-18	05-03-23	100,000.00	3.17%	96,433.00	
912828S35	U.S. TREASURY NOTE	1.38%	07-16-16	06-30-23	150,000.00	1.35%	150,176.08	
68389XBL8	CORPORATE BOND	2.40%	07-12-16	09-15-23	100,000.00	2.16%	101,531.00	
36290TLG2/P616927X	GNMA SECURITIES	5.50%	12-23-05	12-15-20	26,681.64	3.88%	37,860.93	
36290YBU1/P621151X	GNMA SECURITIES	5.50%	05-24-07	05-15-22	33,229.69	5.50%	33,229.69	
36296DDR6/P687812X	GNMA SECURITIES	5.50%	09-22-08	08-15-23	27,436.06	3.63%	41,531.15	
36202FD78/P004626	GNMA SECURITIES	4.50%	02-24-10	02-20-25	97,644.89	3.11%	141,137.08	
36202FD78/P004626	GNMA SECURITIES	4.50%	09-17-13	02-20-25	116,146.11	3.47%	150,790.79	
36202FJC1/P004759	GNMA SECURITIES	4.00%	02-16-12	08-20-25	85,361.16	2.49%	137,336.79	
36202FJC1/P004759	GNMA SECURITIES	4.00%	03-19-12	08-20-25	120,551.80	2.50%	192,894.28	
3620AS6G9/P738971X	GNMA SECURITIES	3.00%	04-29-15	11-15-26	207,826.32	2.66%	234,563.32	
36176W6N6/P778777X	GNMA SECURITIES	3.50%	05-17-12	01-15-27	309,577.58	2.59%	417,706.84	
36202F2H8/P005276M	GNMA SECURITIES	3.00%	11-12-14	01-20-27	84,234.84	2.63%	96,031.34	
36179MAG5/PMA0007M	GNMA SECURITIES	3.00%	08-20-12	04-20-27	158,989.34	2.35%	202,568.70	
36179MGN4/PMA0205M	GNMA SECURITIES	3.00%	07-31-12	07-20-27	105,796.60	2.38%	133,484.10	
36179MP53/PMA0444M	GNMA SECURITIES	3.00%	12-18-12	10-20-27	138,179.24	2.41%	172,030.78	
36179MSB7/PMA0514M	GNMA SECURITIES	3.00%	05-14-14	11-20-27	138,602.11	2.65%	157,006.80	
36179MU32/PMA0602M	GNMA SECURITIES	3.00%	01-17-13	12-20-27	336,169.11	2.45%	411,246.66	
36179MZW3/PMA0757M	GNMA SECURITIES	3.00%	04-16-13	02-20-28	158,866.60	2.47%	192,682.19	
36179NMP0/PMA1266M	GNMA SECURITIES	3.50%	10-21-13	09-20-28	79,322.60	2.93%	94,846.75	
36179TY90/PMA5236M	GNMA SECURITIES	3.50%	06-13-18	06-20-33	889,388.09	3.41%	912,767.00	
36202T7B6/P609390X	GNMA SECURITIES	5.50%	09-22-03	09-15-33	26,455.15	3.68%	39,580.18	
36213CZ52/P550764X	GNMA SECURITIES	5.50%	09-19-07	09-15-35	34,289.80	6.79%	27,789.54	
36202FGD2/P004696M	GNMA SECURITIES	4.50%	06-21-10	06-15-40	128,226.48	3.67%	157,136.09	
36179QJT9/PMA2074M	GNMA SECURITIES	4.00%	11-13-17	07-20-44	97,162.14	3.72%	104,581.65	
36179QL74/PMA2150M	GNMA SECURITIES	4.50%	09-11-14	08-20-44	193,166.72	3.33%	260,934.80	
36179QT50/PMA2372M	GNMA SECURITIES	4.00%	12-22-14	11-20-44	162,535.36	3.19%	204,042.84	
36179rvco/PMA3311m	GNMA SECURITIES	4.00%	03-31-16	12-20-45	156,675.80	3.45%	181,699.88	
36179SUV7/PMA4196m	GNMA SECURITIES	3.50%	02-28-17	01-20-47	115,808.47	3.31%	122,401.38	
TOTALS FOR DISCRETIONARY INVESTMENTS					14,232,059.68		15,133,369.90	1.77%
TOTAL INVESTMENTS					\$ 18,232,059.68		\$ 19,094,916.11	1.92%

*Yield is based on all investments held during the year

**United Laguna Woods Mutual
Supplemental Appropriation Schedule
Period Ending: 2/28/2019**

ITEM	RESOLUTION #	BUDGET	EXPENDITURES		
		TOTAL Appropriations	I-T-D*	REMAINING Encumbrance	STATUS
Reserve Fund					
Emergency Panel Replacements	01-18-99	48,000	28,961	19,039	In Progress
Reserve Study	01-18-120	40,000	0	40,000	Open
Reserve Study Additional Fund	01-19-24	10,000	0	10,000	Open
	Total	\$98,000	\$28,961	\$69,039	
Contingency Fund					
Energy Consultant Services	01-18-67	50,000	9,586	40,414	In Progress
2019 Fumigation Program	01-19-33	104,762	0	104,762	Open
	Total	\$154,762	\$9,586	\$145,176	

*Incurred To Date

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF FEBRUARY 28, 2019**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2019 BUDGET	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
RESERVE EXPENDITURES								
REPLACEMENTS								
BUILDING STRUCTURES	\$2,626	\$73,183	\$10,330	\$148,717	\$898,320	1%	\$138,387	93%
ELECTRICAL SYSTEMS	42,707	38,216	80,208	76,432	458,610	17%	(3,776)	(5%)
EXTERIOR WALKWAY LIGHTING	12,000	4,964	12,116	10,058	60,691	20%	(2,058)	(20%)
FOUNDATIONS	0	3,653	0	7,306	43,836	0%	7,306	100%
GUTTER REPLACEMENT	19,819	3,806	28,736	7,812	47,383	61%	(20,923)	(268%)
LANDSCAPE RENOVATION	862	29,166	12,380	58,332	350,000	4%	45,952	79%
PAINT - EXTERIOR	128,819	144,875	299,847	299,911	1,823,867	16%	64	0%
PRIOR TO PAINT	69,231	78,303	154,164	162,158	987,116	16%	7,994	5%
PAVING	1,556	42,371	3,131	85,191	512,560	1%	82,060	96%
ROOF REPLACEMENTS	28,564	62,766	31,053	125,532	753,209	4%	94,479	75%
TREE MAINTENANCE	107,738	97,962	229,132	202,723	1,232,529	19%	(26,410)	(13%)
WALL REPLACEMENT	0	15,029	0	30,058	180,365	0%	30,058	100%
WASTE LINE REMEDIATION	122,287	174,999	183,009	349,999	2,100,000	9%	166,990	48%
WATER LINE - COPPER PIPE REMEDIATION	0	20,833	0	41,666	250,000	0%	41,666	100%
WINDOW/SLIDING SCREEN DOOR	3,980	7,094	8,991	14,368	86,676	10%	5,377	37%
SUPL. APPROPRIATIONS	0	0	0	0	0	0%	0	0%
SUB-TOTAL	\$540,188	\$797,219	\$1,053,096	\$1,620,262	\$9,785,161	11%	\$567,166	35%
APPLIANCE AND FIXTURE REPLACEMENTS								
COOKTOPS	\$11,687	\$5,857	\$22,807	\$11,795	\$70,999	32%	(\$11,011)	(93%)
DISHWASHERS	4,848	6,979	12,356	14,134	85,280	14%	1,777	13%
BASINS/SINKS/TOILETS	17,821	26,203	48,705	52,729	317,250	15%	4,023	8%
GARBAGE DISPOSALS	10,154	9,484	22,229	19,135	115,257	19%	(3,094)	(16%)
HOODS	1,550	2,908	5,351	5,894	35,574	15%	544	9%
COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	74,869	100,183	154,678	203,487	1,228,721	13%	48,809	24%
OVENS	12,404	9,191	22,501	18,463	110,999	20%	(4,038)	(22%)
RANGES	1,531	2,054	2,170	4,149	25,000	9%	1,979	48%
REFRIGERATORS	18,255	18,741	32,431	37,767	227,359	14%	5,336	14%
WATER HEATERS & PERMITS	252,488	92,264	461,937	187,646	1,133,990	41%	(274,292)	(146%)
DRYERS	3,400	1,108	3,400	2,236	13,474	25%	(1,164)	(52%)
WASHING MACHINES	255	2,415	332	4,855	29,200	1%	4,523	93%
OTHER - INVESTMENT EXPENSE	9,202	9,202	9,202	9,202	9,202	100%	0	0%
SUB-TOTAL	\$418,463	\$286,588	\$798,100	\$571,492	\$3,402,305	23%	(\$226,608)	(40%)
TOTAL RESERVE FUND	\$958,652	\$1,083,808	\$1,851,196	\$2,191,755	\$13,187,469	14%	\$340,559	16%

*Waste Line Remediation: Board authorized an early release of \$200,000 from the adopted 2019 Business Plan for additional work in 2018.

**UNITED LAGUNA WOODS MUTUAL
FUND EXPENDITURES REPORT
AS OF FEBRUARY 28, 2019**

DESCRIPTION	CURRENT MONTH		YEAR-TO-DATE		2019 BUDGET	%	VARIANCE	
	ACTUAL	BUDGET	ACTUAL	BUDGET			\$	%
OPERATING EXPENDITURES								
PLUMBING SERVICE	\$117,556	\$98,449	\$257,712	\$203,619	\$1,239,218	21%	(\$54,092)	(27%)
CARPENTRY SERVICE	44,326	38,428	97,546	79,520	483,906	20%	(18,027)	(23%)
CONCRETE REPAIR/REPLACEMENT	33,527	29,414	69,091	60,611	369,203	72%	(8,480)	(14%)
ELECTRICAL SERVICE	24,206	32,603	49,418	67,570	411,587	12%	18,152	27%
APPLIANCE REPAIRS	18,951	24,382	48,327	50,367	306,455	16%	2,040	4%
INTERIOR PREVENTIVE MAINTENANCE	21,750	27,414	48,175	56,999	347,649	14%	8,824	15%
JANITORIAL SERVICE	24,175	29,267	52,224	60,672	369,615	14%	8,448	14%
PEST CONTROL	2,540	12,414	2,540	24,828	148,987	2%	22,288	90%
GUTTER CLEANING	23,109	14,379	35,974	28,921	174,032	21%	(7,053)	(24%)
COUNTERTOP/FLOOR/TILE REPAIRS	7,362	11,682	17,481	24,150	146,872	12%	6,669	28%
WELDING	8,049	6,642	13,977	13,713	83,626	17%	(265)	(2%)
ENERGY PROGRAM	2,109	4,166	2,109	8,332	50,000	4%	6,223	75%
MISC. REPAIRS BY OUTSIDE SERVICE	0	2,083	680	4,166	25,000	3%	3,486	84%
TRAFFIC CONTROL	956	1,348	2,654	2,778	16,935	16%	124	4%
FIRE PROTECTION	321	1,058	422	2,116	12,700	3%	1,695	80%
OTHER - INVESTMENT EXPENSE	0	0	0	0	0	0	0	0%
TOTAL MAINTENANCE PROGRAMS	\$328,937	\$333,730	\$698,330	\$688,362	\$4,185,785	17%	(\$9,968)	(1%)

CONTINGENCY FUND EXPENDITURES

MOISTURE INTRUSION - RAIN LEAKS	\$4,212	\$18,794	\$8,428	\$37,588	\$225,537	4%	\$29,160	78%
MOISTURE INTRUSION - PLUMBING LEAKS	5,519	53,729	10,928	107,458	644,752	2%	96,530	90%
MOISTURE INTRUSION - PLUMBING STOPPAGES	3,546	23,243	8,269	46,486	278,926	3%	38,217	82%
MOISTURE INTRUSION - MISCELLANEOUS	1,399	6,565	1,399	13,130	78,786	2%	11,732	89%
DAMAGE RESTORATION SERVICES	745	11,773	3,367	23,894	144,256	2%	20,527	86%
SUPPLEMENTAL APPROPRIATIONS	2,068	2,068	2,068	2,068	2,068	100%	0	0%
OTHER - INVESTMENT EXPENSE	1,320	1,320	1,320	1,320	1,320	100%	0	0%
TOTAL CONTINGENCY FUND	\$18,808	\$117,491	\$35,778	\$231,943	\$1,375,644	3%	\$196,166	85%

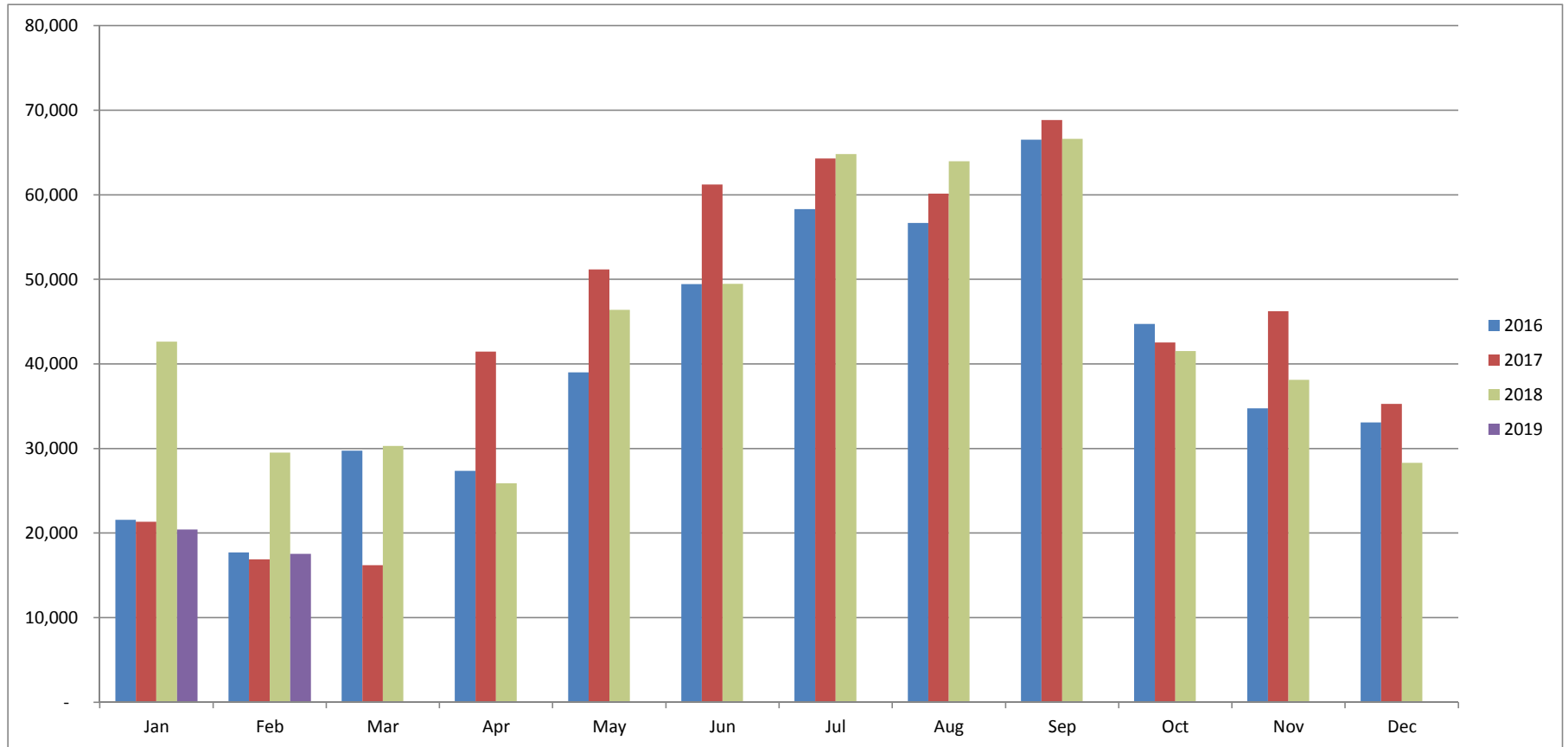
**UNITED LAGUNA WOODS MUTUAL
MAINTENANCE PROGRAMS EXPENDITURES REPORT
AS OF FEBRUARY 28, 2019**

YTD ACTUAL

DESCRIPTION	TOTAL			OUTSIDE
	EXPENDITURES	LABOR	MATERIALS	SERVICES
R BUILDING STRUCTURES	\$10,330	\$8,259	\$2,071	\$0
R ELECTRICAL SYSTEMS	80,208	0	0	80,208
R EXTERIOR WALKWAY LIGHTING	12,116	3,397	0	8,719
R FOUNDATIONS	0	0	0	0
R GUTTER REPLACEMENT	28,736	26,887	1,849	0
R LANDSCAPE RENOVATION	12,380	0	12,380	0
R PAINT - EXTERIOR	299,847	262,931	36,916	0
R PAVING	3,131	3,131	0	0
R PRIOR TO PAINT	154,164	136,191	17,590	383
R ROOF REPLACEMENTS	31,053	0	0	31,053
R TREE MAINTENANCE	229,132	229,132	0	0
R WALL REPLACEMENT	0	0	0	0
R WASTE LINE REMEDIATION	183,009	5,617	4	177,387
R WATER LINE - COPPER PIPE REMEDIATION	0	0	0	0
R WINDOW/SLIDING SCREEN DOOR	8,991	4,590	2,778	1,622
R BASINS/SINKS/TOILETS	48,705	13,310	35,395	0
R COOKTOPS	22,807	4,317	14,500	3,990
R COUNTER TOPS/FLOORS/SHOWER ENCLOSURES	154,678	104,287	37,464	12,926
R DISHWASHERS	12,356	4,368	6,675	1,314
R DRYERS	3,400	0	0	3,400
R GARBAGE DISPOSALS	22,229	6,383	15,846	0
R HOODS	5,351	2,088	2,582	681
R OVENS	22,501	4,859	14,330	3,312
R RANGES	2,170	959	1,211	0
R REFRIGERATORS	32,431	6,827	21,693	3,912
R RESALE INSPECTION REPLACEMENTS	0	0	0	0
R WASHING MACHINES	332	332	0	0
R WATER HEATERS & PERMITS	461,937	60,676	224,631	176,630
R SUPPL. APPROPRIATIONS	0	0	0	0
R OTHER - INVESTMENTS EXPENDITURES	9,202	0	0	9,202
TOTAL RESERVE FUND	\$1,851,196	\$888,541	\$447,916	\$514,739
O CARPENTRY SERVICE	97,546	86,693	10,017	837
O CONCRETE REPAIR/REPLACEMENT	69,091	63,877	5,214	0
O COUNTERTOP/FLOOR/TILE REPAIRS	17,481	16,440	881	160
O ELECTRICAL SERVICE	49,418	41,247	7,780	392
O ENERGY PROGRAM	2,109	0	0	2,109
O FIRE PROTECTION	422	0	164	258
O GUTTER CLEANING	35,974	33,076	0	2,898
O INTERIOR PREVENTIVE MAINTENANCE	48,175	47,805	370	0
O JANITORIAL SERVICE	52,224	52,224	0	0
O MISCELLANEOUS REPAIRS BY OUTSIDE SERVICE	680	0	0	680
O PEST CONTROL	2,540	0	0	2,540
O PLUMBING SERVICE	257,712	197,768	16,128	43,815
O TRAFFIC CONTROL	2,654	2,634	20	0
O WELDING	13,977	13,575	403	0
O APPLIANCE REPAIRS	48,327	43,774	4,552	0
TOTAL OPERATING FUND	\$698,330	\$599,113	\$45,528	\$53,689
C MOISTURE INTRUSION - RAIN LEAKS	\$8,428	\$0	\$0	\$8,428
C MOISTURE INTRUSION - PLUMBING LEAKS	10,928	0	0	10,928
C MOISTURE INTRUSION - PLUMBING STOPPAGES	8,269	0	0	8,269
C MOISTURE INTRUSION - MISCELLANEOUS	1,399	0	0	1,399
C DAMAGE RESTORATION SERVICES	3,367	3,056	86	225
C SUPPL. APPROPRIATIONS	2,068	0	0	2,068
C OTHER - INVESTMENTS EXPENDITURES	1,320	0	0	1,320
TOTAL CONTINGENCY FUND	\$35,778	\$3,056	\$86	\$32,636

United Mutual Water Usage in 100 cubic feet units

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total
2016	21,572	17,707	29,756	27,350	38,988	49,431	58,301	56,657	66,517	44,732	34,747	33,096	39,279	478,854
2017	21,326	16,898	16,207	41,450	51,184	61,199	64,301	60,140	68,826	42,530	46,232	35,259	38,224	525,552
2018	42,632	29,513	30,299	25,881	46,405	49,466	64,821	63,964	66,621	41,517	38,135	28,295	72,145	527,549
2019	20,437	17,551	-	-	-	-	-	-	-	-	-	-	37,988	37,988





STAFF REPORT

DATE: March 26, 2019
FOR: Finance Committee
SUBJECT: Delinquent Assessment – Payment Plan Agreement

RECOMMENDATION

Staff recommends the Board approve revisions to the Delinquent Assessment - Payment Plan Agreement form and initiating a one-time setup fee of \$50 to recover administrative costs.

BACKGROUND

As indicated in the United Mutual Collection and Lien Enforcement Policy (Attachment 1), any Member who is in arrears on regular assessments is entitled to make a written request for a payment plan for those assessments to the Board. The Board considers payment plan requests on a case-by-case basis, and is under no obligation to grant requests.

A Delinquent Assessment – Payment Plan Agreement Form is used to create a contract between the delinquent Member and the Mutual. The form includes several payment options and conditions for repayment. Once completed by the Member, the form is submitted for review by the Finance Committee with a Staff recommendation for approval, denial, or modification.

The Finance Committee requested legal review of the existing form (Attachment 2) to provide stronger collection language if terms of the agreement are breached and to recover costs associated with accepting payments over time.

On November 26, 2018, the United Governing Documents Review Committee recommended approval of the amendments to the Payment Plan Agreement Form and Policy, which were subsequently reviewed and recommended by the Finance Committee on November 27, 2018.

On December 11, 2018 the Board requested further review of the proposed administrative fee and suggested clarifying language in the policy resolution.

On December 18, 2018, the United Governing Documents Review Committee recommended wording changes for clarification on the policy resolution. On January 29, 2019, the Finance Committee agreed with the wording changes and recommended a one-time setup fee of \$50 instead of the proposed \$25 monthly fee.

On February 12, 2019 the Board directed staff to send this item back to the Finance Committee to provide an example of how interest is calculated through the duration of the agreement and to reduce the interest charged from 12% to 10%.

Recommendations from the Governing Documents Review and Finance Committees have been incorporated into the revised Payment Plan Agreement Form (Attachment 3) and will be prospectively applied to requests made after Board adoption of the policy resolution (Attachment 4).

DISCUSSION

The 2019 Collection and Lien Enforcement Policy (Attachment 1) was reviewed by legal counsel, approved by the Board via Resolution 01-18-88, and issued to all members as part of the Annual Policy Statement in November 2018. In section three of the policy, titled “Late Charges; Interest”, the late charge on delinquent assessments is set at \$50 per month and the interest charge is set at 12 percent per annum.

During the current review process for an updated Payment Plan Agreement Form, a typo incorrectly stated the delinquency interest rate at 10% instead of the policy rate of 12%. If the Board wants to pursue lowering the interest rate, a policy revision would require a 28-day notice and re-distribution of the revised 2019 Collection and Lien Enforcement Policy to members.

Further, the Board requested verification of how interest is applied to delinquent balances. Below is an excerpt from section three of the collection policy and a sample table used for simple interest calculations (assessment only):

“...both state law and United’s governing documents provide for interest on the delinquent assessment, late charge, and collection fees and costs. Accordingly, interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed Twelve Percent (12%), consistent with Civil Code Section 5650. ”

DELINQUENCY - INTEREST CALCULATION SCHEDULE													
Dlnqncy Period	Monthly Assessment	Calculation Period	Calculation Period	Calculation Period	Calculation Period	Calculation Period	Calculation Period	Calculation Period	Calculation Period	Calculation Period	Calculation Period	Calculation Period	Calculation Period
		1	2	3	4	5	6	7	8	9	10	11	
Oct-12	1	\$ 504.50	504.50	504.50	504.50	504.50	504.50	504.50	504.50	504.50	504.50	504.50	504.50
Nov-12	2	\$ 560.57	504.50	560.57	560.57	560.57	560.57	560.57	560.57	560.57	560.57	560.57	560.57
Dec-12	3	\$ 560.57	504.50	560.57	560.57	560.57	560.57	560.57	560.57	560.57	560.57	560.57	560.57
Jan-13	4	\$ 586.13	504.50	560.57	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13
Feb-13	5	\$ 586.13	504.50	560.57	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13
Mar-13	6	\$ 586.13	504.50	560.57	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13
Apr-13	7	\$ 586.13	504.50	560.57	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13
May-13	8	\$ 586.13	504.50	560.57	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13
Jun-13	9	\$ 586.13	504.50	560.57	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13
Jul-13	10	\$ 586.13	504.50	560.57	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13
Aug-13	11	\$ 586.13	504.50	560.57	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13
Sep-13	12	\$ -	504.50	560.57	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13	586.13
ASSESS'S	6,314.68		504.50	1,065.07	1,625.64	2,211.77	2,797.90	3,384.03	3,970.16	4,556.29	5,142.42	5,728.55	6,314.68
			1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
			5.05	10.65	16.26	22.12	27.98	33.84	39.70	45.56	51.42	57.29	63.15

FINANCIAL ANALYSIS

The stronger terms of the payment plan agreement are likely to result in additional compliance and repayment of delinquent assessments.

Prepared By: Betty Parker, Chief Financial Officer

Reviewed By: Steve Hormuth, Controller

ATTACHMENT(S)

- Attachment 1 – 2019 Collection and Lien Enforcement Policy
- Attachment 2 – Existing Payment Plan Agreement
- Attachment 3 – Proposed Payment Plan Agreement - Assessments
- Attachment 4 – Resolution



YEAR 2019 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

PURPOSE STATEMENT

The following is a statement (the “Policy Statement”) of the specific procedures, policies and practices employed by United Laguna Woods Mutual, a California nonprofit mutual benefit corporation (“United”) in enforcing lien rights or other legal remedies for default in payment of assessments against its members (“Shareholders”). This Policy Statement is provided pursuant to the requirements of California Civil Code Section 5310(a)(7) and incorporates by reference the disclosure provided by United pursuant to California Civil Code Section 5730.

The collection of delinquent assessments is of vital concern to all Shareholders of United. Such efforts ensure that all Shareholders pay their fair share of the costs of services and facilities provided and maintained by United. Shareholders’ failure to pay assessments when due creates a cash-flow problem for United and causes those Shareholders who make timely payment of their assessments to bear a disproportionate share of the community’s financial obligations.

Assessments are the separate debt of shareholders. United may employ single collection recourses or combinations thereof as allowed by law. In addition to any other rights provided for by law or described in the governing documents, including, but not limited to the Articles of Incorporation, Bylaws and each Shareholder’s Occupancy Agreement (“Governing Documents”), the Board has the right to collect delinquent assessments as stated herein.

WE SINCERELY TRUST THAT ALL SHAREHOLDERS, IN THE SPIRIT OF COOPERATION AND IN RECOGNITION OF THEIR LEGAL OBLIGATIONS, WILL MAKE TIMELY PAYMENTS AND AVOID THE IMPOSITION OF LATE CHARGES AND POSSIBLE RESULTANT LEGAL ACTION, AND REIMBURSEMENT FOR THE COSTS OF SUCH LEGAL ACTION. IT IS IN YOUR BEST INTEREST AND THE BEST INTEREST OF THE COMMUNITY AS A WHOLE TO MAKE YOUR MONTHLY PAYMENTS ON TIME.

REGARDLESS OF WHETHER A LIEN IS RECORDED AGAINST YOUR LEASEHOLD INTEREST DURING THE COLLECTION OF PAST-DUE ASSESSMENTS, ALL SHAREHOLDERS HAVE A PERSONAL AND ONGOING OBLIGATION TO PAY ASSESSMENTS AND CHARGES.

BASIC POLICIES AND PROCEDURES

Delinquency reports are made available monthly by United’s managing agent to the Board of United, identifying the delinquent Shareholder, the delinquent amount and the length of time the assessments have been in arrears. Additionally, to ensure the prompt payment of monthly assessments United employs the following collection and lien enforcement procedures. The

policies and practices outlined herein shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of United's Board of Directors.

Pursuant to United's Governing Documents, as well as the California Civil Code, the following are United's collection and lien enforcement policies and procedures for assessment delinquencies:

1. Assessments; Assessments Due Date. "Carrying Charges" as defined by United's Occupancy Agreement, also referred to as "fees" in United's Bylaws, are referred to in this paragraph and throughout this Policy Statement as "assessments." Assessments are due and payable to United, in advance, in equal monthly installments, on the first (1st) day of each month. **It is each Shareholder's responsibility to pay assessments in full each month regardless of whether a billing statement is received.** Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If a special assessment is payable in installment payments and an installment payment of that special assessment is delinquent for more than 30 days, all remaining installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late charges and interest as provided herein.

2. Reminder Notice; Administrative Collection Fee. If Assessments are not received by United on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by United on or before the close of business on the fifteenth (15th) day after it is due), a Reminder Notice is sent to the Shareholder. PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY UNITED WITHIN THIS FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT SUFFICIENT. It is the policy of United not to waive any duly imposed late charges, interest, or collection fees and costs. Each delinquent account shall incur an administrative collection fee, in the amount of Two Hundred Dollars (\$200) (the "Administrative Collection Fee"), which is charged by United's managing agent to cover staff's costs to prepare the files for delivery to United's collection agent in order to carry out collection activities authorized hereunder, as well as direct costs incurred in recording and/or forwarding documents in connection with the collection process. This Administrative Collection Fee may be increased by majority vote of United's Board, and may be collected by United's collection agent on United's behalf, and remitted to United's managing agent, or may be directly collected by United's managing agent. IT IS THE SHAREHOLDER'S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE DELINQUENCY DATE. All notices or invoices for assessments will be sent to Shareholders by first-class mail addressed to the Shareholder or the Shareholder's designee at his or her address as shown on the books and records of United unless otherwise required by law. However, it is the Shareholder's responsibility to be aware of the assessment payment due dates and to advise United of any changes in the Shareholder's mailing address.

3. Late Charges; Interest. Assessments not received by the sixteenth (16th) day of the month will incur a late fee in the amount of Fifty Dollars (\$50.00), which amount is

consistent with statutory authority. Further, both state law and United's governing documents provide for interest on the delinquent assessment, late charges and collection fees and costs. Accordingly, interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed Twelve Percent (12%), consistent with Civil Code Section 5650. Such interest may be imposed and collected per the foregoing sentence regardless of whether the Shareholder's delinquent account is referred to United's collection agent for collections.

4. Thirty-Day Pre-Lien Letter Notice to Delinquent Shareholder. If full payment of the delinquent amount is not received by the close of business on the thirtieth (30th) day after the date of the Reminder Notice, United's managing agent will send a pre-lien letter (also referred to as a final demand for payment letter) to the Shareholder as required by Civil Code Section 5660 by certified and regular first class mail, to the Shareholder's mailing address of record in United's books and records advising of, among other things required by law, the delinquent status of the account, including an itemized statement of the charges owed by the shareholder, impending collection action and the Shareholder's rights including a statement that the shareholder will not be liable to pay charges, interest and costs of collection if it is determined the assessment was paid on time to United, and the right to request a meeting with the Board of Directors of United pursuant to Civil Code Section 5665, the right to dispute the assessment debt by submitting a written request for dispute resolution pursuant to Civil Code pursuant to Article 2 (commencing with Section 5900) of Chapter 10 ("IDR"), the right to request alternative dispute resolution pursuant to Article 3 (commencing with Section 5925) of Chapter 10 ("ADR") and the right to request debt validation. Notwithstanding the provisions of this paragraph, United may cause a pre-lien letter to be sent to a delinquent Shareholder at any time when there is an open escrow involving the Shareholder's leasehold interest, may cause a pre-lien letter to be sent to a delinquent Shareholder if any special assessment becomes delinquent, and/or may turn the delinquent account over to United's collection agent to send a pre-lien letter to a delinquent Shareholder.

5. Recordation of a Lien Against a Delinquent Shareholder's Leasehold Interest. If a Shareholder does not pay the amounts set forth in the pre-lien letter and does not request IDR or ADR within thirty (30) days of the date of the pre-lien letter, or, otherwise, requests to validate the debt in which case the collection process will be placed on hold in order to validate the debt, the delinquent account will be turned over to United's collection agent for collections. The Board shall decide, by majority vote in an open meeting, whether to authorize United's collection agent to record a lien for the amount of any delinquent assessments, late charges, interest, and collection fees and costs, including attorneys' fees against the Shareholder's leasehold interest. If United authorizes United's collection agent to record a lien against the Shareholder's leasehold interest, the Shareholder will incur additional fees and costs for preparing and recording the lien. The lien may be enforced in any manner permitted by law, including without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700).

6. Enforcement of a Lien. United's collection agent may be authorized to enforce the lien thirty (30) days after recordation of the lien, in any manner permitted by law, which may include recording a Notice of Default. United may foreclose the lien by judicial or non-judicial foreclosure when either (a) the delinquent assessment amount

totals One Thousand Eight Hundred Dollars (\$1,800.00) or more, excluding accelerated assessments, late charges, interest, and collection fees and costs or (b) the assessments are delinquent for more than twelve (12) months. **YOU COULD LOSE YOUR LEASEHOLD INTEREST AT UNITED IF A FORECLOSURE ACTION IS COMPLETED.** A non-judicial foreclosure sale by United to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which your leasehold interest may be redeemed ends ninety (90) days after United's foreclosure sale, per California Civil Code Section 5715(b). The Shareholder will incur significant additional fees and costs if a Notice of Default is recorded and a foreclosure action is commenced against the Shareholder's leasehold interest. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent Shareholder(s) by identifying the matter in the minutes by only the parcel number of the property in which the Shareholder has a leasehold interest. Prior to initiating any foreclosure sale on a recorded lien, United shall offer delinquent Shareholders the option of participating in IDR, ADR, or both IDR and ADR as requested by the Shareholder.

United may commence and maintain a lawsuit directly on the debt without waiving its right to establish a lien and initiate foreclosure against the owner's separate interest for the delinquent assessment. In any action to collect delinquent assessments, late charges, or interest, the prevailing party will be entitled to costs and reasonable attorney's fees.

7. Inspection of Books and Records. A Shareholder is entitled to inspect United's accounting books and records to verify the amounts owed pursuant to Civil Code Section 5200, *et seq.*

8. Application of Payments. Any payments made shall be first applied to assessments owed and only after the assessments owed are paid in full, shall such payment be applied to late charges, interest, and collection fees and costs, including attorneys' fees.

9. Account Sent to United's Collection Agent In Error. In the event it is determined that the Shareholder has paid the assessments on time, the Shareholder will not be liable to pay the charges, interests, and fees and costs of collection associated with collection of those assessments. If it is determined that a lien was recorded in error, a release of lien shall be recorded within twenty-one (21) calendar days and the owner of the separate interest will be provided with a copy of the release of lien. If the lien was recorded in error, United shall promptly reverse all late charges, fees, interest, attorney's fees, and costs of collection.

10. Payment Under Protest. A Shareholder may but is not obligated to, pay under protest any disputed charge or sum levied by United, including but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

11. Right to Dispute the Debt. A Shareholder has the right to dispute the assessment debt by submitting a written request for dispute resolution to the collection agent for

delivery to United pursuant to Civil Code Section 5900 *et seq.* A dispute, by itself, will not impede United's ability to record a lien.

12. Right to Request Internal Dispute Resolution ("IDR"). Pursuant to Civil Code Section 5670, prior to recording a lien, United offers to Shareholders, and if so requested by a Shareholder, participation in internal dispute resolution ("IDR") pursuant to United's "meet and confer" program.

13. Right to Request Alternative Dispute Resolution ("ADR"). A Shareholder has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 5925 *et seq.* before United may initiate foreclosure against the Shareholder's leasehold interest, except that binding arbitration shall not be available if United intends to initiate a judicial foreclosure.

14. Right to Request Debt Validation. Under the Fair Debt Collection Practices Act ("FDCPA"), a Shareholder may request that United and/or its collection agent send the Shareholder proof that the debt sought to be recovered is valid, that the Shareholder lawfully owes the debt, and that United and/or its collection agent has the right to collect the debt.

15. Payment Plan Requests. Any Shareholder who is unable to pay assessments will be entitled to make a written request for a payment plan to United, or United's collection agent, as applicable, to be considered by the Board of Directors. A Shareholder may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with United's ability to record a lien on a Shareholder's separate interest to secure payment for the Shareholder's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved by the Board, additional late charges from the Shareholder will not accrue while the Shareholder remains current under the terms of the payment plan. If the Shareholder breaches an approved payment plan, United may resume its collection action from the time the payment plan was approved.

16. Termination of Shareholder's Rights under Occupancy Agreement. Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United, or to pursue any other discipline set forth in United's governing documents, including but not limited to a termination of the Shareholder's rights under the Occupancy Agreement pursuant to Article 14 therein and pursuant to the procedures set forth in Article IV, Section 3 of the Bylaws and pursuing an unlawful detainer action or other proceeding which may apply to the eviction of tenants.

17. Release of Lien. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and fees and costs of collection, including attorneys' fees, must be paid in full to United.

18. No Right of Offset. There is no right of offset. Shareholder may not withhold assessments owed to United on the alleged grounds that the Shareholder is entitled to recover money or damages from United for some other obligation.

19. Returned Checks. United may charge the Shareholder a Twenty-Five Dollar (\$25.00) fee for the first check tendered to United that is returned unpaid by the Shareholder's bank and Thirty-Five Dollars (\$35.00) for each subsequent check passed on insufficient funds. If the check cannot be negotiated, United may also seek to recover damages of at least One Hundred Dollars (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1,500.00) pursuant to Civil Code Section 1719.

20. Additional Mailing Addresses. Shareholders have the right to provide a secondary address to United for mailing of an additional copy of notices and other correspondence related to collection of delinquent assessments. The Shareholder's request shall be in writing and shall be mailed to United in a way that shall indicate that United has received it. A Shareholder may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, United shall only be required to send notices to the indicated secondary address from the point United receives the request.

21. Charges Subject to Change. All charges listed herein are subject to change upon thirty (30) days prior written notice. After a delinquent account has been turned over to United's collection agent, United's collection agent's charges may vary from United's and are subject to change without prior written notice. Shareholders in collections should rely on United collection agent's charges and statement of account.

22. Notice and Hearing Prior to Suspension of Shareholder Privileges. Until the Shareholder has paid all amounts due, including delinquent assessments, late charges, interest and fees and costs of collection, including attorneys' fees, the Board of Directors may suspend the Shareholder's right to vote, and suspend the Shareholder's right to use United's recreational facilities and/or the facilities or services provided by the Golden Rain Foundation of Laguna Woods after providing the Shareholder with a duly noticed hearing pursuant to Civil Code Section 5855. However, any suspension imposed shall not prevent the delinquent Shareholder from the use, benefit and pleasure of the Shareholder's leasehold interest (i.e., the manor).

When the Board is to meet in executive session to consider or impose a monetary charge as a means of reimbursing United for costs incurred by it in the repair of damage to common area and facilities caused by a member or the member's guest or tenant, the Board shall notify the member in writing, by either personal delivery or individual delivery pursuant to Section 4040, at least 10 days prior to the meeting. (Civil Code Section 5855(a).) The notice shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a member may be disciplined or the nature of the damage to the common area and facilities for which a monetary charge may be imposed, and a statement that the member has a right to attend and may address the board at the meeting.

23. Overnight Payments. The mailing address for overnight payment of assessments is: United Laguna Woods Mutual, Attn: Assessments, 24351 El Toro Road, Laguna Woods, CA 92637.

24. Annual Notice to Members. United shall distribute its collection policy to each member during the 60-day period immediately preceding the beginning of United's fiscal year.

25. No limitations. Nothing herein limits or otherwise affects United's right to proceed in any lawful manner to collect any delinquent sums owed to United.

**BOARD OF DIRECTORS
UNITED LAGUNA WOODS MUTUAL**

United Laguna Woods Mutual
Village Management Services, Inc., Agent
24351 El Toro Road
Laguna Woods, California 92637

DELINQUENT ASSESSMENT – PAYMENT PLAN AGREEMENT

Current Form

Manor No.:
Assessment Delinquency:

Subject: **ASSESSMENT DELINQUENCY**

The undersigned hereby acknowledges the assessment delinquency shown above. He or she also acknowledges the rights of United Laguna Woods Mutual (the Mutual) to collect such assessments, together with accrued late charges, interest and collection costs, in accordance with the laws of the State of California and the governing documents of the Mutual.

The following reflects the standards that have been adopted by the Board of Directors.
The undersigned agrees to repay the delinquency debt according to the following plan:

- The delinquent balance will be paid off in its entirety within _____ months. To achieve this, extra monthly payments will be made in the amount of \$ _____. **These payments will be in addition to the regular monthly assessment.** Extra payments will commence on _____ and be made on or before the first of each successive month until the delinquency and accrued late charges are paid in full.
- Payment in full of the delinquent amount will be made in a lump sum on or before _____. **This payment will be in addition to the regular monthly assessment.**
- The undersigned states that the manor is presently for sale, and will present a copy of the executed listing agreement in conjunction with this agreement. If the listing agreement expires before the manor is sold, a new executed listing agreement must be presented. The total term of all listing agreements shall not exceed one year from the date of the subject delinquency. Payment in full of the delinquent amount will be made from the proceeds of sale of the manor, through escrow. Further, undersigned understands and agrees that accrued fees, charges and legal collection costs will be collected through escrow.
- Member's payment plan proposal that is in accordance with the standards for payment plans adopted by the Mutual:

This will be in addition to the regular monthly assessment.

The undersigned understands that late charges and fees will continue to accrue, in accordance with the Collection and Lien Enforcement Policy of the Mutual, until the delinquency is paid in full. Also, the undersigned understands that the Mutual reserves the right to pursue all available legal means to collect the sums due if the terms of this agreement are breached. Similarly, the undersigned understands that he or she has the right to meet with the Board of Directors of the Mutual to discuss a reasonable alternative payment plan option (see the fourth option above), according to the payment plan standards adopted by the Board of Directors of the Mutual.

Date: _____ Member's Signature _____
Mutual Officer's Signature _____

Return signed form to:
Manor Payment Representative
PO Box 2220
Laguna Woods, CA 92654-2220

Or:
Manor Payment Representative
24351 El Toro Road
Laguna Woods, CA 92637

Phone: (949) 597-4221 **Fax:** (949) 472-4154

PAYMENT PLAN AGREEMENT
Assessments



Manor Number: _____

Member Name: _____ Driver License # _____

The undersigned hereby acknowledges the rights of United Laguna Woods Mutual (the Mutual) to collect assessments, together with accrued late charges, interest and collection fees and costs, in accordance with the laws of the State of California and the governing documents of the Mutual. The following reflects the standards that have been adopted by the Board of Directors. Refer to the Payment Plan Standards For Delinquent Assessment Payments document for more details.

The total amount owed as of [date] is \$ _____, this includes assessments, late charges, interest, and collection fees and costs (the "Delinquent Amount"). The undersigned agrees to repay the Delinquent Amount according to the following plan:

Check One:

- INSTALLMENTS:** The Delinquent Amount will be paid off in its entirety within _____ months. To achieve this, extra monthly payments will be made in the amount of \$ _____. **These payments will be in addition to the regular monthly assessment, which may come due during the term of the payment plan and the administrative fee described below.** Extra payments will commence on _____ and be made on or before the first of each successive month until the delinquency and accrued late charges are paid in full. With this standard payment option, the undersigned is also required to submit a completed financial statement form (enclosed) as well as a copy of pages one and two of the two most recent federal tax returns, which may be redacted to protect private and confidential information
- LUMP SUM:** Payment in full of the Delinquent Amount will be made in a lump sum on or before _____. **This payment will be in addition to the regular monthly assessment, which may come due prior to receipt of the lump sum payment.**
- ESCROW:** The undersigned states that the manor is presently for sale, and will present a copy of the executed listing agreement in conjunction with this agreement. If the listing agreement expires before the manor is sold, a new executed listing agreement must be presented. The total term of the payment plan under this option cannot exceed 90 days. Payment in full of the Delinquent Amount will be made from the proceeds of sale of the manor, through escrow. Further, the undersigned understands and agrees that accrued fees, charges and legal collection costs will be collected through escrow. This option allows a request for review by the Board of Directors for an extension, in the event escrow does not close.
- OTHER:** The undersigned's payment plan proposal that is in accordance with the standards for payment plans adopted by the Mutual, attached hereto and incorporated herein by reference thereto as Exhibit A. **Payments contemplated in the undersigned's payment plan are in addition to the regular monthly assessment, which may come due during the term of the payment plan and the administrative fee described below.**

Initial All:

- The undersigned understands that interest will accrue at the rate of 12% per annum, in accordance with the Collection and Lien Enforcement Policy of the Mutual, until the delinquency is paid in full. In addition, the undersigned shall pay a one-time administrative setup fee of \$50.00 due upon approval of this agreement. The undersigned will be responsible for all attorneys' fees, costs, interest, late charges and assessments incurred before this agreement and the undersigned's assessment account will be deemed "paid in full."
- The undersigned understands that the Mutual will pursue all available legal means to collect the sums due on the manor including, but not limited to recording of a lien for an additional cost of a minimum of \$625, which will be added to the Delinquent Amount. If a payment is not received by the due date stated, the Mutual shall, without any further notice to the undersigned, have the power and authority to pursue any and all collection remedies against the undersigned and/or the undersigned's property, including but not limited to non-judicial foreclosure, judicial foreclosure, any remedies available, and a lawsuit for purposes of securing a money judgment. The undersigned knowingly and voluntarily waives any and all claims against the Mutual and its agents and attorneys, and the undersigned waives any and all defenses available related to or arising out of this matter, the amounts as set forth in this agreement, and any other obligation stated herein.
- The undersigned understands that he or she has the right to meet with the Board of Directors of the Mutual to discuss a reasonable alternative payment plan option (see "Other" above), according to the payment plan standards adopted by the Board of Directors of the Mutual.

Undersigned/Member Name: _____ Signature: _____ Date: _____

Mutual Officer Signature: _____ Date: _____

Return signed form by mail to: Assessment Payment Representative PO Box 2220 Laguna Woods, CA 92654-2220	Or deliver in person to: Assessment Payment Representative 24351 El Toro Road Laguna Woods, CA 92637 Phone: (949) 597-4221 Fax: (949) 472-4154
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Resolution 01-19-XX
Assessment Payment Plan Agreement

WHEREAS, any Member who is in arrears on a regular assessments is entitled to make a written request for a payment plan to the Board;

WHEREAS, each request for a delinquent assessment payment plan is approved or denied on a case-by-case basis after review by the Finance Committee;

WHEREAS, a Delinquent Assessment – Payment Plan form, which includes several payment options and conditions, is used to create an agreement between the delinquent Member and the Mutual;

WHEREAS, the United Finance Committee recommends a revised Payment Plan Agreement Form with changes submitted by legal counsel to help reinforce collection activity that will occur if a member breaches the agreed-to payment plan for delinquent assessments; and

WHEREAS, the Finance Committee recommends recovering costs associated with setting up a payment plan.

NOW THEREFORE BE IT RESOLVED, on May 14, 2019, the Board of Directors of this Corporation hereby approves revisions to the Delinquent Assessment - Payment Plan Agreement form, as attached to this Corporate record, and introducing a one-time setup fee of \$50; and

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

MONTH Initial Notification

Should the Board endorse the proposed revisions, Staff recommends that a motion be made and seconded to accept the resolution and allow discussion to ensure that the resolution reads to the satisfaction of the Board. Staff then recommends that a Board Member postpones the resolution to the next available Board Meeting no less than 28-days from the postponement to comply with Civil Code §4360.



Agenda Item 10 – Discuss E-Z Pay

Will be distributed at the United Finance Committee Meeting.



FINANCIAL QUALIFICATIONS POLICY
Revised ~~February 13, 2019~~
Resolution 01-1~~98-XX~~24

Prospective Shareholders of Units in (United) are required to meet minimum financial requirements for Membership as set forth below. All income and assets claimed must be verified by presenting documentation acceptable to the Mutual Board of Directors.

All applicants shall submit the most recent year's Federal income tax return, signed and dated, including Schedules A and B, in addition to other verification documents. If income is derived from an owned business, the appropriate business tax schedules and a profit and loss statement are required.

Where there is more than one prospective Shareholder, income and assets can be calculated collectively, if each is eligible and intends to reside.

Membership applicants to United are required to submit a completed Financial Statement/Credit Information form, together with satisfactory verification of identity, income and assets.

ASSET REQUIREMENT

The prospective Shareholder shall submit satisfactory verification of assets equal to the purchase price of the Unit plus \$125,000. Prospective transferees (i.e., outside escrow) are required to demonstrate a minimum asset base of \$125,000 only.

Acceptable assets will be those that are considered to be liquid, marketable or income producing. Only aged accounts (180 days) will be considered. Acceptable assets include, among others:

- Equity in U.S. residential property
- Savings accounts in U.S. financial institutions
- Cash value life insurance
- Certificates of deposit, money market accounts in U.S. financial institutions
- IRA, SEP, 401(k) and Keogh accounts
- US, state or municipal government bonds - valued at current market prices
- American traded investments, (NYSE, Amex, OTC, NASDAQ, etc.) valued at current market prices
- Mortgages and promissory notes, provided that interest is reported on the applicant's tax return
- Equity in U.S. income producing real estate

Excluded from consideration are the following, among others:

- Mobile Homes
- Recreational vehicles, boats and trailers
- Vacant land
- Automobiles
- Artwork, jewelry, furs and collections such as coins, dolls, stamps and other similar items
- Term life insurance
- Annuity funds, which cannot be withdrawn in lump sum
- Anticipated bequests or inheritances
- Promissory Notes whose income is not reported on the perspective transferee tax return
- Community property; marital community property, except between the parties
- Community property if a prospective member is purchasing as sole property

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INCOME REQUIREMENTS

Prospective Shareholders shall submit from a recognized Credit Reporting Agency (e.g. Equifax, TransUnion, Experian), a full credit report and FICO score dated within 60 days prior to the application submittal.

Prospective Shareholders and transferees must provide satisfactory verification of income of at least \$40,000 per year at the time of purchase.

1. Acceptable verifications include, among others:

- The most recent Federal Tax returns
- W - 2 Forms or paycheck stubs
- Bank, credit union or investment account statements
- Letters from bankers
- Notices of annuities and Social Security payments
- Pensions
- Trust income
- Disability income
- Residential / commercial property rental income, before depreciation

2. Unacceptable income verifications include, among others:

- Letters from employers, accountants, bookkeepers and attorneys
- Income not reported on Federal income tax returns
- Funds held outside US borders
- Capital gains

GUARANTORS

The Mutual will permit the prospective shareholder who does not meet the financial requirements to have a Guarantor. The Guarantor in United Mutual shall provide satisfactory verification of annual income of at least \$90,000 and marketable or income producing assets of at least \$250,000 plus the manor purchase price.

Shareholder Financial Requirements for the occupying shareholder(s) when they have a Guarantor:

- Minimum Annual Income - \$24,000
- Minimum Verifiable Liquid, Marketable and/or Income Producing Assets - \$75,000 **at the close of escrow**

The income and assets of the Guarantor are not a substitute for the minimum income and assets needed by the prospective shareholder(s) occupant(s).

OWNERSHIP OF MULTIPLE MEMBERSHIPS

United does not permit ownership of more than one cooperative Membership, except under an interim dual Membership agreement which is issued for six months.

FINANCIAL QUALIFICATION WAIVERS

Shareholders who purchase a replacement Unit do not have to re-qualify financially for Membership, if there is no change to the Membership vesting and the dual interim agreement is in effect.

Current members of one Mutual who wish to purchase in another Mutual are required to meet the financial requirements of the Mutual in which they are purchasing.

A former member may obtain a waiver of financial qualifications if the replacement Membership is purchased within 90 days of the closing of the sale of the previously owned Membership, and vesting in the new Unit is exactly the same as the vesting in the Unit previously owned.

DISCRETIONARY AUTHORITY

United Board of Directors may, but is not obligated to, deny or approve applications for Membership based on the conditions herein. The Board of Directors, exercising prudent business judgement, may also deny or approve, in its sole and absolute discretion, applications based on other material factors, such as, but not limited to, history of bankruptcy, excess liabilities, or history of non-compliance as a member in United, GRF, or other Mutuels in Laguna Woods Village.

MEMBERSHIP

Membership in United is created, and starts, with the later occurring of the following:

- Written approval of Membership by the United Mutual Board of Directors;
- Issuance of a Membership Stock Certificate;
- The signing of an Occupancy Agreement; and
- Upon close of escrow.

Upon Membership approval the Occupancy Agreement entitles the Member to occupy the Unit for three years, which is automatically renewed for three-year terms per Article 4 of the Occupancy Agreement, unless terminated by transfer or United's non-renewal or termination by the Board of Directors.

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RESOLUTION 01-19-XX

Community Property Consideration

WHEREAS, United Laguna Woods Mutual (hereinafter “United” or “Corporation”), is a non-profit mutual benefit corporation, existing under and by virtue of the laws of the State of California, organized for the purpose of providing its Members with housing on a cooperative non-profit basis pursuant to the provisions set forth in its Articles of Incorporation and Bylaws and Board Resolutions (collectively referred to as the “Governing Documents”);

WHEREAS, the Corporation’s Amended and Restated Bylaws (“Bylaws”) provides the purpose of the Corporation is to, among other things, “manage, maintain, preserve, and administer the business of a common interest development, specifically, a stock cooperative”;

WHEREAS, the Bylaws provide that the Board of Directors of the Corporation is responsible for managing the business and affairs and exercising all corporate powers of the Corporation;

WHEREAS, United is a stock cooperative wherein each shareholder-member is granted the right to occupy a specific unit pursuant to an Occupancy Agreement together with ownership of one share in the cooperative, provided each shareholder-member meets the financial qualifications set forth in the Financial Qualifications Policy (rev. 5-23-18);

WHEREAS, the Board of Directors desires consistent policies regarding community property consideration, reporting rental property depreciation, and capital gains consideration;

NOW, THEREFORE, be it resolved that the following resolution is adopted by the Board of Directors:

Regarding community property, as set forth in the Financial Qualifications Policy (rev. 5-23-18) marital community property, except between the parties, is excluded from assets to be considered in order to meet financial qualifications. Likewise, community property is not considered if a prospective member is purchasing a unit as his/her sole property. Consideration of community property assets or community property contributions to purchase a unit albeit as sole property may transmute the intended sole property into community property.

BE IT FURTHER RESOLVED, that the officers, directors and agents of this Corporation are authorized to carry out the purpose of this Resolution.



UNITED LAGUNA WOODS
MUTUAL
STAFF REPORT

DATE: March 25, 2019
FOR: Governing Documents Review Committee
SUBJECT: Golf Cart Violation Fine

RECOMMENDATIONS

Staff recommends that the Board approve the proposed amendment to the Golf Cart Policies and Procedures to include a separate fine for golf carts cited using Mutual electricity without an Annual Electric Golf Cart decal.

BACKGROUND

On October 17, 2017, United Laguna Woods Mutual (United) approved revisions to the Golf Cart Policies and Procedures, adopted by Resolution 01-17-136. One provision in the policy allows golf cart plug in vehicles to charge batteries using common area electricity for a fee. When properly registered, golf carts are issued a rectangular yellow decal to indicate that they have paid the annual Electric Golf Cart fee, currently set at \$120 per cart, per year.

Included in the policies and procedures is the ability for United Mutual to impose a Notice of Violation and other enforcement actions when a golf cart is connected to common area electricity without proper permits. The current policy imposes a \$50 monetary penalty for golf carts that use Mutual electricity without a permit.

DISCUSSION

Staff recommends amending the Schedule of Traffic and Monetary Penalties to increase the fine for unpermitted golf carts using common-area electricity, to \$100 for the first violation with increments of \$50 for subsequent occurrences, capping the fine at \$250. In addition, the Member must obtain the Annual Electric Golf Cart charging decal within 10 days of the violation. The proposed increase will promote a fine schedule that is fair and objective but is also a clear deterrent to help enforce community rules and regulations.

#	Type of Violation	1st	2nd	3rd	4th
	Unpermitted Golf Cart Using Mutual Electricity	\$100	\$150	\$200	\$250

FINANCIAL ANALYSIS

Monetary penalties are imposed in accordance with Civil Code §5850 for violations. Fines are designed primarily as a deterrent to help enforce community rules and regulations. The revenue collected is used to partially offset the administrative costs associated with a citation such as patrolling, filing, data entry, correspondence with the driver/owner, and scheduling traffic hearings.

Prepared By: Jacob M Huanosto, Compliance Supervisor

Golf Cart Violation Fine

March 25, 2019

Page 2

Reviewed By:

Tim Moy, Chief of Security

Siobhan Foster, Chief Operating Officer

Betty Parker, Chief Financial Officer

ATTACHMENT(S)

Attachment 1: Schedule of Traffic Monetary Penalties

Security Division

SCHEDULE OF TRAFFIC MONETARY PENALTIES

Moving Violations	1st	2nd	3rd	4th (or more)
600 - Speeding (6 - 10 MPH)	\$25.00	\$50.00		
601 - Speeding (11 - 15 MPH)	\$50.00	\$100.00		
602 - Speeding (16 MPH and Over)	\$100.00	\$200.00		
610 - Failure to Stop	\$50.00	\$100.00	\$200.00	
620 - Right of Way	\$25.00	\$50.00		
630 - Turn Signal	\$25.00	\$50.00		
640 - Left of Center	\$25.00	\$50.00		
650 - Hit and Run	\$200.00	\$400.00		
660 - Valid Driver's License Not Produced	\$200.00	\$400.00		
680 - Reckless	\$150.00	\$300.00	\$300.00	\$300.00
690 - Headlight Violation	\$25.00	\$25.00	\$25.00	\$25.00
691 - Riding a Bicycle on Sidewalk	\$25.00	\$25.00	\$50.00	\$50.00
695 - Other Moving	\$25.00	\$50.00		
Parking Violations	1st	2nd	3rd	4th (or more)
010 - Abandoned Vehicle	\$25.00	\$25.00	\$50.00	\$50.00
700 - No Parking Zone	\$25.00	\$50.00	\$75.00	\$100.00
714 - Unpermitted Plug-In Using Mutual Electricity	\$240.00	\$480.00	\$480.00	\$480.00
716 - Unattended Extension Cords & Battery Charger	\$50.00	\$100.00	\$150.00	\$150.00
720 - Limited Time Parking	\$25.00	\$25.00	\$50.00	\$75.00
721 - Recreational Vehicle Parked over 6 Hr. Limit	\$25.00	\$25.00	\$50.00	\$75.00
722 - Advertising on Vehicle Parked Overnight	\$25.00	\$25.00	\$50.00	\$75.00
723 - Vehicle Used for Storage	\$50.00	\$100.00	\$150.00	\$200.00
724 - Parked on sidewalk or Grass	\$25.00	\$25.00	\$50.00	\$75.00
725 - Expired Vehicle Registration	\$50.00	\$100.00	\$150.00	\$150.00
726 - Parked Obstructing Access	\$25.00	\$25.00	\$50.00	\$75.00
727 - No Valid GRF Vehicle Decal or Parking Permit Displayed	\$25.00	\$25.00	\$50.00	\$50.00
800 - Fire Hydrant	\$25.00	\$50.00	\$50.00	\$50.00
730 - Other Parking Violations	\$25.00	\$25.00	\$50.00	\$50.00
Handicap Parking Violations	1st	2nd	3rd	4th (or more)
810 - Handicapped Parking				
<i>With Placard & Handicap I.D. verification</i>	\$0.00	\$25.00	\$50.00	\$75.00
811 - Handicapped Parking				
<i>No Placard or Handicap I.D. Displayed</i>	\$150.00	\$200.00	\$250.00	\$275.00
Pedestrian Violations	1st	2nd	3rd	4th (or more)
750 -Pedestrian Violations	\$25.00	\$25.00	\$50.00	\$50.00
RV Parking Violations	1st	2nd	3rd	4th (or more)
820 - Hazardous Material	\$75.00	\$100.00	\$150.00	
830 - Wheel Block	\$25.00	\$50.00	\$75.00	\$100.00
840 - Jack Support (R & R Section "W" Violation)	\$25.00	\$50.00	\$75.00	\$100.00
850 - Maintenance or Repair	\$25.00	\$50.00	\$75.00	\$100.00
860 - Miscellaneous (Minor)	\$25.00	\$50.00	\$75.00	
870 - Miscellaneous (Major)	\$50.00	\$100.00	\$150.00	

RV Lot Parking Violations

Miscellaneous (Minor)	Miscellaneous (Major)	Miscellaneous (Major)
Flat Tires	Expired Registration	Unauthorized vehicle in space
Failure to provide Registration paperwork	Utilizing RV vehicle as living quarters	Vehicle utilized for storage
	Clutter	Generator running unattended
	Storage outside of vehicle	Portable sheds or tents erected outside of vehicle
	Wash-rack violation	Illegal Jack (R & R Section "X" Violation)

**Checks Payable to "GRF" w/ reference# in memo box
Pay in person by leaving check in "Payment box"
or mailing to:**

**Attention: Security Division
24351 El Toro Road
Laguna Woods, CA 92637**