

**REPORT OF THE MEETING OF THE GOLDEN RAIN FOUNDATION OF LAGUNA
WOODS BUSINESS PLANNING COMMITTEE
2008 BUSINESS PLANNING MEETING – VERSION 1
June 25, 2007**

The Golden Rain Foundation Business Planning Committee met on Monday, June 25, 2007 at 9:00 A.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: George Portlock (arrived at 9:43 AM), Bob Miller, Noel Hatch, Linda Wilson, Richard Moss, Jim Matson, and Jim McNulty.

Members Absent: Beth O'Brien, and Tom Jackson.

Others Present: Bea McArthur, Ruth May, Mark Schneider, Don Tibbetts – GRF
Marty Rubin, Maxine McIntosh, Mary Stone, John Dalis, Jan McLaughlin, Bevan Strom, Ken Hammer – United Rich Haskell, Carol Moore - Third
Lindsey Baguio–Laguna Woods Globe (arrived at 9:22)

Staff Present: Milt Johns, Janet Price, Betty Parker, Jerry Storage, Marcel Bradley, Jerry Rathje, Kurt Rahn, Rob Merritt, Steve La Fortune, Brad Antoine, and Marci Mednick.

CALL TO ORDER

Bob Miller, acting Chair, declared that the meeting had been properly noticed, a quorum was present, and called the meeting to order at 9:00 AM.

ACKNOWLEDGEMENT OF PRESS

Press was not present when the meeting began.

REVIEW PROPOSED 2008 BUSINESS PLAN

Chairman Miller announced that member comments would be taken after the presentation of the Proposed Business Plan.

Janet Price, Finance and Administration Director, presented the proposed 2008 Business Plan – Version 1, and the following items were addressed.

ASSUMPTIONS

Ms. Price explained the Policies, Practices, Directives & Assumptions used for developing the proposed 2008 Business Plan.

OPERATING BUDGET

There was discussion regarding unfilled positions in the Broadband Services Department. Ms. Price noted that any positions that are not intended to be filled were

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removed from the Business Plan, regardless of the division or department. It was also noted that if the City of Laguna Woods decides to enforce the Cable TV Franchise Ordinance it would be necessary to add two positions to meet the requirements of the Ordinance.

There was discussion regarding the Materials and Supplies category and the various methods used to pay for them including expense reimbursements, credit cards, accounts payable checks, wire transfers and petty cash.

It was noted by Ms. Price that Sanitation will likely decrease by \$0.11 PMPM, and Water will decrease by approximately \$0.08 PMPM. These reductions will be reflected in Version 2.

Discussion ensued regarding insurance coverage. This topic will be discussed at tomorrow's regular GRF Finance Committee meeting.

Ms. Price noted that a recommendation for surplus/deficit recovery will be made in Version 2.

There was discussion regarding the breakdown of the budget category "Other Staff Support". Ms. Price explained that it is comprised of service awards, holiday lunches and missed meals penalties. She also noted that in a future version, the missed meal penalties will be moved to wages pursuant to State requirements.

RESERVE CONTRIBUTIONS

Ms. Price explained how the Replacement Reserves 30-Year Funding Plan was developed and how funding levels are determined to prevent large fluctuations for reserve contributions in future years.

Discussion ensued regarding the appropriate annual inflation rate to use in projecting operating and reserve expenditures, currently planned at 4%.

A motion was made to calculate projected expenditures using the CPI assumption of 3% for operating expenditures and a CPI of 3.5% for future reserve expenditures. The motion failed to receive a second. Discussion ensued.

A motion was made, seconded and passed with a vote of three in favor, two opposed (Matson and McNulty) and one abstention (Portlock) to prepare the 30-Year Reserve Plan using the assumption of 3.5% CPI for future reserve expenditures.

CAPITAL EXPENDITURES

Ms. Price reviewed each item proposed in the 2008 Capital Reserve Expenditures, summarizing recommendations made thus far by the Standing Committees.

It was asked that the Committee reconsider the Capital Request for Clubhouse 1 Parking Lot Lighting. No action was taken.

Discussion ensued regarding the current rating system for vehicle replacement. Ms. Price reminded the Committee that although approved, these items will only be purchased if necessary and will be funded from reserves.

Mr. Miller recommended that the Capital Project for the Clubhouse 3 Sound System be brought to the GRF Finance Committee for consideration in 2007.

Mr. Miller thanked Staff for their hard work.

MEMBER COMMENTS

Mr. Peverieri (76-P) commented on credit card expenditures.

Ms. McIntosh (68-C) asked about fumigation of GRF facilities.

Mr. Grundke (2214-B) requested a digital copy of today's presentation. He also asked questions regarding mileage reimbursement, dependent care pre-tax benefits, and contract services in MIS.

Mr. Hall (3120D) commented on miscellaneous expenses.

Ms. Zuzak (674-A) questioned credit card expenditures.

Ms. Margason (510-C) asked about advance copies of the agenda.

Mr. Nesvig (2392-3H) requested that the budget be presented in annual dollar amounts.

Mr. Sharp (887-Q) commented on expense reimbursements for staff support.

Ms. Stone (356-C) asked if a slide could be added to the presentation that would relate only to employees including hiring, safety, uniforms, etc. Ms. Stone asked if the MIS consultant is included in the MIS department and Ms. Price told her it was included.

DIRECTOR COMMENTS

The Chair announced that all business had been addressed and therefore cancelled the Version 1 Meeting B scheduled for June 28, 2007 at 1:30 P.M. The next meeting

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of the Business Planning Committee will be July 23, 2007 at 9:30 A.M. to review Version 2 of the proposed business plan. Mr. Miller noted the revised meeting time.

ADJOURNMENT

The meeting was adjourned at 12:07 PM.

Bob Miller, Chair