



Laguna Woods Village®

# **BENCHMARKING REPORT**

**September 2024**



# Laguna Woods Village®

## Benchmarking Report

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## **Benchmarking Report Executive Summary**

### **Overview**

This benchmarking project was undertaken under the leadership of the Village Management Services Inc. (VMS) board of directors. The goal of this project is to provide members with a greater understanding of the services provided by VMS and how the costs of those services compare to similar organizations and/or contractors. Additionally, this project enhances the possibility of VMS to improve performance, identify best practices and assist the VMS board and staff in strategic planning efforts. This opportunity is due to the research and interviews of comparable organizations.

### **Problem Statement**

Laguna Woods Village encompasses 3.8 square miles, a population of 18,600 and almost 13,000 manors. Geographical attributes, service demands and infrastructure needs contribute to the Village's uniqueness, all of which make benchmarking a challenge. While the services provided by VMS are common, service delivery demands are amplified based on the aforementioned attributes of the Village.

### **Methodology**

This project examined costs and services by comparing VMS services with services provided by for-profit companies, government entities and age-restricted sister communities. VMS department directors conducted appropriate research and analysis with staff support. Methodologies included budget and website reviews, interviews, quotes, service levels, requests for proposals and labor costs. This mixed methodology allowed for a richer, more nuanced understanding to ensure the services comparisons were as equivalent as possible. Throughout the project, the VMS board of directors provided oversight and leadership as to research, analysis and methodology.

### **Key Findings**

Services provided by VMS are cost effective and, in the majority of instances, delivered at a lower cost than those of the comparable organizations analyzed. In areas where VMS has higher service delivery costs, it is clear that higher service levels provided are commensurate with higher costs.

### **Conclusion**

During this research, it became clear that VMS Inc., as a self-managed, member-owned, not-for-profit company, has distinct advantages over the entities analyzed, including the ability to control costs, service levels and economies of scale due to the size of the Village. Additionally, distinct advantages include but are not limited to member control/engagement, flexibility and responsiveness to member needs, and the members ability to prioritize transparency and accountability.

The VMS board of directors wishes for members to increase their knowledge of VMS-provided services and assist the CEO/General Manager and executive management to guide staff in continuing to identify opportunities to improve efficiency and enhance services provided to all members of Laguna Woods Village.

*—Village Management Services Inc. Board of Directors*

## Benchmarking Report General Administration

### Introduction

Village Management Services Inc. (VMS) general administration, consisting of administration, communications, corporate secretary and human resources, has been benchmarked against sister communities and smaller cities within Orange County. Published budget information and available open-source information were reviewed for this report.

### Benchmarking Criteria

Metrics used for this report include financial components such as costs and operational metrics that define service levels. Service levels for the General Administration functions of administration, communications, corporate secretary and human resources are as follows:

| FUNCTION            | COMPLEX   | MODERATE                                   | LOW  |
|---------------------|---|--|--|
| Administration      | Magnitude of services managed                   |  |  |
| Communications      | Methods and quantity of communications outreach |  |  |
| Corporate Secretary | 100+ meetings administered annually             | 50 to 100 meetings administered annually   | Less than 50 meeting administered annually     |
| Human Resources     | Ratio of employees to HR staff: 60+:1           | Ratio of employees to HR staff: 30 to 60:1 | Ratio of employees to HR staff: Less than 30:1 |

Descriptions of service offered by each community are included in the General Gov't (Administration, Communications, HR) Functional Comparison table (see page 6).

### Benchmarking Participants

Entities used in this benchmarking effort are the Golden Rain Foundation (GRF) Rossmoor Walnut Creek and GRF Leisure World Seal Beach, and the cities of Aliso Viejo, Fountain Valley, Laguna Beach, Laguna Niguel, Lake Forest, La Palma, Los Alamitos, Rancho Santa Margarita, San Juan Capistrano and Villa Park. Sister GRF communities serve as benchmarking peers; cities serve as local industry providers.

### Data Collection and Analysis

A review and an analysis of current budgets and staffing levels for the entities were conducted. Additionally, reviews of the organizations' webpages, budgets and other documents were completed to ensure a consistent match of budgets and service levels to the greatest extent possible. Personal contact was made where necessary.

### Benchmarking Results

VMS provides a cost-competitive general administration system with a robust level of service. Analysis indicates that VMS general government functions comprise 2.4% less of the total GRF

budget than Rossmoor Walnut Creek and 9% less than GRF Leisure World Seal Beach. General government functions in the cities surveyed average 8.3% of the total budget while comparable VMS functions comprise 7.5% of the total budget.

Benchmarking analysis data indicates that VMS offers higher service levels than its sister communities at a lower cost and at leaner staffing levels. Generally, VMS also offers higher service levels than area cities at comparable cost and leaner staffing levels. The attached chart provides a side-by-side comparison of the financial, staffing and operational metrics analyzed. The second chart contains a functional comparison of the entities surveyed to illustrate the robustness of VMS-provided services.

The administration comparison is based on 1.) magnitude of services managed, 2.) types and frequency of communications outreach, 3.) meetings administered via corporate secretaries and 4.) employees served with ratio of employees to HR staff.

### **Best Practices and Lessons Learned**

While VMS seems to make better use of technology than its sister communities, comparisons with municipalities indicate a greater use of technology for board/committee meetings as well as other operational uses, including employee recruitment (which should encompass AI) and other HR functions that may enhance operational efficiency and reduce costs.

### **Recommendations and Action Plan**

Staff will continue to look for opportunities to integrate efficiencies and service enhancements into general administration where possible. Recent initiatives have included outsourcing the employee safety program, working with the corporations to reduce the number of governance meetings and implementing electronic agendas/packets for board meetings. Longer-term focus should be on use of technology/AI as outlined in the previous section.

### General Gov't (Administration, Communications, HR) Functional Comparison

| Community                        | Population          | % of Budget | % of Employees | Admin Description - Magnitude of services managed   | Admin Complexity | Comm Description - Types and volume of outreach  | Comm Complexity | Corp Sec Description - Meetings administered  | Corp Sec Complexity | HR Description - Employees served; ratio of HR to employees   | HR Complexity |
|----------------------------------|---------------------|-------------|----------------|---|------------------|--|-----------------|---|---------------------|---|---------------|
| <b>Sister Communities</b>        |                     |             |                |   |                  |  |                 |   |                     |   |               |
| Village Management Services      | 18,700; 2,095 acres | 7.5%        | 2.8%           | 8 depts: admin (including communications), HR, finance, landscaping, general services (including broadband), IT (including resident services), maintenance & construction, security (including social services), recreation | Complex          | 587 serial publications & key messages; website; open rate 59.28% Weekly eblast & bi-monthly magazine; TV6; YouTube; CodeRED   | Complex         | 489 mtgs, 144 of which were board meetings in 2023; 4 BODs, 35 committees   | Complex             | 734.78; 122:1 employees; benefits, employee relations, legal compliance, recruitment, training, worker's comp, events, union; 6 HR emps   | Complex       |
| Rossmoor Walnut Creek            | 9,600; 1,800 acres  | 8.9%        | 14.2%          | 8 depts inc TV, social services with half population  | Moderate         | Publish Rossmoor News weekly; websites; TV; YouTube; no emergency alerts   | Complex         | Staff support to GRF BOD & 6 committees; not 23 mutuals; 80 mtgs in 2023 inc 13 board and 67 committee                                  | Moderate            | 138.35; 35:1 employees; benefits, employee relations, legal compliance, recruitment, training, worker's comp, events, no union; 4 HR emps | Moderate      |
| Leisure World Seal Beach         | 9,000; 542 acres    | 16.5%       | 14.6%          | 4 depts but with most services to some degree; no TV, social services   | Moderate         | Publish weekly newspaper; annual report; map; mini-bus schedule; no TV; no emergency alerts  | Moderate        | Staff support to presidents council, 4 GRF committees and 2 ad hoc committees; board & committees meet monthly; approx 60 mtgs annually | Moderate            | 171.16 employees; 43:1; benefits, employee relations, legal compliance, recruitment, training, worker's comp, events, no union; 4 HR emps | Moderate      |
| <b>Area Cities (alpha order)</b> |                     |             |                |   |                  |  |                 |   |                     |   |               |
| Aliso Viejo                      | 50,760              | 6.2%        | 16.0%          | 10 depts: admin, city clerk, compliance, finance, IT, planning, police, public works, recreation  | Complex          | Mayor's message monthly; news tab on website; Nixle emergency alert system   | Moderate        | City Council; 32 meetings in 2023; no commissions evident   | Low                 | 8.25 employees served; ratio: 8.25:1; 1 HR emp  | Low           |
| Fountain Valley                  | 54,797              | 4.0%        | 4.6%           | 13 depts: admin, city clerk, comm dev, env, finance, fire, housing, HR, police, public works, purchasing, recreation, IT  | Complex          | Communication of city policies/programs to media & other audiences; monthly digital Fountain Valley monthly newsletters; monthly City Manager Update Video; biweekly internal City Council Communicators that inc important department updates | Complex         | City Council & 7 commissions; 36 meetings in 2023   | Low                 | 252.25 employees served; ratio: 42:1; 6HR emps  | Moderate      |
| Laguna Beach                     | 22,583              | 4.0%        | 4.5%           | 13 depts: admin, city clerk, treasurer, finance/IT, police, fire, marine, pw, comm svcs, HR, recreation   | Complex          | Weekly newsletter; strategic public relations; creative services to depts; maintains website; participates in city's presence on social media & other outlets to enhance digital engagement, public relations, & info transparency             | Complex         | City Council & 9 active Committees; 143 mtgs in 2023  | Complex             | 336.68 employees served; 48:1; 7 HR emps  | Moderate      |
| Laguna Niguel                    | 64,355              | 3.8%        | 10.6%          | 10 depts: admin, city atty, city clerk, comm dev, finance, fire, parks & rec, police, pw  | Complex          | Social media, Notify Me, Nixle, on-line brochures, e-newsletters, press releases, comprehensive What's News section on website   | Complex         | City Council & 10 committees; 49 meetings in 2023   | Low                 | 71 served; ratio: 71:1; 1 HR emp  | Complex       |
| Lake Forest                      | 84,293              | 6.6%        | 13.2%          | 13 depts: admin, city clerk, comm, com dev, eco devo, finance, fire, HR, mgmt svcs, police, public safety, public works   | Complex          | Prepares various City publications for community inc The Leaflet, monthly e-Newsletters, budget-at-a-glance, new resident welcome packets, flyers, and other special purpose publications. Oversees the City's YouTube channel.                | Complex         | City Council & 5 commissions; 71 meetings in 2023   | Moderate            | 68 employees served; ratio: 34:1; 2 HR emp  | Moderate      |
| La Palma                         | 15,332              | 22.4%       | 7.1%           | 11 depts: admin, city atty, city clerk, comm dev, finance, fire, HR, police, pw, recreation   | Complex          | Weekly e-newsletter, website, social media, media releases to inform community about city issues, programs and events  | Moderate        | City Council and 3 committees; 11 city council meetings in 2023   | Low                 | 53 employees served; 53:1; 1 HR emp   | Moderate      |
| Los Alamitos                     | 11,628              | 6.8%        | ---            | 8 depts: admin, city clerk, dev svcs, finance, fire, HR, police, recreation   | Complex          | Unable to locate information about communication program   | Low             | City Council & 3 commissions; 81 meetings in 2023   | Moderate            | Unable to identify information  | ---           |
| Rancho Santa Margarita           | 47,949              | 5.8%        | 21.6%          | 6 depts: admin, finance, police, development services, pw, comm svcs  | Complex          | Periodic community news & media releases on website; emergency alerts; monthly e-newsletter  | Moderate        | City Council & Planning Commission; 37 mtgs in 2023   | Low                 | 30.03 employees served; ratio 30.03:1; 1 HR emp   | Moderate      |
| San Juan Capistrano              | 35,271              | 6.6%        | 15.6%          | 11 depts: admin, city clerk, city atty, comm svcs, dev svcs, emer prep, finance, fire, HR, police, pw   | Complex          | Weekly city manager update; contact for media requests and inquiries from the public.  | Moderate        | City Council & 7 committees; 74 meetings in 2023  | Moderate            | 65.82 employees served; ratio: 33:1; 2 HR emp   | Complex       |
| Villa Park                       | 5,951               | 17.2%       | 60.6%          | 4 depts: admin, pw (storm drain, sewer), public safety, community development (bldg, compliance, eng)   | Moderate         | Public outreach efforts to promote open gov't & transparency, inc mailing out informational mailers to residents.  | Low             | City Council & 4 committees; est. 15 public meetings in 2023/24   | Low                 | 8.25 employees served; ratio 8.25:1; 1 HR emp   | Low           |
| <b>City Average</b>              |                     | <b>8.3%</b> | <b>17.1%</b>   |   |                  |  |                 |   |                     |   |               |

# General Gov't (Administration, Communications, HR) Functional Comparison

| Community                               | % of Budget | % of Employees | Admin Complexity | Comm Complexity | Corp Sec Complexity | HR Complexity |
|---|-------------|----------------|------------------|-----------------|---------------------|---------------|
| <b>Sister Communities</b>               |             |                |                  |                 |                     |               |
| Village Management Services             | 7.5%        | 2.8%           | Complex          | Complex         | Complex             | Complex       |
| Rossmoor Walnut Creek                   | 8.9%        | 14.2%          | Moderate         | Complex         | Moderate            | Moderate      |
| Leisure World Seal Beach                | 16.5%       | 14.6%          | Moderate         | Moderate        | Moderate            | Moderate      |
| <b>Area Cities (alphabetical order)</b> |             |                |                  |                 |                     |               |
| Aliso Viejo                             | 6.2%        | 16.0%          | Complex          | Moderate        | Low                 | Low           |
| Fountain Valley                         | 4.0%        | 4.6%           | Complex          | Complex         | Low                 | Moderate      |
| Laguna Beach                            | 4.0%        | 4.5%           | Complex          | Complex         | Complex             | Moderate      |
| Laguna Niguel                           | 3.8%        | 10.6%          | Complex          | Complex         | Low                 | Complex       |
| Lake Forest                             | 6.6%        | 13.2%          | Complex          | Complex         | Moderate            | Moderate      |
| La Palma                                | 22.4%       | 7.1%           | Complex          | Moderate        | Low                 | Moderate      |
| Los Alamitos                            | 6.8%        | ---            | Complex          | Low             | Moderate            | ---           |
| Rancho Santa Margarita                  | 5.8%        | 21.6%          | Complex          | Moderate        | Low                 | Moderate      |
| San Juan Capistrano                     | 6.6%        | 15.6%          | Complex          | Moderate        | Moderate            | Complex       |
| Villa Park                              | 17.2%       | 60.6%          | Moderate         | Low             | Low                 | Low           |
| <b>City Average</b>                     | <b>8.3%</b> | <b>17.1%</b>   |                  |                 |                     |               |



## **Benchmarking Report How VMS Compares**

### **Assessment History**

Each year, the United, Third and GRF boards of directors determine monthly assessments required to fund operations, determine restricted fund contributions and set reserve fund contributions.

From 2013 to 2023, the Consumer Price Index (CPI) increased by 35.3%, which represents an average annual change of 3.1%. CPI: CPI-U was used for the Los Angeles-Long Beach-Anaheim, California, area. This comparison was made between October 2013 and October 2023, as it is the most recent 10-year period available. See below and Chart A (page 9) to see how GRF and the mutuals compare to this historical information.

#### **GRF**

From 2014 to 2024, assessments increased by \$4.34 or 1.9%, which represents an average annual change of 0.5%. Much of the low increase is due to the trust facilities fee that owners pay when purchasing a new home.

#### **United**

From 2014 to 2024, assessments increased by \$106.68 or 32.4%, which represents an average annual change of 2.3%. Combined with the GRF portion of the monthly assessment, the total basic assessment increased by \$111.02 or 20.1%, which represents an average annual change of 1.7%.

#### **Third**

From 2014 to 2024, assessments increased by \$203.97 or 53.2%, which represents an average annual change of 3.5%. Combined with the GRF portion of the monthly assessment, the total basic assessment increased by \$208.31 or 34.3%, which represents an average annual change of 2.6%. The large year-over-year increase in 2022 was due to a \$7 million increase in property insurance from 2021, which was due to reassessed Third property values and premium increase based on unfavorable market conditions related to natural disasters such as California wildfires.





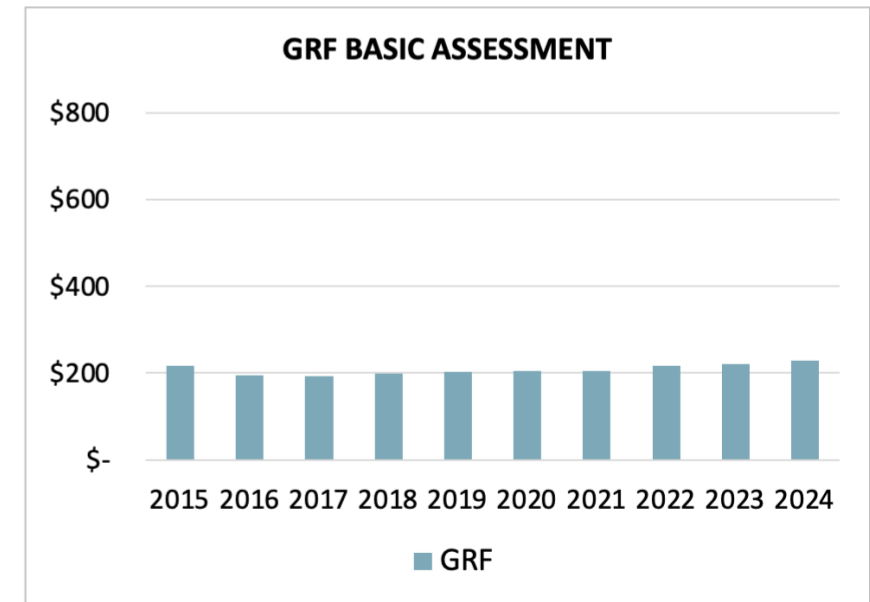
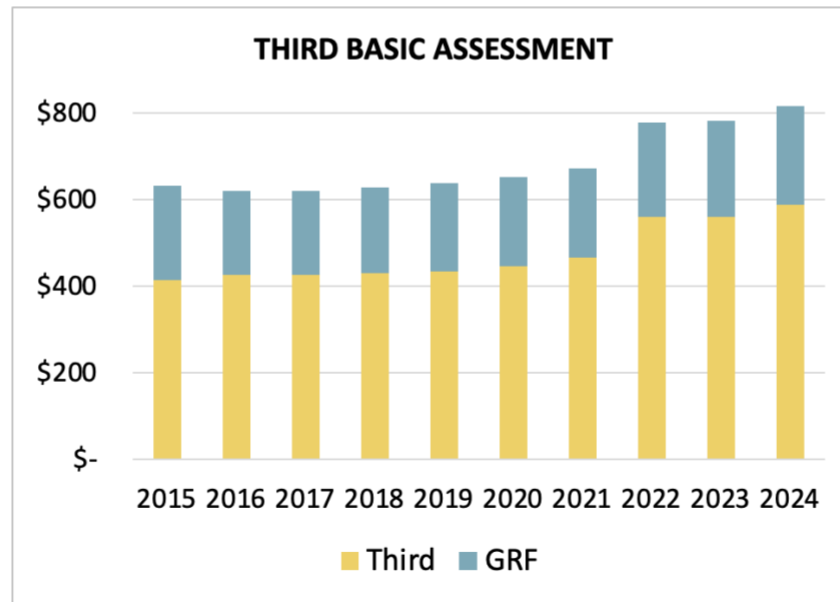
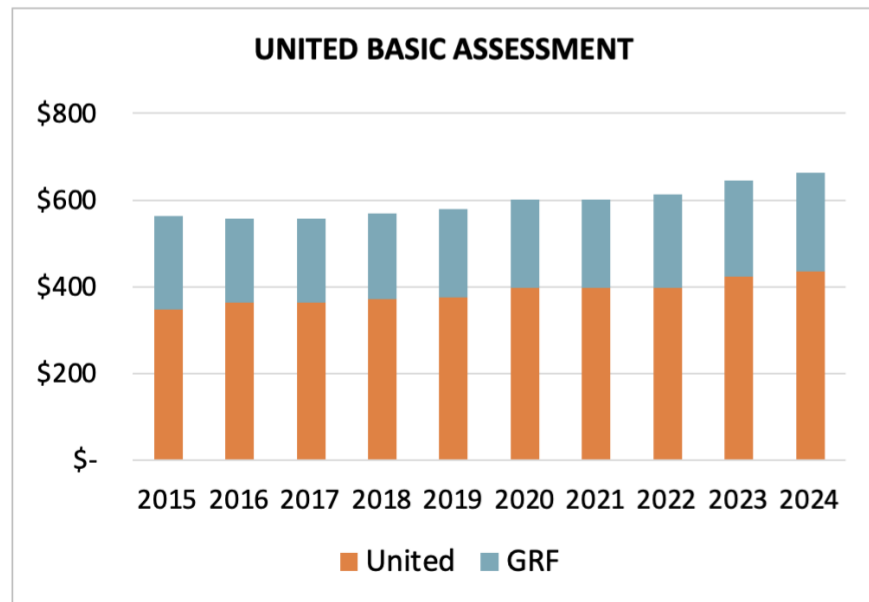
CHART A



| UNITED BASIC ASSESSMENT |             |          |                |          |
|-------------------------|-------------|----------|----------------|----------|
|                         | United Only | % Change | (United + GRF) | % change |
| 2014                    | \$329.08    |          | \$552.96       |          |
| 2015                    | \$347.13    | 5.5%     | \$563.19       | 1.9%     |
| 2016                    | \$362.87    | 4.5%     | \$557.17       | (1.1%)   |
| 2017                    | \$363.56    | 0.2%     | \$557.17       | 0.0%     |
| 2018                    | \$370.42    | 1.9%     | \$568.99       | 2.1%     |
| 2019                    | \$375.69    | 1.4%     | \$578.52       | 1.7%     |
| 2020                    | \$396.38    | 5.5%     | \$601.98       | 4.1%     |
| 2021                    | \$396.38    | 0.0%     | \$601.98       | 0.0%     |
| 2022                    | \$396.38    | 0.0%     | \$613.88       | 2.0%     |
| 2023                    | \$422.91    | 6.7%     | \$644.22       | 4.9%     |
| 2024                    | \$435.76    | 3.0%     | \$663.98       | 3.1%     |

| THIRD BASIC ASSESSMENT |            |          |               |          |
|------------------------|------------|----------|---------------|----------|
|                        | Third Only | % Change | (Third + GRF) | % Change |
| 2014                   | \$383.63   |          | \$607.51      |          |
| 2015                   | \$414.85   | 8.1%     | \$630.91      | 3.9%     |
| 2016                   | \$426.12   | 2.7%     | \$620.42      | (1.7%)   |
| 2017                   | \$426.25   | 0.0%     | \$619.86      | (0.1%)   |
| 2018                   | \$429.85   | 0.8%     | \$628.42      | 1.4%     |
| 2019                   | \$434.39   | 1.1%     | \$637.22      | 1.4%     |
| 2020                   | \$446.62   | 2.8%     | \$652.22      | 2.4%     |
| 2021                   | \$466.62   | 4.5%     | \$672.22      | 3.1%     |
| 2022                   | \$559.62   | 19.9%    | \$777.12      | 15.6%    |
| 2023                   | \$559.62   | 0.0%     | \$780.93      | 0.5%     |
| 2024                   | \$587.60   | 5.0%     | \$815.82      | 4.5%     |

| GRF BASIC ASSESSMENT |          |          |
|----------------------|----------|----------|
|                      | GRF Only | % Change |
| 2014                 | \$223.88 |          |
| 2015                 | \$216.06 | (3.5%)   |
| 2016                 | \$194.30 | (10.1%)  |
| 2017                 | \$193.61 | (0.4%)   |
| 2018                 | \$198.57 | 2.6%     |
| 2019                 | \$202.83 | 2.1%     |
| 2020                 | \$205.60 | 1.4%     |
| 2021                 | \$205.60 | 0.0%     |
| 2022                 | \$217.50 | 5.8%     |
| 2023                 | \$221.31 | 1.8%     |
| 2024                 | \$228.22 | 3.1%     |



|                   |       |       |
|-------------------|-------|-------|
| Change since 2014 | 32.4% | 20.1% |
| Avg annual change | 2.3%  | 1.7%  |

|                   |       |       |
|-------------------|-------|-------|
| Change since 2014 | 53.2% | 34.3% |
| Avg annual change | 3.5%  | 2.6%  |

|                   |      |
|-------------------|------|
| Change since 2014 | 1.9% |
| Avg annual change | 0.5% |

### **What Do Other 55+ Communities Cost?**

Have you ever wondered how the total assessments you pay in Laguna Woods Village stack up when compared to other active 55+ communities? With support of the VMS board of directors, the Financial Services Department has prepared a cost breakdown of various 55+ communities that compares average basic assessments, common-use amenities, total assessments, community locations, home values and amenities offered, and more.

The data is telling—favorably for Laguna Woods Village. Third and United mutuals together are by far the largest representation, with 12,425 homes, compared to the next-largest community with half the number of homes and a total basic assessment that is more than twice that of United's and almost twice that of Third's.

Also, consider the following:

- Compare Third's and United's total and average basic assessments to other communities that are significantly smaller and offer far fewer amenities. While the comparison may not be exact since the basic assessments may be comprised of different components, it provides a context for the value received by residents in Laguna Woods Village.
- Compare the number of homes in each community to put landscaping and maintenance/construction tasking into greater perspective.
- Certain utilities, such as trash, water, sewage and basic cable are included in Third's and United's total assessments.

Please thoroughly review Chart B, Part I and Chart B, Part II (pages 11 and 12) for more detailed insights.



# COMPARISON CHART OF COMMUNITIES FOR PEOPLE 55 AND OLDER

| 55+ Community               | City                 | Region     | Average Basic Assessment | Common Use Amenities | Total Assessment | Home Values               | Years Built |
|-----------------------------|----------------------|------------|--------------------------|----------------------|------------------|---------------------------|-------------|
| Third Laguna Woods Mutual   | Laguna Woods         | SoCal      | \$588                    | \$228                | \$816            | Low \$300K - Mid \$1Ms    | 1964 - 19   |
| United Laguna Woods Mutual  | Laguna Woods         | SoCal      | \$436                    | \$228                | \$664            | Low \$200K - High \$600K  | 1964 - 19   |
| Leisure World               | Seal Beach           | SoCal      | \$494                    | \$213                | \$708            | Low \$200K - Low \$600K   | 1960 - 19   |
| Rossmoor                    | Walnut Creek         | Bay Area   | \$1,224                  | \$277                | \$1,501          | High \$300K - Low \$2Ms   | 1963 - 19   |
| Leisure World Arizona       | Mesa                 | Arizona    | \$492                    | \$0                  | \$492            | Low \$200K - Low \$700K   | 1972 - 19   |
| Leisure World               | Silver Spring        | Maryland   | \$956                    | \$0                  | \$956            | Below \$100K - Low \$800K | 1966 - 20   |
| Lansdowne Woods of Virginia | Lansdowne            | Virginia   | \$194                    | \$752                | \$946            | High \$200K - High \$500K | 1998 - 20   |
| Rossmoor Village            | Monroe               | New Jersey | \$484                    | \$0                  | \$484            | Low \$200K - High \$400K  | 1965 - 19   |
| Casta del Sol               | Mission Viejo        | SoCal      | \$574                    | \$0                  | \$574            | High \$600K - Low \$1Ms   | 1972 - 19   |
| Huntington Landmark         | Huntington Beach     | SoCal      | \$575                    | \$0                  | \$575            | Mid \$500K - Low \$900K   | 1972 - 19   |
| Gavilan                     | Rancho Mission Viejo | SoCal      | \$430                    | \$0                  | \$430            | Mid \$900K - High \$1Ms   | 2013 - 20   |
| Palma                       | Mission Viejo        | SoCal      | \$605                    | \$28                 | \$633            | High \$600K - Low \$1Ms   | 1988 - 19   |
| Buena Vida at La Floresta   | Brea                 | SoCal      | \$495                    | \$335                | \$830            | Mid \$700Ks - Mid \$1Ms   | 2016 - 20   |
| Talega Gallery              | San Clemente         | SoCal      | \$265                    | \$255                | \$520            | Mid \$900K - High \$2Ms   | 2000 - 20   |
| Ovation at Flora Park       | Cypress              | SoCal      | \$0                      | \$319                | \$319            | Mid \$700Ks - Mid \$1Ms   | 2018 - 20   |
| Monarch Summit II           | Laguna Niguel        | SoCal      | \$0                      | \$581                | \$581            | Low \$1Ms - High \$1Ms    | 1973 - 20   |
| San Juan Hills              | San Juan Capistrano  | SoCal      | \$0                      | \$330                | \$330            | Low \$700K - High \$800K  | 1964 - 19   |
| Huntington Harbour Village  | Huntington Beach     | SoCal      | \$286                    | \$0                  | \$286            | High \$400K - Mid \$700K  | 1996 - 20   |
| Liberty at Founders Village | Fountain Valley      | SoCal      | \$263                    | \$0                  | \$263            | Mid \$500K - High \$700K  | 2004        |
| Sunny Glen                  | San Ramon            | Bay Area   | \$542                    | \$0                  | \$542            | Low \$400K - Low \$700K   | 1963        |
| Summerset                   | Brentwood            | Bay Area   | \$0                      | \$165                | \$165            | High \$400K - Low \$900K  | 1994 - 20   |

CHART B, PART I

Notes: Non-Laguna Woods Village information obtained from data publicly available through multiple listing service (MLS) websites such as Realtor.com, Redfin.com, 5Staraces.com



# COMPARISON CHART OF COMMUNITIES FOR PEOPLE 55 AND OLDER

| 55+ Community               | City                 | Home Type                 | Gated | Golf Course | Clubhouse | Pool | Theater | Library | Tennis / Pickleball |
|-----------------------------|----------------------|---------------------------|-------|-------------|-----------|------|---------|---------|---------------------|
| bird Laguna Woods Mutual    | Laguna Woods         | Condo                     | ✓     | ✓           | ✓         | ✓    | ✓       | ✓       | ✓                   |
| nited Laguna Woods Mutual   | Laguna Woods         | Co-Op                     | ✓     | ✓           | ✓         | ✓    | ✓       | ✓       | ✓                   |
| isure World                 | Seal Beach           | Co-Op                     | ✓     | ✓           | ✓         | ✓    | ✓       | ✓       | ✓                   |
| ossmoor                     | Walnut Creek         | Condo Co-Op Single Family | ✓     | ✓           | ✓         | ✓    | ✓       | ✓       | ✓                   |
| isure World Arizona         | Mesa                 | Single Family             | ✓     | ✓           | ✓         | ✓    | -       | ✓       | ✓                   |
| isure World                 | Silver Spring        | Condo                     | ✓     | ✓           | ✓         | ✓    | ✓       | ✓       | ✓                   |
| andsdowne Woods of Virginia | Lansdowne            | Condo                     | ✓     | ✓           | ✓         | ✓    | ✓       | ✓       | ✓                   |
| ossmoor Village             | Monroe               | Co-Op                     | ✓     | ✓           | ✓         | ✓    | -       | ✓       | ✓                   |
| asta del Sol                | Mission Viejo        | Single Family             | ✓     | -           | ✓         | ✓    | -       | ✓       | ✓                   |
| untington landmark          | Huntington Beach     | Condo                     | ✓     | -           | ✓         | ✓    | ✓       | ✓       | ✓                   |
| avian                       | Rancho Mission Viejo | Condo                     | -     | -           | ✓         | ✓    | -       | -       | ✓                   |
| almia                       | Mission Viejo        | Condo                     | ✓     | ✓           | ✓         | ✓    | -       | ✓       | ✓                   |
| uena Vida at La Floresta    | Brea                 | Condo                     | ✓     | -           | ✓         | ✓    | -       | -       | ✓                   |
| alega Gallery               | San Clemente         | Single Family             | ✓     | ✓           | ✓         | ✓    | -       | ✓       | ✓                   |
| ivation at Flora Park       | Cypress              | Single Family             | ✓     | -           | ✓         | ✓    | -       | ✓       | ✓                   |
| onarch Summit II            | Laguna Niguel        | Single Family             | -     | -           | ✓         | ✓    | -       | -       | -                   |
| an Juan Hills               | San Juan Capistrano  | Single Family             | -     | ✓           | ✓         | ✓    | -       | -       | -                   |
| untington Harbour Village   | Huntington Beach     | Condo                     | -     | -           | ✓         | ✓    | -       | -       | -                   |
| iberty at Founders Village  | Fountain Valley      | Condo                     | -     | -           | ✓         | ✓    | -       | -       | -                   |
| unny Glen                   | San Ramon            | Condo Single Family       | -     | -           | ✓         | ✓    | -       | -       | -                   |
| ummerset                    | Bentwood             | Single Family             | ✓     | -           | ✓         | ✓    | -       | ✓       | ✓                   |

2: Non-Laguna Woods Village information obtained from data publicly available through multiple listing service (MLS) websites such as Realtor.com, Redfin.com, 5SPACES.COM

CHART B, PART II



**2024 Monthly Assessment – How Is It Spent?**

To provide context to this benchmarking report, Chart C and Chart D (pages 14 and 15) show how 2024 monthly assessments are spent in Third Mutual and United Mutual, respectively.





CHART C

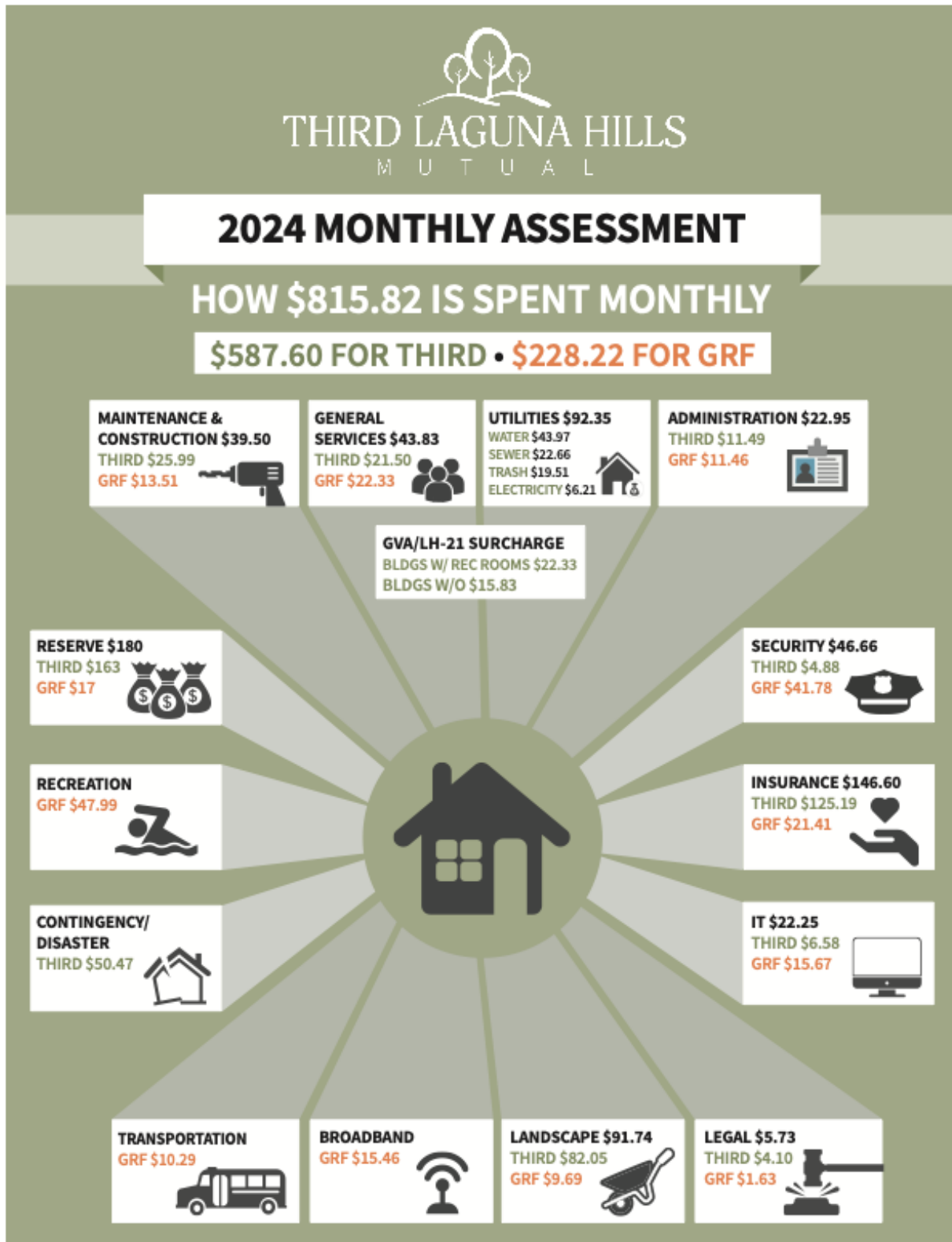




CHART D





## **Benchmarking Report Financial Services Department**

### **Introduction**

The Village Management Services Inc. (VMS) Financial Services Department encompasses both managerial and administrative teams that work collaboratively to oversee various financial functions including financial reporting, financial analysis, budgeting, ensuring compliance with financial regulations and daily operations such as accounting, payroll, accounts payable and receivable. Said services have been benchmarked against both private and public entities specific to the financial services organization within each company. Published budget and available open-source information were reviewed for this comparison.

### **Benchmarking Criteria**

Metrics used for this report include financial components such as Financial Services expenses, total company levels, Financial Services staffing levels and companywide totals. An industry standard was also obtained for comparison purposes from CFO Magazine (January 2020), which stated that finance departments within an organization on average maintain departmental expenses at 1% of total revenues.

### **Benchmarking Participants**

The entities used in this benchmarking effort were the Golden Rain Foundation (GRF) Rossmore Walnut Creek and GRF Leisure World Seal Beach, and the cities of Aliso Viejo, Dana Point, Fountain Valley, Laguna Beach, Laguna Niguel and Lake Forest.

### **Data Collection and Analysis**

A review and an analysis of 2023 budgets for all three entities were conducted.

### **Benchmarking Results**

Analysis results illustrate that staffing and related expenses for the VMS Financial Services Department are lower than those of Laguna Woods Village sister companies and neighboring communities as a percent of total staff and related expenses. VMS Financial Services operates at 1.1% of total companywide revenue, consistent with the 1% presented as a standard from CFO Magazine. For purposes of this analysis and comparison to for-profit companies, total revenue was adjusted to include a profit margin of 30%.

### **Conclusion**

VMS provides a cost-effective means of recordkeeping, reporting, planning and analysis, along with a robust set of internal controls to safeguard assets. Analysis indicates VMS has outperformed its sister companies and five of the six neighboring communities when

comparing both staffing levels and department costs as a percentage of the total company. Some of the comparable organizations may outsource financial services functions which can be more expensive due to hidden costs, profit margins and other aspects involved in handling various clients. VMS currently does not outsource any financial service functions. Table 1 (page 18) is a side-by-side comparison that illustrates benchmarking findings.

**TABLE 1**

**Village Management Services  
Ad Hoc Benchmarking Committee  
May 2024**

**Financial Services**

|  | Laguna Woods Village * | Rossmoor Walnut Creek | Leisure World Seal Beach | City of Aliso Viejo | City of Dana Point | City of Fountain Valley | City of Laguna Beach | City of Laguna Niguel | City of Lake Forest |
|--|------------------------|-----------------------|--------------------------|---------------------|--------------------|-------------------------|----------------------|-----------------------|---------------------|
| CFO                                    | 1                      | 1                     | 0                        | 1                   | 1                  | 0                       | 1                    | 1                     | 1                   |
| Assist. Dir                            | 1                      | 0                     | 0                        | 0                   | 0                  | 0                       | 0                    | 0                     | 0                   |
| Controller/Finance Manager             | 1                      | 1                     | 0                        | 0                   | 1                  | 0                       | 1                    | 1                     | 0                   |
| Accountants                            | 3                      | 3                     | 0                        | 1                   | 1                  | 0                       | 2                    | 1                     | 2                   |
| Payroll                                | 2                      | 1                     | 0                        | 1                   | 1                  | 0                       | 2                    | 0                     | 0                   |
| AR                                     | 3                      | 1                     | 0                        | 0                   | 0                  | 0                       | 0                    | 0                     | 0                   |
| AP                                     | 3                      | 1                     | 0                        | 0                   | 0                  | 0                       | 0                    | 0                     | 0                   |
| Acct Clerk                             | 1                      | 0                     | 0                        | 1                   | 2                  | 0                       | 3                    | 2                     | 1                   |
| Analyst                                | 3                      | 0                     | 0                        | 0                   | 1                  | 0                       | 2                    | 0                     | 1                   |
| Admin                                  | 1                      | 0                     | 0                        | 0                   | 1                  | 0                       | 0                    | 0                     | 0                   |
| Did Not Disclose by Position           | 0                      | 0                     | 10                       | 0                   | 0                  | 12                      | 0                    | 0                     | 0                   |
|  | 19                     | 8                     | 10                       | 4                   | 8                  | 12                      | 11                   | 5                     | 5                   |
| Finance Personnel as % of Total EE     | 2%                     | 6%                    | 6%                       | 7%                  | 12%                | 4%                      | 3%                   | 8%                    | 8%                  |
| (In Thousands)                         |                        |                       |                          |                     |                    |                         |                      |                       |                     |
| Financial Services Costs *             | 2,356                  | 762                   | 1,301                    | 853                 | 1,541              | 1,880                   | 2,005                | 1,179                 | 2,263               |
| Total Expenses (2024 Budgeted)         | 148,923                | 22,958                | 18,657                   | 23,900              | 48,850             | 144,729                 | 117,187              | 52,056                | 76,525              |
| Financial Services Exp as % of Revenue | 1.1%                   | 2.3%                  | 4.9%                     | 2.5%                | 2.2%               | 0.9%                    | 1.2%                 | 1.6%                  | 2.1%                |

CFO Magazine: Target 1%

\* Excludes mail room services, purchasing and warehouse



## **Benchmarking Report**

### **General Services Department - Cable and Internet Services**

#### **Introduction**

Laguna Woods Village cable and internet services have been benchmarked against a local communications company. Current Village cable and internet pricing and available open-source information were reviewed for this report.

#### **Benchmarking Criteria**

Metrics used for this report include such financial components as costs and service levels, including the number of channels and internet speeds.

#### **Benchmarking Participants**

Entities used in this benchmarking effort were the Village Management Services (VMS) Broadband Division, West Coast Internet and Cox Communications.

#### **Data Collection and Analysis**

Staff conducted reviews of 2024 VMS Broadband Division and West Coast Internet pricing, as well as a review of Cox Communications pricing in Southern California.

#### **Benchmarking Results**

Data indicates that the service levels and pricing offered by VMS are a great value. Table 1 (page 20) compares what Laguna Woods Village residents pay for a sample cable/internet bundle with what is available from Cox Communications. Village residents pay \$85.06 for a cable/internet bundle that includes 285 channels and 125 Mbps (Megabits per second) internet service. This fee includes the average monthly cost of \$40.95 for internet service, \$14.84 for the upgraded cable package and \$29.27 that is included in the HOA assessment for broadband services. A comparable cable/internet bundle from Cox would cost \$165. This includes \$50 for 100 Mbps of internet service and \$115 for 140 channels.

#### **Best Practices and Lessons Learned**

Providing cable service in house and internet services via a partnership with West Coast Internet allows VMS to better manage costs. In addition, Village membership in the National Content & Technology Cooperative allows the community to leverage reduced programming costs.

#### **Recommendations and Action Plan**

Staff will continue to maintain the Village's broadband infrastructure so that it continues to be a viable community resource well into the future, as well as continue to hire, train and retain top staff to provide the highest level of service at a competitive price.



**Conclusion**

VMS provides a higher level of service at a better price than what is available from Cox Communications, a top national broadband service provider. Laguna Woods Village offers more channels and faster internet service (295 channels and 125 Mbps for \$88.18), compared to a similar bundled offering from Cox (140 channels and 100 Mbps for \$165)

**TABLE 1**  
(Rates determined by average subscriber costs.)

|                                   |  |   |   |                     |               |
|-----------------------------------|--|---|---|---------------------|---------------|
| <b>West Coast Internet</b>        | <b>65 Mbps</b>                           | <b>125 Mbps</b>                             | <b>250 Mbps</b>                                 | <b>500 Mbps</b>     |               |
|                                   | \$36.50                                  | \$40.95                                     | \$56.50   | \$75                |               |
| <b>Broadband Cable Television</b> | Digital service (115+ channels)          | HD cable box (285 channels)                 | HD DVR (285 channels)                           | TiVo (285 channels) |               |
|                                   | Included in HOA dues; no device required | Digital TV guide included; premium packages | Digital TV guide included; digital DVR required |                     |               |
|                                   | \$0                                      | \$14.84                                     | \$20.21   | \$34.55             |               |
| <b>Assessment</b>                 | \$29.27                                  | \$29.27                                     | \$29.27   | \$29.27             |               |
|                                   | \$65.77                                  | \$85.06                                     | \$105.98  | \$138.82            |               |
| <b>Cox Internet</b>               | <b>100 Mbps</b>                          | <b>250 Mbps</b>                             | <b>500 Mbps</b>                                 | <b>1 Gbps</b>       | <b>2 Gbps</b> |
|                                   | \$50                                     | \$70  | \$90  | \$109.99            | \$150         |
| <b>Cox TV</b>                     | Contour TV starter (75+ channels)        | Contour TV preferred (140+ channels)        | Contour TV ultimate (250+ channels)             |                     |               |
|                                   | \$61                                     | \$115                                       | \$152   |                     |               |
| <b>Cox Internet/TV Bundle</b>     | 100 Mbps plus 140+ channels              | 1 Gbps plus 140+ channels                   |   |                     |               |
|                                   | \$165                                    | \$224.99                                    |   |                     |               |



## **Benchmarking Report**

### **General Services Department - Fleet Maintenance**

#### **Introduction**

Village Management Services Inc. (VMS) Fleet Maintenance has been benchmarked against local automotive repair shops and one dealership. Fleet Maintenance operates two shifts: one from 6 a.m. to 2:30 p.m. and a second from 2 p.m. to 10:30 p.m. This schedule allows staff to conduct repairs and maintenance on vehicles during evening hours so vehicles are available to work center staff when they arrive in the morning. This in-house operation saves significant staff time, as no staff are required to drive vehicles to an off-site automotive repair facility and either wait for service or arrange for a return trip.

#### **Benchmarking Criteria**

Metrics used for this report include hourly rates from local automotive repair shops and a local dealership, as well as costs for a preventive maintenance service, which includes an oil and filter change, fluid top-off and inspections of lights, tires, brakes and suspension components.

#### **Benchmarking Participants**

Entities used in this benchmarking effort were VMS Fleet Maintenance, Elite Automotive Repair, Rincon Truck Center and Tuttle Click Ford. These entities were selected because VMS has a relationship with these companies, and information is more readily available than it would be from other private companies that maintain their own vehicles.

#### **Data Collection and Analysis**

A review of Fleet Maintenance work center hourly rates and preventive maintenance service costs were reviewed and compared against the hourly rates and service costs from Elite Automotive Repair, Rincon Truck Center and Tuttle Click Ford. The \$63.08 hourly rate for VMS Fleet Maintenance staff is the 2024 total rate that includes salary, benefits and overhead.

#### **Benchmarking Results**

As a result of this comparison, the review indicated that the VMS Fleet Maintenance staff hourly repair rate and VMS Fleet Maintenance staff costs for a preventive maintenance service are lower than the two local automotive repair shops and one local dealership (see Table 1, page 22).

**TABLE 1**

| <b>Metric</b>                   | <b>VMS Fleet Maintenance</b> | <b>Elite Automotive Repair</b> | <b>Rincon Truck Center</b> | <b>Tuttle Click Ford</b> |
|---------------------------------|------------------------------|--------------------------------|----------------------------|--------------------------|
| Hourly repair                   | \$63.08                      | \$155                          | \$195                      | \$245                    |
| Preventive maintenance service* | \$63.08                      | \$85                           | \$245                      | \$100                    |

- Note: Preventive maintenance service includes an oil and filter change, a fluid level top-off and inspections of lights, tires, brakes and suspension components. These services are common services provided by both VMS Fleet Maintenance and local repair shops.
- The rates charged by outside vendors may be less than their full rate if we asked them to take over all of the fleet operation as a result of economies of scale, but would likely be higher as a result of their need to build profit into their rates.

### **Best Practices and Lessons Learned**

The review of the VMS Fleet Maintenance work center versus local automotive repair shops and dealership rates indicates that the hourly repair rates for VMS Fleet Maintenance are lower than hourly rates for local repair shops and the dealership. In addition, VMS Fleet Maintenance costs for a preventive maintenance service are lower than the costs from local automotive shops. Lastly, an in-house maintenance facility allows VMS Fleet Maintenance to deliver maintenance services without providing a profit to a private third party, as well as deliver additional efficiencies and staff savings by not transporting vehicles to an off-site facility.

### **Recommendations and Action Plan**

Staff will continue to research and select vehicles for purchase that are highly reliable and energy efficient; continue to assess the fleet of vehicles to ensure VMS has the right number and type of vehicles needed to operate efficiently; and continue to seek opportunities to enhance job satisfaction, training and work center morale to retain highly experienced staff and minimize vacancies.

### **Conclusion**

VMS Fleet Maintenance staff provide services for approximately 260 vehicles and 160 pieces of specialty equipment efficiently and reasonably, without providing a profit to a private third party or having to transport vehicles to an off-site service facility.

### **Additional Information**

The General Services Department performs a fleet right-sizing assessment every two years. The 2022 fleet right-sizing assessment is estimated to save a total of \$620,200 over a period of four fiscal years. Savings are realized through reducing vehicles, purchasing a less expensive vehicle class while maintaining the necessary utility and establishing a pooled/shared vehicle strategy.



## **Benchmarking Report General Services Department - Transportation**

### **Introduction**

Village Management Services Inc. (VMS) transportation services have been benchmarked against private and public entities in the transportation services industry. Published budget information, available open-source information and the Age Well Senior Services proposal for transportation services were reviewed for this report.

### **Benchmarking Criteria**

Metrics used for this report include financial components such as costs and operational metrics defining service levels.

### **Benchmarking Participants**

Entities used in this benchmarking effort were the Golden Rain Foundation (GRF) Rossmoor Walnut Creek, GRF Leisure World Seal Beach, Age Well Senior Services and Orange County Transportation Authority (OCTA). The GRF communities serve as benchmarking peers, OCTA serves as a local industry provider and Age Well serves as a third-party transportation provider. In addition, the GRF-funded Fehr and Peers study was referenced. This study recommended service levels and hours of operation for the Laguna Woods Village transportation system.

### **Data Collection and Analysis**

A review of the 2024 Laguna Woods Village, Rossmoor Walnut Creek and OCTA budgets, and the 2023 Leisure World Seal Beach budget (2024 data was unavailable), was conducted. Additionally, reviews of transportation services webpages were conducted to obtain service levels and hours of operation.

### **Benchmarking Results**

Data indicates that VMS transportation offers greater service levels with more routes and services at a competitive annual cost. Table 1 (page 24) compares VMS transportation with Rossmoor Walnut Creek and Leisure World Seal Beach programs.

**TABLE 1**

|                       | <b>Laguna Woods Village</b>  | <b>Seal Beach</b>  | <b>Rossmoor Walnut Creek</b>                                   |
|-----------------------|--|--|--|
| Manors                | 12,736   | 6,608  | 6,700  |
| Transportation budget | \$1,572,728  | \$666,571  | \$1,306,696  |
| Per manor per month   | \$10.29  | \$8.41   | \$16.25  |
| Fixed route           | Yes  | Yes  | Dial-a-Ride  |
| Paratransit           | Yes  | Yes  | Yes  |
| Lyft/Uber             | Yes  | No   | Yes  |
| Fixed-route hours     | M - F 9 a.m. - 5 p.m.  | M - F 7:30 a.m. - 7:15 p.m.;<br>Sat, Sun 7 a.m. - 8 p.m. | M - F 5:50 a.m. - 6 p.m.;<br>Sat, Sun<br>8:20 a.m. - 4:30 p.m. |
| Paratransit hours     | M - Sun 8 a.m. - 4 p.m.  | M - Sat 7:45 a.m. - 3:45 p.m.,<br>Sun 7 a.m. - 1 p.m.    |  |
| Lyft/Uber hours       | M - F 7 a.m. - 9 a.m. and<br>5 p.m. - 10 p.m.;<br>Sat 7 a.m. - 10 p.m.;<br>Sun 7 a.m. - 5 p.m. | N/A  | 24/7   |
| Routes                | Six neighborhood, two commercial, one wellness   | Four; no service outside gates; no Lyft after hours      | No fixed-route service; call minimum one hour in advance       |

Additionally, while OCTA is an industry peer, its services have limitations, as they offer a larger service but do not provide complete coverage inside Laguna Woods Village. Table 2 (below) compares the OC Access program and Laguna Woods Village transportation.

**TABLE 2**

|   |   | Village Transportation | OC Access |
|---|---|------------------------|-----------|
| 1 | Offers fixed-route service within Village to all amenities within Village                                     | Yes                    | No        |
| 2 | Offers fixed-route service from Village to local shopping centers   | Yes                    | No        |
| 3 | Offers fixed-route service from Village to local medical offices  | Yes                    | No        |
| 4 | Offers fixed-route service with 30-minute wait times  | Yes                    | No        |
| 5 | Offers paratransit service to 100% of residents who meet assessment criteria (three-fourths-mile requirement) | Yes                    | No        |
| 6 | Allows for in-house oversight and control of service levels   | Yes                    | No        |
| 7 | No history of strikes impacting service levels  | Yes                    | No        |
| 8 | Low-floor ADA buses with ramps (no steps)   | Yes                    | No        |
| 9 | Offers fixed-route service outside of Village transportation boundaries                                       | No                     | Yes       |

Last, General Services Department staff reviewed the transportation proposal received from Age Well Senior Services in 2022, which proposed assuming the Easy Rider (fixed-route) and Journey (paratransit) programs at a savings of \$109,000. That proposal was not approved. However, the Transportation Division has reduced its operating expenses by \$255,000 since 2022, while at the same time retaining control of a valuable community asset. This was accomplished by implementing staffing changes, introducing smaller more efficient buses and monitoring operating costs closely.

**Best Practices and Lessons Learned**

Each of the transportation programs reviewed offered various programs and various service levels, making it difficult to draw a direct comparison between transportation systems. However, in this benchmarking analysis, the smaller bus configuration stands out as a best practice as long as it is aligned with route usage. This practice helps mitigate risk of traffic collisions and produces fuel savings. In addition, adjusting staffing to include less full-time and more part-time positions has led to additional budget savings.

**Recommendations and Action Plan**

Staff will continue to look for opportunities to integrate the use of smaller buses as appropriate to assist with mitigating risk factors and controlling costs, review staffing needs to operate efficiently, and hire, train and retain top staff to provide the highest level of service at a competitive price.

**Conclusion**

VMS provides a higher level of transportation services within Village transportation boundaries than what can be provided by OCTA. In addition, although the transportation programs being offered by our benchmarking peers varied widely, based on geography and need, the analysis revealed that the per manor per month is competitive with private community peers. Lastly, the comparison of Village transportation costs against the proposal from Age Well Senior Services confirms that our costs remain competitive compared to a third-party transportation provider.

**Additional Information**

General Services oversees the following revenue sources from our partners Arizona Pipeline, Age Well Senior Services and MemorialCare, which help offset transportation and service center operating costs.

|   |                  |
|---|------------------|
| Arizona Pipeline rental space           | \$33,300         |
| Age Well fuel administrative fee        | \$10,800         |
| Age Well parking agreement              | \$26,364         |
| MemorialCare wellness route sponsorship | \$35,000         |
| <b>Total</b>                            | <b>\$105,464</b> |



## **Benchmarking Report**

### **Information Services Department - Information Technology**

#### **Introduction**

The Village Management Services Inc. (VMS) Information Services Department - Information Technology has been benchmarked against both mid-sized and enterprise-level corporations across various business sectors. This analysis uses published budget information, data from trade organizations and open-source information.

#### **Benchmarking Criteria**

This report employs various financial metrics, including the percentage of revenue spent on IT, the number of users and a number of different systems across diverse industries for a comprehensive comparison.

#### **Benchmarking Participants**

Industries included in this benchmarking study are software development, cloud hosting, financial services, retail and commerce, transportation and logistics, healthcare, consumer products and industrial manufacturing.

#### **Data Collection and Analysis**

A review and an analysis of GRF budgets from 2020 to 2024 were conducted. Authoritative sources such as Gartner, Statista, CIO Insight and CIO Insider were also reviewed to understand how organizations allocate their IT budgets and the percentage of revenue invested annually in IT services and support.

#### **Benchmarking Results**

Analysis reveals that IT maintains higher service levels and incurs lower costs compared to the industry standards evaluated. Chart 1 (page 28) compares both the percentage of spend and the industries analyzed.

#### **Best Practices and Lessons Learned**

The analysis highlights that Laguna Woods Village spends a significantly lower percentage of revenue on IT (1.87%) compared to the national average (7.62%). This suggests that GRF may be underspending on IT investments and services.

#### **Recommendations and Action Plan**

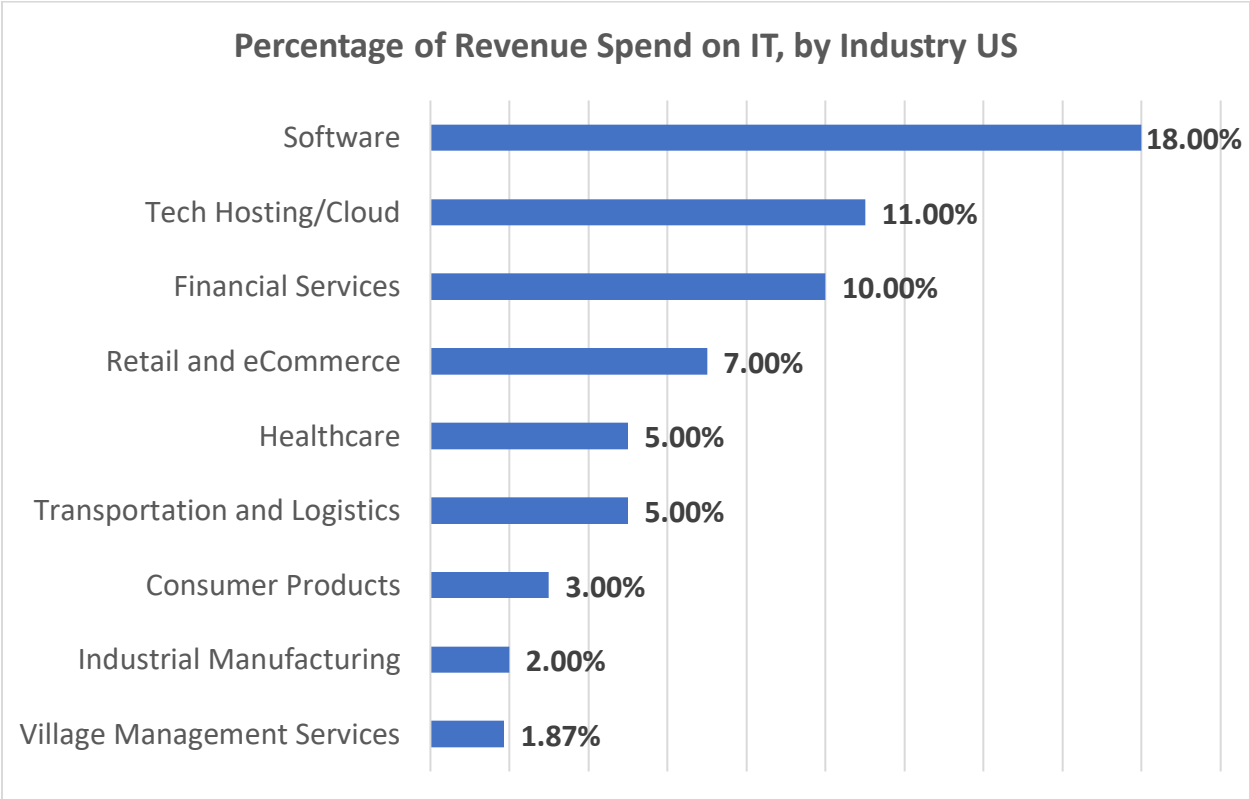
It is recommended that the department continue to explore opportunities to integrate business systems into a centralized ERP solution. This integration is expected to reduce licensing costs and significantly lower capital expenditures over the next three to five years.



**Conclusion**

The benchmarking study underscores a critical need to strategically shift IT spending to align more closely with industry averages while maintaining service quality. Implementing a centralized ERP system will not only streamline operations but also enhance efficiency and reduce costs, positioning Laguna Woods Village to better leverage technology for operational success.

**CHART 1**





## **Benchmarking Report**

### **Information Services Department - Resident Services**

#### **Introduction**

The Village Management Services Inc. (VMS) Information Services Department - Resident Services has been benchmarked against both mid-sized and enterprise-level call center markets. This report is based on published budget information, trade organization data and open-source information to provide a comprehensive overview.

#### **Benchmarking Criteria**

This analysis uses financial metrics, including the percentage of revenue spent and costs per agent, engagement and minute across various communication channels, including telephone calls, emails and walk-ins.

#### **Benchmarking Participants**

The geographic focus of this benchmarking effort includes the cities of Irvine, San Diego, San Francisco and Los Angeles. The call centers in these cities handle various inquiries ranging from basic customer service to complex technical support and billing issues. VMS' Resident Services also addresses a broad spectrum of resident needs, including maintenance requests, billing inquiries and community event information. This comprehensive service range ensures that residents receive prompt and effective assistance regardless of the issue.

#### **Data Collection and Analysis**

A review and an analysis of GRF budgets from 2020 to 2024 were conducted. Additionally, data was sourced from employment and salary information sites such as Zip Recruiter, Monster and LinkedIn to determine the average costs per customer service agent.

#### **Benchmarking Results**

The benchmarking analysis indicates that VMS' Resident Services maintains higher service levels with similar pricing structures compared to the analyzed geographic areas. The accompanying chart offers a side-by-side comparison of the average cost per customer service agent among mid-sized companies.

#### **Best Practices and Lessons Learned**

Analysis reveals that the average cost of a VMS customer service agent is slightly lower than in the comparative geographic areas, standing at \$21, compared to the average of \$23. This demonstrates that VMS is competitively priced within the California market.

In addition to traditional telephone support, the call centers in these benchmarked cities offer multiple communication channels, including:

- **Email support:** Allowing customers to send detailed inquiries and receive timely responses
- **Walk-ins:** Offering face-to-face support for residents who prefer in-person interaction

VMS' Resident Services similarly uses an omnichannel approach, ensuring residents have multiple ways to seek help. This includes telephone calls, emails and in-person visits, thus catering to a wide range of preferences and needs.

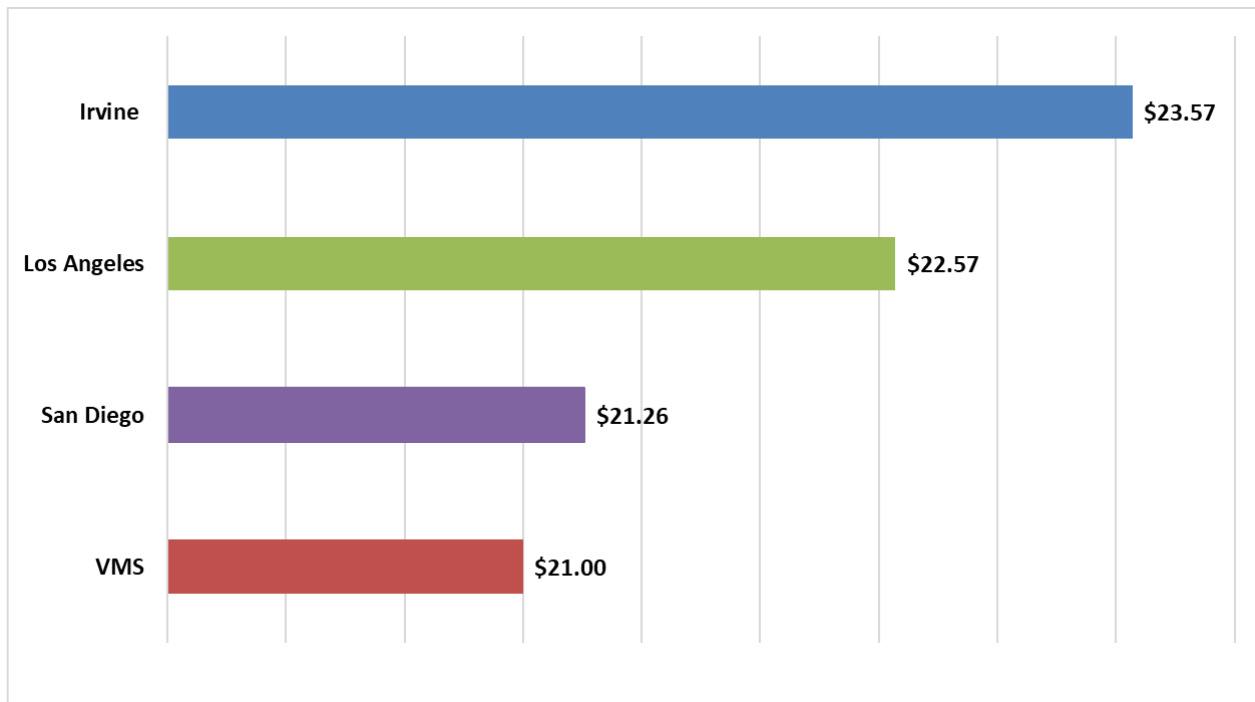
**Recommendations and Action Plan**

Staff will continue to explore automation opportunities for business systems and customer service interactions to further reduce the cost per engagement.

**Conclusion**

The benchmarking analysis underscores the competitive edge that VMS has (Chart 1) in the Californian call center market, both in terms of cost efficiency and service quality. By continuing to innovate and automate customer service processes, Resident Services can enhance operational efficiency and maintain its strong market position.

**CHART 1**  
**Average Cost Per Call Center Agent**





## **Benchmarking Report Landscaping Services Department**

### **Introduction**

The Village Management Services Inc. (VMS) Landscaping Services Department has been benchmarked against private contractors in the landscaping maintenance industry. This report was prepared using actual bids from a distinct specialty in landscaping maintenance services.

### **Benchmarking Criteria**

The Landscaping Services Department maintains 651.1 acres of irrigated landscaping, 310.5 acres of turf, 170.7 acres of shrub beds and 169.9 acres of slopes. All acreage is currently maintained by VMS staff except 121.6 of the slope acres, which are currently maintained under contract.

### **Data Collection and Analysis**

A review and analysis of requests for proposals (RFP) for the two main tasks in landscaping maintenance, shrub-bed maintenance and turf maintenance, were used for this analysis. In addition to providing landscape maintenance services, the department also maintains a 6-acre commercial-grade nursery and a 4-acre green waste processing center. Staff performed cost analyses of the nursery and green waste processing work centers that compared the costs of obtaining said services from outside vendors.

In January 2024, staff issued an RFP for turf maintenance, which includes mowing and edging of all turf within Third Mutual. The RFP was issued to seven large landscape contractors, but only two of them currently have the required manpower and equipment to undertake the contract. As mowing frequency changes with seasons and weather, the RFP scope of work mirrors current VMS staffing levels, which involves mowing an average of 28 times a year. The two bids received were relatively close, with an 8% difference. For this analysis, the two were averaged to arrive at a fair representation of costs. Bids were based on mowing and edging costs per acre. For comparison, staff labor hours were averaged over the past three years and converted to cost per acre in today's dollars.

In January of 2020, staff issued an RFP for shrub-bed maintenance services due to the ongoing staff shortage. The scope of work was for the contractor to perform the same shrub-bed work that staff had performed historically: shrub pruning, soft edge maintenance, weeding and general cleanup. Staff received two competitive proposals from competent contractors. The two bids received were relatively close, with a 4.5% difference. For this analysis, the two were averaged for a fair representation of costs. The bids were based on shrub-bed costs per square foot. For comparison, staff labor hours were averaged over the past three years and converted to cost per acre in 2020 labor rates.

The green waste processing center handles more than 35,000 cubic yards of green waste annually. Green waste comes from routine shrub bed maintenance, turf maintenance, turf removal projects, tree trimming and tree removals. The budgeted cost for 2023 to operate the green waste processing center was \$135,085. To manage green waste using outside vendors, roll-off bins are required to haul the waste; the contracted price via the city's contract with CR&R is \$598.04 for each 10-cubic-yard bin. The annual yardage produced would require 3,542 bins per year for a total cost of \$2,118,044. Instead, our 35,000 cubic yards of green waste are converted into almost 9,000 cubic yards of mulch. Purchasing mulch and having it delivered would cost approximately \$359,932 per year. The combined savings of the green waste operation saves \$2,342,718 (Table 1, page 34).

The nursery provides growing and logistics cost savings. In 2022, staff brought power and data to the nursery and installed a weather-tight office, enabling installation of a computer to begin tracking inventory digitally for the first time.

In the initial 2022 inventory, 48,424 plants of hundreds of assorted species and sizes were counted in stock. On average, over the past two and a half years, the nursery has maintained an inventory of over 51,000 plants. Staff has introduced additional plants at a rate of over 16,500 plants annually. These plants are cultivated, grown, repotted and maintained by a staff of three, plus a foreman. In most cases, the plants begin as cuttings from existing community plants that are grown to maturity to 15-gallon plants.

In addition to digitizing the inventory system, new plant species, planting methods/materials, irrigation systems and fertilizers are increasing operation efficiency and output. The average number of new plants added to the nursery in 2022/2023 was 14,273. In the first six months of 2024, 20,779 plants were added, which has reduced the cost per plant in inventory to \$3.11 from \$6.17 (Table 2, page 34).

On average, staff plants over 15,000 plantings annually, an amount that has increased steadily since 2022. In the first six months of 2024, staff planted 16,538 plants of varying sizes and species/colors. For this analysis, staff considered 30 of the most-used plants and sizes planted in 2023 and obtained quotes from three local wholesale nurseries for the same sizes and species/colors. The average cost of the same variety of plant material (when available) is \$8.56 each (Table 3, page 35).

One logistical challenge in using wholesale nurseries is availability. An in-house nursery means staff can grow the plant species, colors and quantities needed without having to visit several nurseries to find the quantities needed or pay delivery fees, which ranged from \$100 per truck load or 1.5% of the plant material cost. Including delivery could mean an additional \$4,200 to the annual cost of purchasing plant material. Wholesale nurseries also deliver to a central location only, incurring additional labor costs for handling, maintaining and distributing plant material that are included in the in-house nursery costs.

### **Benchmarking Results**

Analysis reveals that the VMS Landscaping Services Department is not only competitive with contracted landscaping maintenance services but is also significantly less expensive. Moreover, VMS staff are well acquainted with routes and resident concerns, ensuring quick response to work order requests with no additional costs. Contractor quotes for maintenance work are for specified services and do not include costs for resident-requested service work included in VMS costs.

### **Best Practices and Lessons Learned**

Analysis indicates that turf maintenance operations carried out by VMS staff follow industry standards at a competitive price. Additionally, staff has successfully implemented cost-savings measures in the past year and consistently seeks to enhance performance.

### **Recommendations and Action Plan**

Staff will continue to look for opportunities to reduce labor hours and identify equipment usage to reduce costs.

### **Conclusion**

VMS provides more cost-effective landscaping services than similar-sized landscaping contractors. Side-by-side comparison charts (Charts 1 and 2, page 36) illustrate the cost difference. Using VMS crews for turf maintenance, the per-manor-per-month cost for landscaping services in 2024 is \$74.70 for United and \$91.74 for Third. Using contracted crews for turf maintenance would increase the monthly assessments to \$86.53 for United and \$104 for Third.

Using VMS crews for shrub-bed maintenance work described above, the per-manor-per-month cost for landscape services in 2020 was \$56 for United and \$70.97 for Third. Had we used contracted crews for the same service level, it would have increased the monthly assessments to \$59.31 for United and \$74.76 for Third.

**TABLE 1**  
**2024 Cost Analyses for Green Waste Processing and Mulch Purchasing**

| COST BREAKDOWN FOR CR&R TO HAUL   |  |                        |                          |                     |               |              |             |
|---|--|------------------------|--------------------------|---------------------|---------------|--------------|-------------|
| Total CYProduced  | Average Yards Per Bin<br>(Weight Restrictions) | Avg. Bins Per<br>Month | Bins Per Year            | Per Bin             | Annual Total  |              |             |
| 35,416  | 10   | 295                    | 3542                     | \$598.04            | \$2,118,044   |              |             |
| COST BREAKDOWN FOR PURCHASING MULCH FROM AGUINAGA GREEN                       |  |                        |                          |                     |               |              |             |
| COST PER CUBIC YD   | Delivery Fee                                   | CYPer Truck            | Cubic Yards<br>per Month | Trucks per<br>Month | Per Load Cost | Monthly Cost | Annual Cost |
| \$34  | \$100  | 16                     | 745.2                    | 46.6                | \$644         | \$29,994.30  | \$359,932   |
| Estimated Annual Cost to Transport/Dump Green Waste w/CR&R and Purchase Mulch |  |                        |                          |                     |               |              | \$2,477,975 |
| Annual Cost to Operate Mulching Center  |  |                        |                          |                     |               |              | \$135,257   |
|   |  |                        |                          |                     |               | Savings      | \$2,342,718 |

**TABLE 2**  
**2024 – 2024 Nursery Inventory and Cost Per Plant**

| 2022 Nursery                       |                |                 |                              |                         |  |
|------------------------------------|----------------|-----------------|------------------------------|-------------------------|--|
| Beginning Inventory                | Inventory Used | Inventory Added | Year End Inventory           | Nursery Actual Expenses | Cost Per Plant in Inventory                |
| 48,424                             | 11,627         | 14,489          | 51,287                       | \$287,729.78            | \$5.61                                     |
| 2023 Nursery                       |                |                 |                              |                         |  |
| Beginning Inventory                | Inventory Used | Inventory Added | Year End Inventory           | Nursery Actual Expenses | Cost Per Plant in Inventory                |
| 51,287                             | 18,739         | 14,057          | 46,605                       | \$316,058.05            | \$6.78                                     |
| 2022-2023 Nursery Averages         |                |                 |                              |                         |  |
| Beginning Inventory                | Inventory Used | Inventory Added | Year End Inventory           | Average Actual Expenses | 2 Year Average Cost Per Plant in Inventory |
| 49,855                             | 15,183         | 14,273          | 48,946                       | \$301,893.91            | \$6.17                                     |
| 2024 Nursery (As of June 30, 2024) |                |                 |                              |                         |  |
| Beginning Inventory                | Inventory Used | Inventory Added | Inventory (As of 06/30/2024) | Nursery Actual Expenses | Cost Per Plant in Inventory                |
| 46,605                             | 16,538         | 20,779          | 50,846                       | \$158,058.24            | \$3.11                                     |

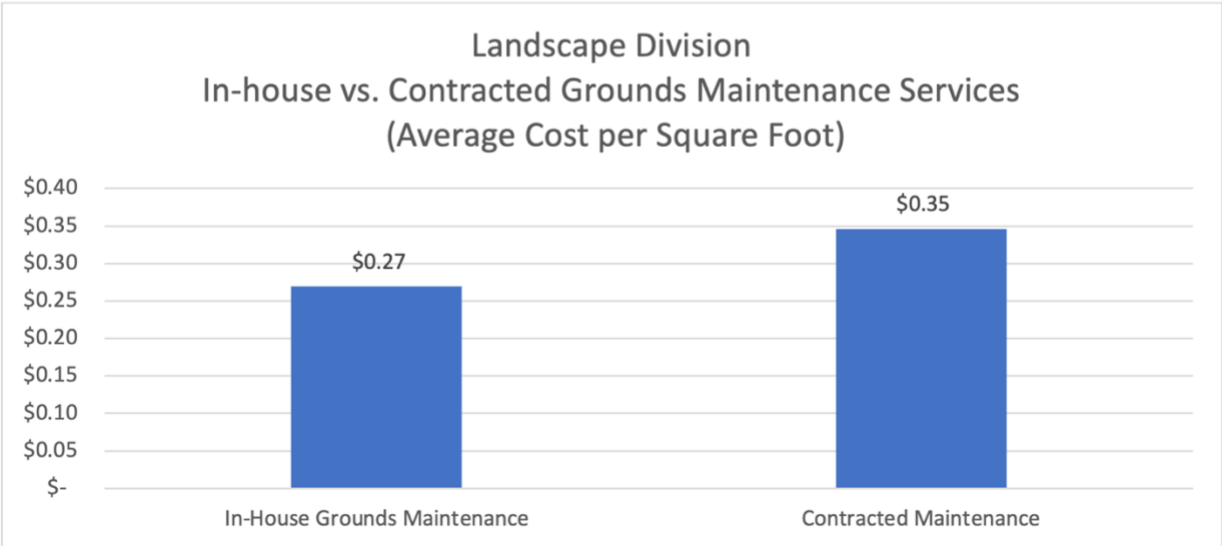
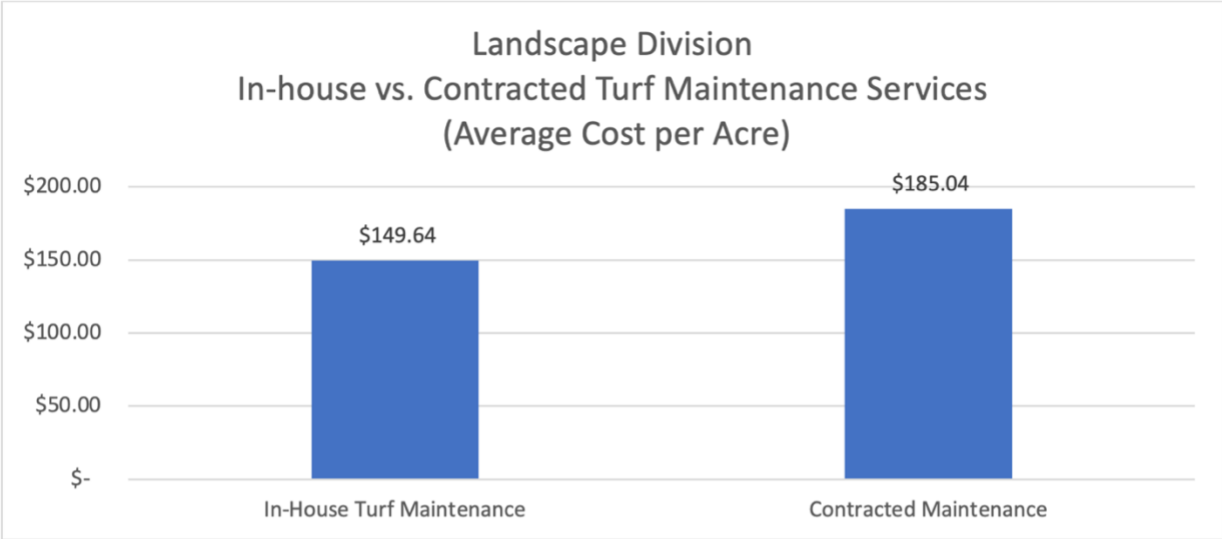
**TABLE 3**  
**Plant Material Quotes From Wholesale Nurseries**

| Plant Name   | Size  | 2023 Planted Quantity | Village Nursery | Ayon Nursery | Devil Mountain Nursery |
|--|-------|-----------------------|-----------------|--------------|------------------------|
| Dwarf Carpet of Stars                                | 1-Gal | 5500                  |                 | \$ 6.50      |                        |
| Myoporum - Putah Creek Pink                          | 1-Gal | 4156                  | \$ 3.10         | \$ 6.50      | \$ 3.90                |
| Kurapia Pink   | 1-Gal | 2225                  |                 | \$ 6.50      |                        |
| African Daisy  | 1-Gal | 1580                  | \$ 3.30         | \$ 6.50      | \$ 4.10                |
| Rhaphiolepis Pink Lady                               | 5-Gal | 623                   | \$ 8.55         | \$ 12.50     | \$ 9.50                |
| Euonymus Japonica                                    | 5-Gal | 455                   | \$ 9.80         | \$ 12.50     | \$ 12.95               |
| Agapanthus Peter Pan Blue                            | 1-Gal | 368                   | \$ 3.70         | \$ 6.50      | \$ 12.95               |
| Gerranio Red   | 1-Gal | 357                   | \$ 3.90         | \$ 6.50      | \$ 12.95               |
| Hemerocallis Yellow                                  | 5-Gal | 289                   | \$ 9.50         | \$ 12.50     | \$ 9.50                |
| Rose Iceberg Red                                     | 5-Gal | 272                   | \$ 15.20        | \$ 12.50     | \$ 14.75               |
| Begonia Richmondensis                                | 1-Gal | 260                   | \$ 3.50         | \$ 6.50      | \$ 2.95                |
| Tulbaghia Violacea                                   | 1-Gal | 253                   | \$ 3.99         | \$ 6.50      | \$ 2.90                |
| Agave Attenuata                                      | 1-Gal | 248                   | \$ 10.80        | \$ 6.50      |                        |
| Rose Iceberg White                                   | 5-Gal | 222                   | \$ 15.20        | \$ 12.50     | \$ 14.75               |
| Bacopa Conseil                                       | 1-Gal | 210                   |                 | \$ 6.50      |                        |
| Calandrina Grandiflora                               | 1-Gal | 200                   |                 | \$ 6.50      |                        |
| Nandina Domestica                                    | 5-Gal | 187                   | \$ 9.80         | \$ 12.50     | \$ 10.00               |
| Euonymus Variegated White                            | 5-Gal | 180                   | \$ 9.80         | \$ 12.50     | \$ 9.50                |
| Callistemon Little John                              | 5-Gal | 176                   | \$ 15.20        | \$ 12.50     | \$ 12.00               |
| Tulbaghia Silver Lace                                | 1-Gal | 174                   | \$ 8.50         | \$ 6.50      | \$ 6.95                |
| Tecoma Stans Yellow                                  | 5-Gal | 166                   | \$ 14.44        | \$ 6.50      |                        |
| Liriope Gigantea                                     | 1-Gal | 160                   | \$ 5.38         | \$ 12.50     | \$ 6.30                |
| Rhaphiolepis Umbellata Minor                         | 5-Gal | 148                   | \$ 9.80         | \$ 6.50      |                        |
| Aeonium Purple                                       | 5-Gal | 128                   | \$ 7.60         |              |                        |
| Geranio Pink   | 1-Gal | 127                   | \$ 4.90         | \$ 6.50      |                        |
| Hibiscus Brilliant Red                               | 5-Gal | 120                   | \$ 15.50        | \$ 12.50     | \$ 12.00               |
| Begonia  | 1-Gal | 115                   | \$ 4.90         | \$ 6.50      | \$ 2.95                |
| Lantana Purple                                       | 1-Gal | 109                   | \$ 3.10         | \$ 6.50      | \$ 2.95                |
| Duranta Erecta                                       | 5-Gal | 105                   | \$ 14.40        | \$ 12.50     | \$ 12.00               |
| Hemerocallis Orange                                  | 1-Gal | 105                   | \$ 4.36         | \$ 6.50      | \$ 2.95                |
| Average  |       |                       | \$ 8.39         | \$ 8.78      | \$ 8.51                |
| <b>Average Cost of Plants from Wholesale Nursery</b> |       |                       |                 |              | <b>\$ 8.56</b>         |

\*Blank spaces indicate plant is not available



**CHARTS 1 AND 2**





## **Benchmarking Report Maintenance and Construction Department**

### **Introduction**

The Village Management Services Inc. (VMS) Maintenance & Construction Department oversees in-house maintenance functions and various maintenance/construction services that are outsourced to private contracting companies.

The department currently outsources contracts for various specialty services, including roof repair/replacement, asphalt/concrete paving, termite fumigation, structural dry rot repairs, emergency plumbing repairs, solar panel cleaning and epoxy lining for sewer and copper water lines. Vendors are selected based on a competitive bid process to ensure the mutuals receive a fair market price for the specific services. All contracted vendors are required to provide proof of insurance and appropriate state licenses as required, based on work categories.

By contracting for these specialty services, VMS can minimize its union workforce as necessary to provide selected in-house routine maintenance functions corresponding to the mutual's annual budgets and service levels.

### **Selected Benchmarking Program**

The washer and dryer replacement program has been selected for this benchmarking report.

### **Data Collection and Analysis**

A comparison was made of the labor cost associated with replacing washing machine and dryer appliances for Third and United mutuals. United has 655 washing machines and 515 dryers in its appliance inventory that require occasional maintenance repairs and will eventually require replacement when the appliance is no longer serviceable. Third has 455 washers and 373 dryers in its inventory.

VMS has four appliance technicians assigned to respond to service requests for repair and replacement of all appliances designated as mutual responsibility, including washers and dryers in both mutuals, as well as additional appliances in United such as refrigerators, dishwashers, garbage disposals, ovens, ranges and cooktops.

### **Benchmarking Results**

This benchmarking analysis compared the cost for using in-house labor to replace a washing machine or dryer to the cost for the same service using an outsource contract.

The results summarized in Table 1 (page 38) indicate that the cost for services provided by in-house personnel is cost effective compared to the cost for contract services. The flexibility of

having in-house staff available daily to dispatch to service calls for emergency situations is an additional benefit.

**TABLE 1**

| SERVICE ITEM  | COST COMPARISON  |
|---|--|
| Cost to remove existing washer and install new washer | Outsource pricing is 24% higher than performing the work with in-house staff |
| Cost to remove and replace washer angle stop          | Outsource pricing is 88% higher than performing the work with in-house staff |
| Cost to remove existing dryer and install new dryer   | Outsource pricing is 24% higher than performing the work with in-house staff |

**Additional Benchmarking Comparisons**

An additional benefit of having a dedicated in-house maintenance team available to respond to service calls allows mutual members to request several miscellaneous non-emergency chargeable services at a reasonable rate. Members are not required to use our in-house team for these services; members may hire their own handyman or private contractor to perform these tasks.

Table 2 (below) is a representative sample of some of these services benchmarked against what a member could expect to pay for similar services if they contracted with Home Depot.

**TABLE 2**

| SERVICE ITEM  | VMS  | HOME DEPOT  |
|---|--|---|
| <b>Carpentry</b><br>Bathroom grab bar installation<br>Minor wood fence repair | \$55<br>\$65 - \$160   | \$75 - \$150<br>\$100 - \$200   |
| <b>Electrical</b><br>Replace outlet<br>Replace light fixture                  | \$59 - \$80<br>\$92  | \$65 - \$125<br>\$75 - \$125  |
| <b>Plumbing</b><br>Toilet installation<br><br>Water heater installation       | <ul style="list-style-type: none"> <li>• \$90 (United member-supplied toilet); \$200 (Third mutual-supplied toilet)</li> <li>• \$1,720 Third (38-gallon tank with 10-year warranty)</li> </ul> | <ul style="list-style-type: none"> <li>• \$185 - \$400</li> <li>• \$1,600 - \$5,400 (depending on type and warranty)</li> </ul> |



## **Benchmarking Report Recreation and Special Events Department**

### **Introduction**

The Village Management Services Inc. (VMS) Recreation and Special Events Department provides numerous opportunities for residents to enjoy an enriched, healthy quality of life. The quantity of services has been benchmarked against similar 55+ HOA communities as well as public and private entities through review of published open-source information.

### **Benchmarking Criteria**

Data was collected from several 55+ communities featuring similar recreational opportunities, as well as private/public operations with similar opportunities, to show comparison and value to outside services. Communities reviewed included pools, clubhouses, golf courses, court sports and craft studios.

### **Benchmarking Participants**

Entities used for comparison are Golden Rain Foundation (GRF) Rossmoor Walnut Creek and GRF Leisure World Seal Beach, and the entities/cities of Casta del Sol Mission Viejo, Planet Fitness, LA Fitness, Laguna Niguel Family YMCA, Laguna Niguel Racquet Club, City of Aliso Viejo Aquatic Center, City of Fountain Valley Golf, City of Mission Viejo Oso Creek Golf and City of Laguna Hills Community Center.

### **Data Collection and Analysis**

Staff conducted a review of several 55+ communities to compare services offered, including facilities, amenities, classes and activities. Additionally, information was collected from private and public entities (pools, tennis clubs, fitness centers) to show a comparison of fees for outside services.

### **Benchmarking Results**

Laguna Woods Village has approximately 9,000 more residents than Rossmoor Walnut Creek and Leisure World Seal Beach, offers several more recreation services than many 55+ communities in California and has a competitive assessment fee for what is offered. The Laguna Woods Village GRF recreation assessment fee is approximately \$10.64 less per month than that of GRF Rossmoor Walnut Creek.

The cost for various private club memberships per month is typically significantly more than the recreation assessment for comparable services. A standard gym membership (Planet Fitness/LA Fitness) costs anywhere from \$10 for a limited-use facility to \$40 (YMCA/LA Fitness), plus enrollment and annual fees. Laguna Niguel Racquet Club (a local private tennis/fitness/pool club) is \$223/month. The Laguna Woods Village GRF monthly assessment for fitness is \$3.69.

Laguna Woods Village GRF golf is best compared to a municipal course. The City of Fountain Valley Mile Square 18-hole course costs \$49 to \$67 per round. The City of Mission Viejo Oso Creek Golf Course costs \$29 to \$45 per round. Laguna Woods Village residents can play for \$16 per 18-hole round; residents pay \$9.06 per month to support the golf courses. The daily fee plus the monthly fee is still far less than that of neighboring cities.

In regard to aquatics, the Aliso Viejo Aquatic Center charges \$5 per day for seniors, or \$208 for a yearly pass. Laguna Woods Village residents pay \$6.68 per month through their assessments to use any of the five available pools.

In summary, the cost of services for private and public entities demonstrates the value of what's supported by the \$47.99 per month Laguna Woods Village GRF recreation assessment fee.

### **Best Practices and Lessons Learned**

Laguna Woods Village offers more for less than other communities. As inflation of services and goods continues to increase, it is important to closely monitor how services are offered, while maintaining quality and efficiency.

### **Recommendations and Action Plan**

Recreation staff will continue to explore cost savings and cost recovery methods to prevent the assessment fee from growing exponentially. Staff have been completing event evaluations that break down event attendance and financial actuals, and provide discussion regarding the efficiency, popularity and need for given events. Some events, (Memorial Day, Veterans Day and the tree lighting) are not expected to generate cost recovery. Others (Grandparents' Fun Day) are expected to generate some cost recovery, but fees are to remain low, as they are more of a benefit for residents. Yet other events (monthly dinners) are expected to generate full cost recovery. Some events, such as the Arts and Crafts Bonanza, the Bazaar and the Health and Wellness Expo, charge registration fees to cover costs. Several changes have already been implemented; for example, the Renaissance Faire was highly anticipated and popular. However, event costs were high, creating an entry fee that did not generate cost recovery. Residents stated they weren't getting enough return for the entry fee. At the Performing Arts Center in 2023, staff wanted to host three big-name performers instead of numerous smaller acts. The cost of the big bands was too high and recovery was ineffective. In 2024, a new vision features one popular and professional band, and several smaller performers, with the goal of covering the costs for each event and supporting cost recovery for the larger act.

Staff will continue to monitor events and develop additional efficiencies.

### **Conclusion**

Laguna Woods Village offers facilities, amenities and activities to promote maintaining a healthy and active lifestyle through sports, clubs, enrichment, social interaction and general enjoyment and quality of life. The associated monthly assessment costs less than private memberships and is comparable to other local 55+ communities that offer far less.

**BENCHMARKING REPORT - RECREATION**

| LOCATION                   | LAGUNA WOODS VILLAGE              |        |               | ROSSMOOR                          |        |      | LEISURE WORLD                     |          |               | CASTA DEL SOL             |        |      |
|----------------------------|-----------------------------------|--------|---------------|-----------------------------------|--------|------|-----------------------------------|----------|---------------|---------------------------|--------|------|
| CITY                       | LAGUNA WOODS, CALIFORNIA          |        |               | WALNUT CREEK, CALIFORNIA          |        |      | SEAL BEACH, CALIFORNIA            |          |               | MISSION VIEJO, CALIFORNIA |        |      |
| MUTUAL/ASSOCIATION FEES    | Avg. \$615.91                     |        |               | Avg. unknown                      |        |      | \$494.37                          |          |               | \$574.00                  |        |      |
| GRF FEES                   | \$228.22 (\$47.99 for Recreation) |        |               | \$273.62 (\$58.63 for Recreation) |        |      | \$213.25 (\$48.93 for Recreation) |          |               |                           |        |      |
| TOTAL FEES                 | \$844.13                          |        |               |                                   |        |      | \$707.62                          |          |               | \$574.00                  |        |      |
| POPULATION                 | 18,600                            |        |               | 9,700                             |        |      | 9,600                             |          |               | 3,400                     |        |      |
| DWELLING UNITS/HOUSEHOLDS  | 12,750                            |        |               | 6,700                             |        |      | 6,608                             |          |               | 1927                      |        |      |
| AMENITIES                  | AVAILABLE                         | AMOUNT | COST          | AVAILABLE                         | AMOUNT | COST | AVAILABLE                         | AMOUNT   | COST          | AVAILABLE                 | AMOUNT | COST |
| AMPHITHEATER - OUTDOOR     |                                   |        |               |                                   |        |      | X                                 |          |               |                           |        |      |
| AQUATICS - POOL            | X                                 | 5      |               | X                                 | 3      |      | X                                 |          |               | X                         | 2      |      |
| AQUATICS - SPA             | X                                 | 4      |               | X                                 |        |      | X                                 |          |               | X                         | 2      |      |
| ARCHERY                    | X                                 |        |               |                                   |        |      |                                   |          |               |                           |        |      |
| ARTS AND CRAFTS ROOMS      | X                                 | 14     |               | (Club only)                       |        |      | X                                 | 5        |               | X                         | 2      |      |
| BADMINTON                  | X                                 |        |               |                                   |        |      |                                   |          |               |                           |        |      |
| BASKETBALL (1/2 COURT)     | X                                 |        |               | (Club only)                       |        |      | X                                 |          |               |                           |        |      |
| BILLIARDS                  | X                                 | 2      |               | X                                 |        |      | X                                 | 2        |               | X                         |        |      |
| BOCCE                      | X                                 | 3      |               | X                                 |        |      | X                                 |          |               | X                         |        |      |
| CARD ROOMS                 | X                                 |        |               |                                   |        |      | X                                 |          |               |                           |        |      |
| CATERING - BAR SERVICES    | X                                 |        |               |                                   |        |      |                                   |          |               |                           |        |      |
| CLASSES                    | X                                 |        |               | X                                 |        |      | X                                 |          |               |                           |        |      |
| CLUBHOUSE                  | X                                 | 7      |               | X                                 | 5      |      | X                                 | 6        |               | X                         | 2      |      |
| COMPUTER ROOMS             | X                                 | 3      |               | (Club only)                       |        |      |                                   |          |               |                           |        |      |
| DROP-IN LOUNGE             | X                                 |        |               |                                   |        |      |                                   |          |               |                           |        |      |
| EQUESTRIAN CENTER          | X                                 |        |               | (Club only)                       |        |      |                                   |          |               |                           |        |      |
| FACILITY RENTALS           | X                                 |        |               | X                                 |        |      | X                                 |          |               | X                         |        |      |
| FITNESS CENTERS            | X                                 | 3      |               | X                                 |        |      | X                                 |          |               | X                         |        |      |
| GARDEN CENTERS             | X                                 | 2      | \$13-\$72/yr. | (Club only)                       |        |      | X                                 |          | \$100/yr.     | X                         |        |      |
| GOLF - DRIVING RANGE       | X                                 |        | \$2-\$6       | X                                 |        | \$4  |                                   |          |               |                           |        |      |
| GOLF - PRACTICE AREA       | X                                 |        |               | X                                 |        |      | X (Cages)                         |          |               | X                         |        |      |
| GOLF - PRO SHOP            | X                                 |        |               | X                                 |        |      |                                   |          |               |                           |        |      |
| GOLF COURSE - 9 HOLE       | X                                 |        | \$6-\$10      | X                                 |        | \$15 | X                                 |          | (No visitors) |                           |        |      |
| GOLF COURSE - 18 HOLE      | X                                 |        | \$8-\$16      | X                                 |        | \$30 |                                   |          |               | (Oso Creek)               |        | \$25 |
| GYMNASIUM                  | X                                 |        |               |                                   |        |      |                                   |          |               |                           |        |      |
| HORSESHOE                  |                                   |        |               |                                   |        |      |                                   |          |               | X                         |        |      |
| LAWN BOWLING               | X                                 | 2      |               | X                                 | 3      |      |                                   |          |               | X                         | 1      |      |
| LIBRARY                    | X                                 |        |               | X                                 |        |      | X                                 |          |               | X                         |        |      |
| PADDLE TENNIS              | X                                 |        |               |                                   |        |      |                                   |          |               | X                         | 2      |      |
| PERFORMING ARTS AUDITORIUM | X                                 | 1      |               |                                   |        |      |                                   |          |               |                           |        |      |
| PICKLEBALL - INDOOR        | X                                 |        |               | X                                 | 2      |      |                                   |          |               |                           |        |      |
| PICKLEBALL - OUTDOOR       | X                                 | 7      |               | X                                 | 3      |      | X                                 | 4        |               | X                         | 2      |      |
| PETANQUE                   | X                                 |        |               |                                   |        |      |                                   |          |               |                           |        |      |
| RADIO ROOM                 | X                                 |        |               |                                   |        |      |                                   |          |               |                           |        |      |
| RESTAURANT                 | X                                 |        |               | X                                 |        |      | X (Café)                          |          |               |                           |        |      |
| SHUFFLEBOARD COURTS        | X                                 | 2      |               |                                   |        |      | X                                 |          |               | X                         |        |      |
| TABLE TENNIS               | X                                 |        |               | X                                 |        |      | X                                 |          |               |                           |        |      |
| TENNIS COURTS              | X                                 | 10     |               | X                                 | 8      |      |                                   |          |               | X                         | 2      |      |
| VIDEO LAB/STUDIO           | X                                 |        |               |                                   |        |      |                                   |          |               |                           |        |      |
| VOLLEYBALL                 | X                                 |        |               |                                   |        |      |                                   |          |               |                           |        |      |
| HIKING TRAILS              | X                                 |        |               | X                                 |        |      | X                                 |          |               | X                         |        |      |
| CLUBS                      | X                                 | 250    |               | X                                 | 184    |      | X                                 | Over 200 |               | X                         | 32     |      |

**Laguna Woods Village Rec Assessment Breakdown - \$47.99/mo.**

- Golf - \$9.06
- Aquatics - \$6.68
- Equestrian - \$3.95
- PAC - \$3.74
- Fitness Centers - \$3.69
- Clubhouse 4 - \$3.42
- Clubhouse 1 - \$3.28
- Rec Admin. - \$3.15
- Clubhouse 2 - \$3.08
- Clubhouse 5 - \$3.06
- Clubhouse 6 - \$1.46
- Clubhouse 7 - \$1.94
- Garden Centers - \$1.35
- Library - \$.21
- Bar Services - \$.03
- Village Greens Café - \$(.12)
- Total: \$47.99**



## **Benchmarking Report**

### **Security Services Department - Patrol Services**

#### **Background**

Village Management Services Inc. (VMS) Security Services (patrol services only; not including Compliance and Social Services divisions) is comprised of 34 full-time and 164 part-time staff. Approximately 82% of part-time staff are residents and gate ambassadors. On a yearly basis, staff respond to more than 49,690 service calls, take more than 4,000 incident reports and issue more than 3,130 violation notices. A 24/7 dispatch center also serves as the Village's after-hours, weekend and holiday call center, which evaluates, processes and acts upon emergency-related maintenance issues.

#### **Benchmarking Criteria**

Data was collected from two similar 55+ communities and included such metrics as square miles, population, number of manors, personnel budgets, calls for service, medical aid, manned gate access points, incoming gate access traffic, unique services and per-manor-per-month costs.

#### **Benchmarking Participants**

Entities used for comparison are Golden Rain Foundation (GRF) Rossmoor Walnut Creek and GRF Leisure World Seal Beach. While similar in nature to Laguna Woods Village, these sister communities are neither as large nor as complex in terms of total square miles, population or operational budgets, nor do they offer the same service levels. Securitas provides security for Rossmoor Walnut Creek. Seal Beach Leisure World operates with a hybrid of internal security personnel (dedicated to just three access points) and staff from Off Duty Officers security company, which manages its other security needs. Unwillingness of private, for-profit security companies to provide financial and service capacity information limited additional benchmarking.

#### **Data Collection and Analysis**

A budget review and analysis focused strictly on security personnel costs to fairly compare VMS Security Services with Rossmoor Walnut Creek's outsourcing, which charges for contract hours worked in a week. Leisure World Seal Beach's internal/contract services hybrid model was unclear; staff conducted interviews with directors of the comparable communities. Neither community provides the traffic enforcement that Laguna Woods Village performs.

#### **Benchmarking Results**

Data indicates that VMS Security Services provides residential, commercial and recreational facility security services at a level exceeding its sister communities due to the size of Laguna Woods Village and a delta of 1,300% in access points that must be manned by gate ambassadors.

Currently, VMS gate ambassadors' average hourly rate is approximately \$16.50 per hour. Because Rossmoor Walnut Creek and Leisure World Seal Beach outsource their security needs, their respective vendors employ guards certified via the California Bureau of Security and Investigative Services and pay between \$18 and \$20 per hour for the same service. One exception is that Leisure World Seal Beach volunteers assist with daytime gate operations. Neither the exact number of volunteers nor total hours worked were provided.

Chart 1 (page 45) reflects that Walnut Creek has only one gate access point; Seal Beach has three, with two shutting down during the evening hours, leaving the property with only one gate access point from 11 p.m. to 7 a.m.

Rossmoor Walnut Creek is approximately 2.8 square miles, with 9,712 residents, 6,676 manors and a security budget of \$2,383,098 for a \$29.71 per-manor-per-month assessment. Leisure World Seal Beach is approximately 0.85 square miles with 9,600 residents, 6,608 manors and a security budget of \$2,380,860 for a \$30.05 per-manor-per-month assessment. Laguna Woods Village is approximately 4 square miles, with 18,600 residents, 12,736 manors and a personnel budget of \$5,692,415 for a \$37.25 per-manor-per-month assessment.

### **Best Practices and Lessons Learned**

Laguna Woods Village security patrol staff have assumed multidisciplinary roles and responsibilities over time to accommodate and maintain a higher level of service, including, but not limited to, handling light maintenance repairs, shutting off irrigation systems, resetting tripped fuses and serving as the after-hours first responder for property management issues. Additionally, personnel cross training has added capacity and capability not seen at the sister communities.

### **Recommendations and Action Plan**

Staff will continue to use a generalist approach to providing security to work as efficiently and effectively as possible, and seek ways to reduce costs and limit liability exposure, and maintain the high level of safety and security Laguna Woods Village residents enjoy.

### **Conclusion**

Laguna Woods Village's geographical size, population and traffic, and number of manors, service calls, medical aids and access points (secured gates) outpace its sister communities. Additionally, VMS Security offers medical aid response, after hours emergency maintenance assessments and lock out services not provided at other communities. Its \$8 per-manor-per-month cost difference over Rossmoor Walnut Creek and Leisure World Seal Beach speaks to those increased service levels. This cost helps cover almost 90% additional activity in terms of service calls and medical aids, and factors in a greater number of secured access points that must be manned. Our 13 gates simplify ingress and egress, provide first responders a more direct route to 9-1-1 calls and facilitate emergency evacuations. These entry points also accommodate nearly 70% more vehicle entries (roughly 6.2 million more cars) than its sister communities. Last, this \$8 per-manor-per-month cost difference also offsets what is needed to



task a security motor-and-foot patrol team to cover an area that is 70% to 80% larger than its sister communities.

### CHART 1

| Benchmarking Statistics for Laguna Woods Village Security Patrol* |   |   |   |  |  |   |  |   |  |
|---|---|---|---|--|--|---|--|---|--|
| Community   | Population  | Manors  | Budget  | Per Manor Per Month  | Calls for Service                                  | Medical Aids  | Gate Access Points   | Traffic Counts at Gates   | Size   |
| Laguna Woods Village  | 18,600  | 12,736  | \$5,692,415   | \$37.25  | 49,000   | 8,030   | 13   | 9,000,000+  | 4 sq. mi.  |
| Walnut Creek  | 9,712   | 6,676   | \$2,383,098   | \$30.05  | 5,874  | 1,099   | 1  | 2,812,048   | 2.8 sq. mi                                       |
| Seal Beach  | 9,600   | 6,608   | \$2,380,860   | \$29.71  | Did not provide                                    | Did not provide   | 3  | Did not provide   | 0.85 sq. mi                                      |
| <b>Laguna Woods Village % Difference, Respectively</b>            | 47.8%/49.4%<br>larger pop. than comp. communities | 47.6%/48.2%<br>more manors than comp. communities | 58.1%/58.2%<br>larger budget than comp. communities | 20.3%/21.2%<br>more per manor per month (approx. \$8) than comp. communities | 88.1%<br>more service calls than comp. communities | 86.4%<br>more medical aids (22 per day vs 3) than comp. communities | 92.4%/73%<br>greater ingress/egress increases convenience, safety than comp. communities | 68.8%<br>more traffic flow (~6 million vehicles) than comp. communities | 70%/79.7%<br>larger than WC and SB, respectively |
| *Does not include Compliance and Social Services divisions.       |   |   |   |  |  |   |  |   |  |