

United Laguna Woods Mutual 2020 Year in Review

November 10, 2020



United Board of Directors

Mission Statement: To ensure our residents have a comfortable, well-maintained home

Board Responsibility: To ensure financial stability, maintain manors and landscape, provide a safe environment and minimize costs



Sue Margolis
President



Carl Randazzo
First Vice President



Andre Torng
Second Vice President



Juanita Skillman
Secretary



Brian Gilmore
Treasurer

United Board of Directors



Cash Achrekar
Director



Elsie Addington
Director



Neda Ardani
Director



Manuel Armendariz
Director



Reza Bastani
Director



Anthony Liberatore
Director

Village Documentation Completed



- Village Management Services agreement: 28 pages of United board expectations of VMS
- GRF bylaws: Review and update
- Emergency Resolution Regarding COVID-19 Rules



Finance



Financial: Completed

- Completed reevaluation of property
- Moved assets to most inexpensive investment with highest return (Sageview)
- Determined vetting qualifications for lenders (resolution completed)
- Defined and adopted check-signing process for reserve expenditures
- Met with GRF, Third treasurers to become compliant with 5510 purchasing process documentation
- Determined insurance needed; exploring cost decreases

2021 Business Plan



United Mutual*

Basic Monthly Assessment	2020 Budget	2021 Budget	Change
Mutual	\$396.38	\$396.38	\$0
GRF	\$205.60	\$205.60	\$0
Total	\$601.98	\$601.98	\$0

* Monthly Payment = Basic Assessment + Insurance + Your Real Estate Taxes

United Fund Balances (Non-Operating)

Year	Ending Balance
2011	\$25,832,579
2012	\$24,461,222
2013	\$22,749,821
2014	\$21,194,416
2015	\$21,527,179
2016	\$20,448,095
2017	\$22,432,530
2018	\$21,713,353
2019 (as of 09/30)	\$18,012,232
2020 (as of 09/30)	\$21,130,662

Key Financial Facts

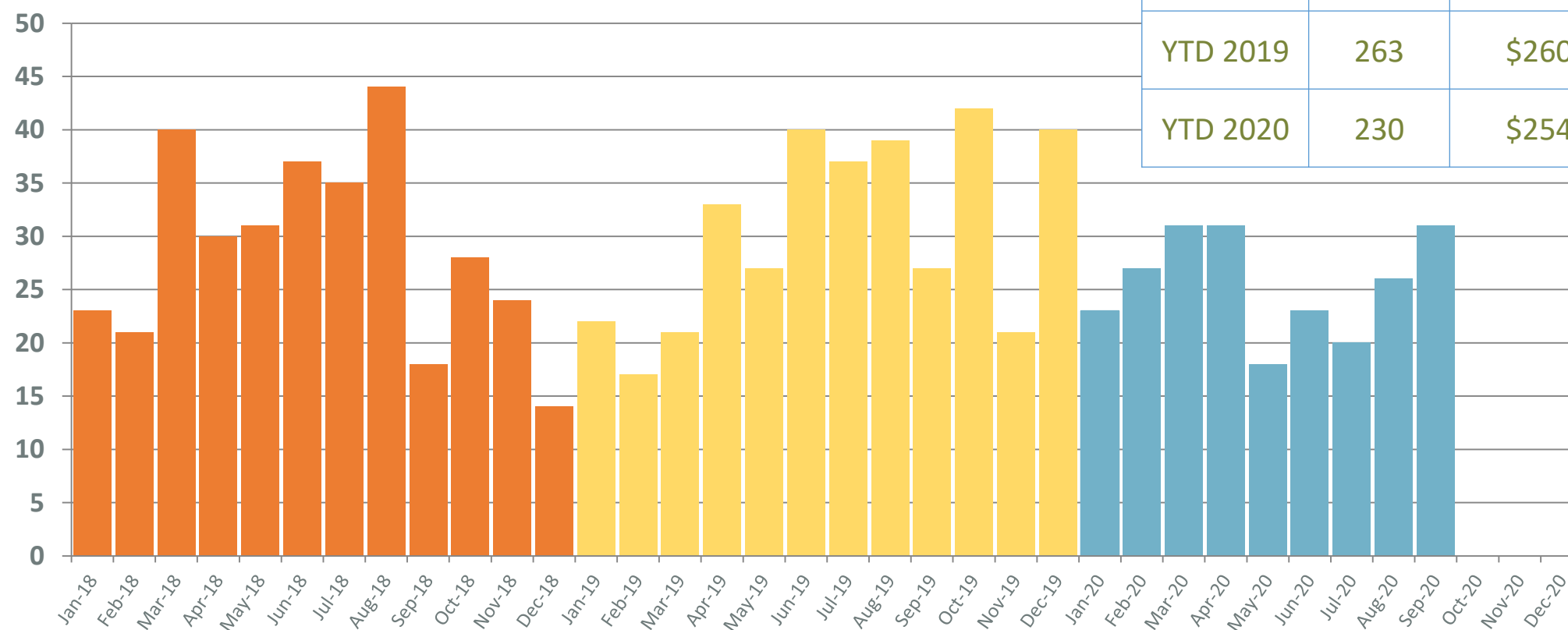
Due to COVID-19:

- **Operating Fund had a surplus of \$700,000, which will be used for insurance premiums.**
- **Reserve Fund had unspent funds of \$3.1 million, which will offset the need to increase the basic assessment.**

Financial Report: Resale History

Preliminary as of September 30, 2020

	No. of Resales	Average Resale Price
YTD 2018	279	\$276,578
YTD 2019	263	\$260,569
YTD 2020	230	\$254,179



Handyman Program



Handyman Program: Completed

- Established phase I: a pseudo-contract with Neighboring Inc. for the village, which offers a tiered price list dependent on the task requested
- Established Phase II: a chargeable services list
- Established procedure to secure an itemized quote before chargeable work is done



Maintenance & Construction



Pushmatic Panel Replacement: Ongoing

**275 manors
scheduled for
2020—142 have
been completed.
Work is only being
done on those
manors where the
resident has
granted permission.**

Before



After



Waste Line Remediation

- This involves the installation of a seamless epoxy-based liner within the existing pipes to mitigate future interior leaks and root intrusion to prevent future problems.
- 30+ buildings have been completed in 2020.

Before



After



Roofing

- This program is dedicated to replacing and maintaining United Mutual roofs as required on a 15-year basis.
- This program also addresses repairs to roofs where roofing leaks have occurred.



Shepherd's Crook Fencing Installation

- To date a total of 2,966 linear feet out of 21,000 linear feet of Shepherd's Crook fencing has been installed.
- On March 10, the Board approved a funding reduction of \$125,000 for 2020. The remaining budget amount of \$40,000 will be used to fabricate and install approximately 300 linear feet of fence in 2020.
- One of the areas currently targeted for 2020 is the equestrian trail on Moulton Parkway which will be included in the work to be completed this year.
- The contractor is currently fabricating the Shepherd's Crook Fencing.

Exterior Paint Program & Prior to Paint Program

- **Paint Program:** In 2020, CDS 61 and 62 have been completed.
- **Prior to Paint Program:** In 2020, CDS 61, 62, 63, 64 and 65 have been completed.
- Work was stopped for a time in both programs due to the pandemic and has now restarted.
- We have changed from a 10-year paint cycle to a 15-year paint cycle in order to save money.

Projects in Progress by Directors

- **Determining strategy for COVID-delayed work**
- **Establishing a standard operating procedure to include version control of work to be done, keep training records**
- **Determining cause of moisture intrusion and getting ahead of the challenge, as well as the causes of roof leaks and broken tiles**
- **Following up on jobs taking more than once to fix, improving checklist**

Asphalt Paving Work: Completed

Cul-de-Sac 27

- This program is dedicated to preserving the integrity of the street paving within United.
- As part of this program, the asphalt paving is inspected and rated for wear annually.
- The 2020 program consisted of 59,900 square feet of paving replacement.



Seal Coat Program: Ongoing

Cul-de-Sac 6

- This program is funded to extend the life of the asphalt paving by sealing asphalt cracks and applying a bituminous slurry seal to the asphalt surface preventing water intrusion and protecting the asphalt from deterioration.
- The 2020 Program will consist of 14 cul-de-sacs.



Building and Cul-de-Sac Signage

- This program upgraded building the cul-de-sac (CDS) signage to improve visibility. CDS signs were replaced with ones that are larger, traffic-rated, with high reflectivity materials to improve their visibility at night.
- CDS signage installation is now completed.
- The same type of building and CDS identity signage will be added to the buildings as part of the Painting Programs.

Moisture Intrusion

- Moisture intrusion events happen in LWV due to roof leaks and waste line piping leaks.
- There were a number of these that occurred this year.
- The Waste Line Remediation Program has been enacted to line the drain lines before they start to leak due to age



Challenges Ahead

- Working with staff to address a path forward for COVID-delayed work.
- Establishing additional standard operating procedures to be used in the work process.
- Working with staff to address the reduction of moisture intrusion events in order to get ahead of this challenge. Aging pipes and roofs are the problems that need to be addressed.
- Reviewing with staff the reasons for why certain jobs take more than once to fix. Job follow-up and improvement of checklists are parts of the solution.

Issues Being Addressed by Directors

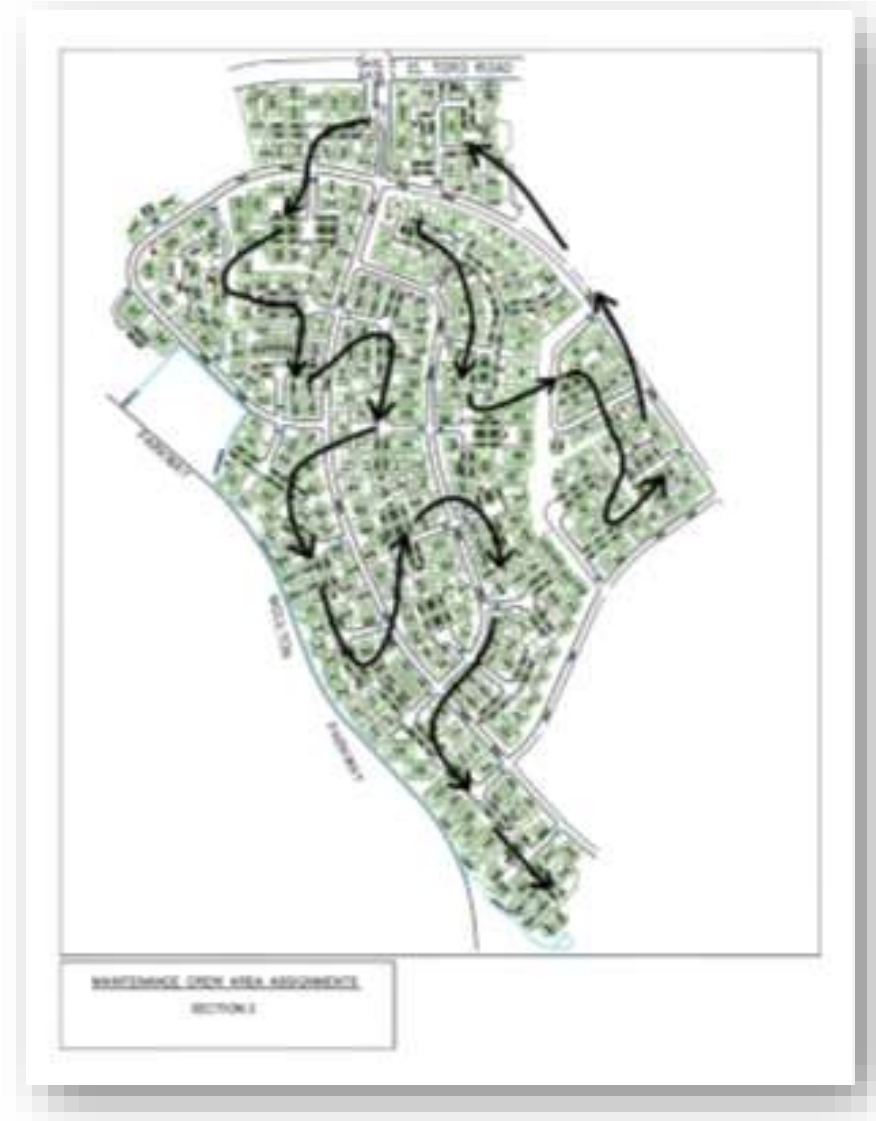
- Following up on work orders that have been outstanding for more than 60 to 90 days. We have seen a reduction in these outstanding work orders.
- Possible use of additional project management software, as needed.
- Requiring the addition of random quality checks on all jobs, especially contracted work.
- Addressing the potential for renegotiating contracts to obtain better terms.

Landscaping



Landscaping: Completed

- Placed a map on the website showing date, area for deep cleaning and mulching
- Outsourced slopes for tree trimming and slope maintenance



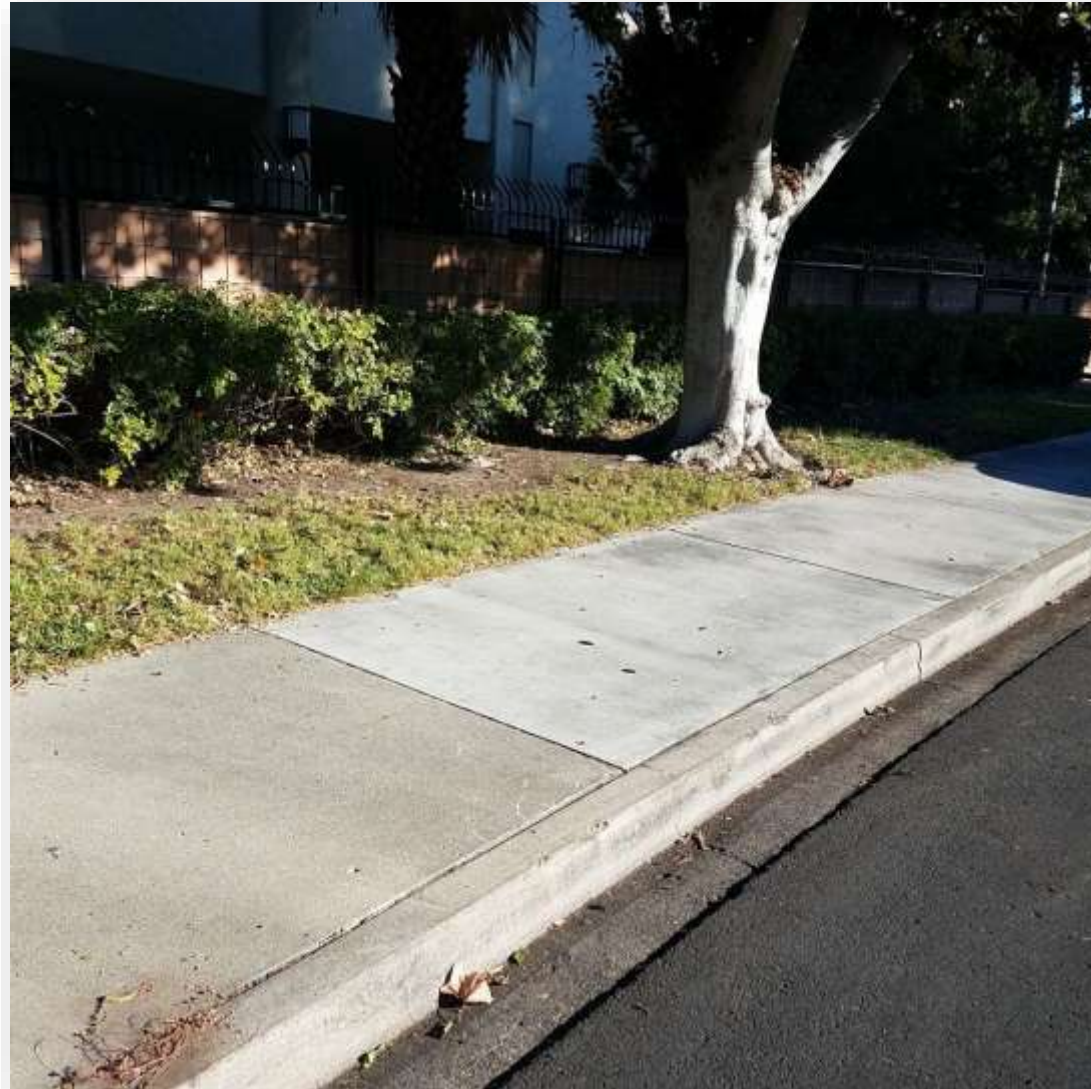
Landscaping: Future Projects

- Developing a website map of upcoming projects
- Contracting out some slope work
- Seeking feedback from cul-de-sac monitors
- Working toward quality control protocol
- Conducting random quality checks on all jobs, especially contracted work
- Develop Standard Operating Procedures



Future Modernization Projects

263 Calle Aragon



Future Modernization Projects

Greenbelt across from
250-251 Calle Aragon



Architecture



Architecture: Completed

Asbestos procedure:

- **Completed inspection procedure**
- **Established asbestos procedure; one Village permit, one City of Laguna Woods permit**
- **Defined “modification”**
- **Reviewed asbestos removal procedure and developed communication for residents who are remodeling**

Architecture: Challenges Ahead

- Working with the city to make alterations smoother and less costly
- Making common set of architectural drawings that have earned city and VMS approval
- Triaging system for requests
- Started documenting renovation plans that have been used for each model

Governing Documents



Governing Documents

Projects:

- **A Simplified Guide to Operating Rules**
- **Operating Rules Consolidation**
- **Occupancy Agreement review**
- **Financial Qualifications Amendment**
- **Speed up approval process for membership Trust Transfer and Sublease Agreement**
- **Identified Executive Committee Designation**

Governing Documents

Resolutions Passed:

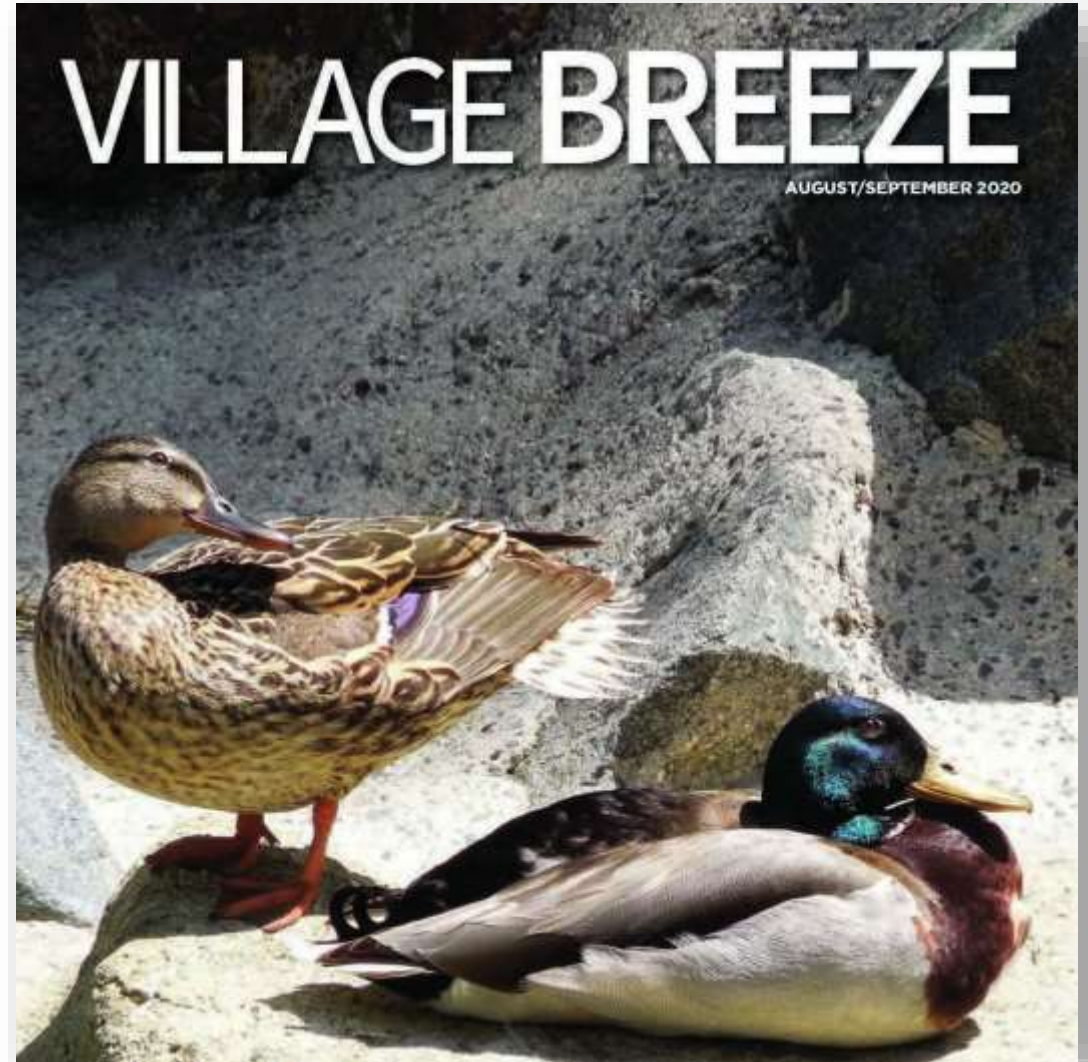
- **Species-based Tree Trimming Policy**
- **Objective Standards for Approval to loan within United Laguna Woods Mutual Appeal Policy**
- **Updated Member Election & Voting Policy According to Civil Code Update**
- **Updated Recognition Agreement for Lenders**
- **Separate checking account for reserve**

Governing Documents: Challenges Ahead



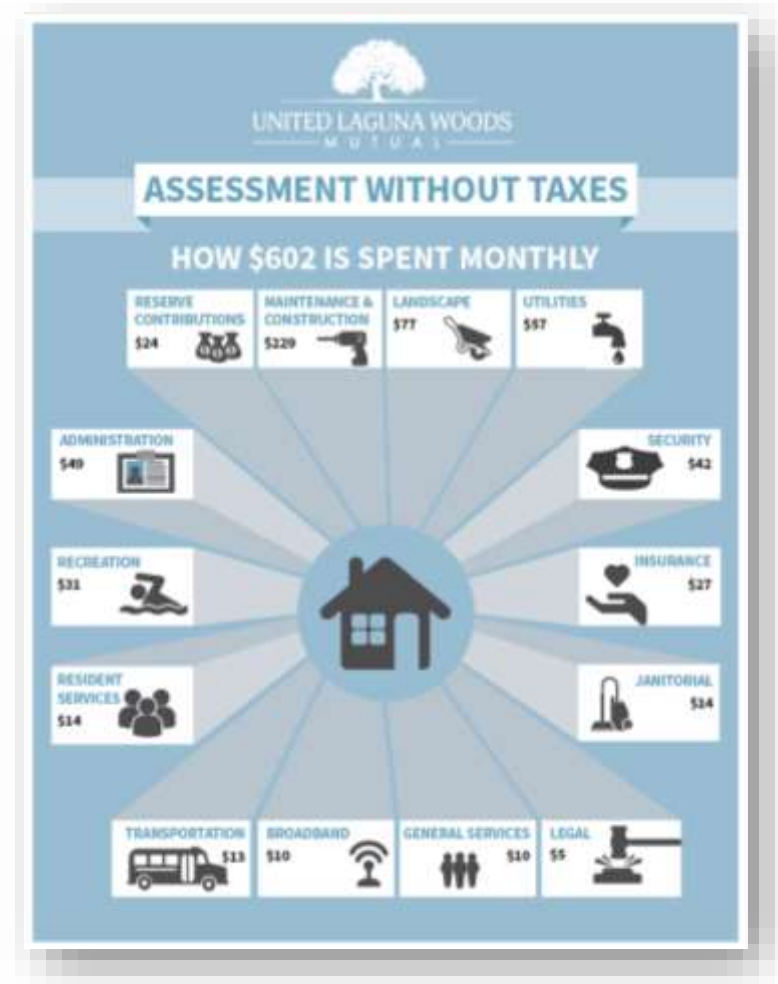
- **Continuing to consolidate documentation**
- **Simplifying operating rules**
- **Preparing a code of conduct**
- **Removing low-risk clauses that impede buying, improving a manor and selling to move**

Communications



Communications: Completed

- Developed an annual message: Year of Kindness and Compassion
- Developed graphics to illustrate where assessments are spent; promoted in the Village Breeze magazine



Village Breeze

- Mailed bimonthly to all resident manors.
- Printed and distributed throughout the Village.
- Written by members of each board.



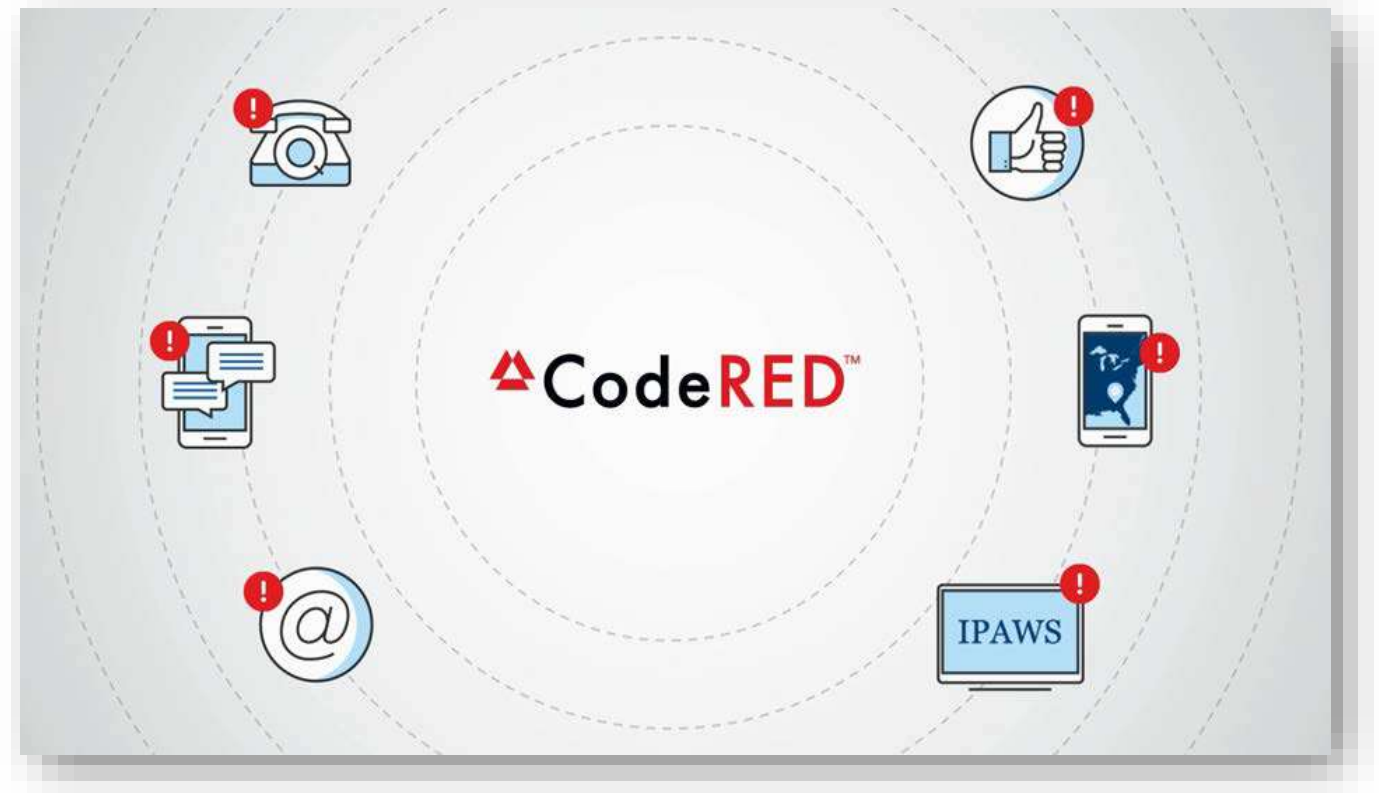
Weekly E-Blast

- **What's Up in the Village** emailed to 15,000+ residents every Friday



Emergency Notification System

- More than 5,000 residents are registered with the CodeRed program. Efforts to increase participation are ongoing.



United Mutual Directors on Village Television



- Members of the Board of Directors regularly appear on Village Television to update residents.
- Monthly Board of Directors meetings are televised live and always available for viewing on the Laguna Woods Village website.



Compliance



Compliance: Completed

- Revised first letter regarding compliance issues in membership dues to feature a friendlier tone
- Established membership termination hearings for members with outstanding dues more than \$5K
- Intervened in residents lodging multiple complaints
- Determined the average cost of a compliancy call, informed residents (\$270 complaint investigation; \$336 letter sent)

Resident Services



Resident Services: Completed

- Implemented with Chuck Holland an automatic feedback system that work requests have been received and scheduled with a work order number
- Reviewing monthly the number of work orders and the time to completions for all areas



Resident Services: Challenges Ahead

- Working toward protocol for when a resident calls regarding neighbor issues
- Working on resident tutorial for when to call and when not to call Resident Services
- Working to reduce calls by 20%
- Separating gate calls, eliminating frequent callers, working harder to make the first call count

Miscellaneous



Miscellaneous: Challenges Ahead

- **Preparing a strategic plan for United**
- **Preparing Standard Operating Procedures for directors**
- **Supported the retirement plan**
- **Developing an escalation procedure for the employee handbook**
- **Developing an ad hoc committee to review budgeting**
- **Establishing a volunteer center**
- **Developing an outsourcing plan with VMS for the future**

Software Research Group

Mission:

To find a cloud-based integrated HOA system to reduce development and support costs, and improve staff productivity and system security

Who Should Participate:

Stakeholders Committee Includes VMS Staff and LWV Residents

Executive Committee includes VMS Executives and Assigned Board Members

Software Research Group

Accomplished so far:

- **Established current (AS-IS) state**
- **Identified and solicited feedback from vendors**
- **Prepared proposed (TO-BE) state**
- **Proposed implementation methodology**
- **Prepared template project plan**

Software Research Group

What is next:

- **Complete proposed state (TO-BE)**
- **Complete proposal and recommendation with ROI**
- **Prepare tentative implementation plan**
- **Seek input and approval from all boards**

Thank You