

This Issue

2023 Budget

Water Conservation

this issue

Effects of Inflation on Mutual 5	P.1
A Message From the CFO	P.1
Water Management	P.2
Directors' Corner	P.2
Who You Gonna Call?	P.2



A Message From CFO Ken Cude

Inflation affects everyone, including your Mutual.

The Mutual 5 Directors start each budget cycle with the same two requirements: our duty to maintain the shareholder services promised in our occupancy agreement; and to meet this current board's obligation to properly set aside reserve funding for inevitable future infrastructure projects. Then there's a third goal after meeting the first two requirements: to keep any monthly assessment increases as low as possible.

That's hard to do in the inflationary environment we've experienced during the past year. Your Mutual Board kept increases below the inflation rate in categories we could control, for instance with landscaping, labor costs and operating expenses. But the tidal wave of rising costs overwhelmed any economies we could find.

Since we set our 2022 budget in summer of 2021, costs for our major budget items such as water, electricity, trash, insurance and appliances have all exceeded the consumer price index increase. The Construction Index of Prices jumped more than 20% this past year.

The bottom line? Effective Jan. 1, 2023, Mutual 5's monthly carrying charge will increase by 12.5%, which is \$29.74 per month. Luckily, there's that expected \$165 jump in the average monthly Social Security check to take up some of the slack.

The Budget Committee met throughout August to develop a budget for 2023. The Committee is committed to the responsible management of our resources. Future infrastructure projects include repainting the whole mutual, replacing the attic doors, completing the reroofing of every building, and replacing concrete as needed. The board has developed a long-range plan to complete these important projects.

Please read the inflation data in the left sidebar in order to understand the current financial environment the board had to deal with for 2023. This budget will be presented and voted on in September.



Next Meeting

SEPTEMBER 21
9 A.M.

Effects of Inflation on Mutual 5

Construction Indexes
Up 20%

Electricity
Up 11.8%

Water
Up 13.6%

Trash Collection
Up 15.4%

Professional Fees
Up 32%

Landscaping
Up 2.7%

Standard Services
Up 5.6%

Maintenance Hourly Rate
Increased from
\$47.20 to \$50
Per Hour

Property and Liability
Insurance
Up 15.4%

Appliances
Refrigerators, stovetops,
ovens, washers, dryers,
garbage disposals, toilets
and 12 more items
Up 15.0%

Total Operating
Expenses
Up 7.7%

Financial Income
Declined 4.5%

Directors' Corner

LINDA DeRUNGS

President

GREAT news! Mutual 5 has another record year in number of units sold. Welcome to our new shareholders!

ED MURPHY

Vice President

To avoid fines, use water sparingly and wisely, and follow all Mutual 5 rules.

KEN CUDE

CFO

The Finance Committee has completed the 2023 budget. An increase in the carrying charge was unavoidable.

LAURA GARDNER

Secretary

Please call me if you need to report a violation. I have the form for you to fill out.

GLORIA SHANNON

Landscape Director

Please follow the guidelines for watering your gardens. Save water!

WAYNE GOULD

Physical Properties Director

Reroofing has started. Buildings 70, 100, 101, 113 and 120 are getting new roofs this year.

KEVIN POWELL

Laundry Director

Water rates are going up dramatically. It's more important than ever to do full loads to save water BUT not so large you will damage the washer or cause flooding.



WATER-FRIENDLY GARDENS

Consider planting low-maintenance, colorful agaves, yuccas, grasses and succulents in your garden. They require less water than daisies, roses, impatiens and other flowers. Our landscaper will be glad to help you create your new garden.

WE MUST FOLLOW ALL RULES REGARDING THE CURRENT DROUGHT CONDITIONS

All Mutuels have been informed that they must reduce their water consumption by 11-20% until further notice. Mutual 5 has reduced the irrigation schedule by nearly 20%. Our irrigation reduction will keep our trees alive. However, we will see areas in our green belts that will start to get brown over time. Please do not call to complain about the condition of the grass. Some areas will be greener than others. Here are your guidelines for water use:

- ☺ All shareholders are still allowed to water their gardens
- ☺ Flowers & plants have been removed from all tree circles so shareholders will not waste water maintaining them
- ☺ DO NOT use water to wash walkways and sidewalks; use a broom
- ☺ DO NOT water the grass in front of your unit even if it looks brown
- ☺ DO NOT turn on your garden hose and walk away
- ☺ Make sure your personal garden irrigation system does not leak

WHO YOU GONNA CALL?

LINDA DeRUNGS 562-666-5476

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ED MURPHY 714-403-9539

edm92649@gmail.com

KEN CUDE 562-921-0024

cudekb@verizon.net

GLORIA SHANNON

HOTLINE 562-804-5525, Ext.1

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LAURA GARDNER

HOTLINE 562-804-5525 Ext.2

cmdedee@gmail.com

WAYNE GOULD 562-794-9346

capy235@aol.com

KEVIN POWELL 562-522-0282

kbpowell51@verizon.net

ALWAYS DIAL THE AREA CODE!

Security 562-594-4754

Service Maintenance 562-431-3548

Landscape Hotline 562-804-5525

GRF Switchboard 562-431-6586

Billing Ext. 330

Stock Transfer Ext. 346

M5 Inspector Ext. 397

- ☺ Replace leaky garden hoses and ALWAYS turn off your garden hose at the FAUCET to prevent leaking water
- ☺ Call Service Maintenance if your garden faucet leaks; it will be repaired at no charge to the shareholder
- ☺ Turn off the faucet while brushing teeth or shaving
- ☺ Take shorter showers; temporarily turn off the shower while soaping up
- ☺ Call Service Maintenance to repair leaky plumbing and running toilets
- ☺ Do full loads of laundry in your own home and in the laundry rooms
- ☺ Think about small ways you can save water in your daily life

Water rates keep going up at alarming rates. The Mutual is working with our landscaper to control our water use AND keep our trees alive. Mutual Five's water policy 05-7424-1 automatically fines shareholders \$25 if they are caught wasting water outside their unit.