

**MINUTES OF THE SPECIAL 2015 BUSINESS PLANNING
MEETING OF THE BOARD OF DIRECTORS OF
LAGUNA WOODS MUTUAL NO. FIFTY
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION
June 12, 2014**

The Board of Directors of Laguna Woods Mutual No. Fifty, a California nonprofit mutual benefit corporation, met at 2:00 P.M. on Thursday, June 12, 2014 in the Lortscher Hall at 24055 Paseo del Lago West, Laguna Woods, California.

Members Present: Ryna Rothberg, Inesa Nord-Leth, John Dalis

Members Absent: Chace Kendro, Alice Gokkes

Staff Present: Jerry Storage, Betty Parker, Katy Howe, Kelly Farano, Jose Campos

CALL TO ORDER

Ryna Rothberg chaired the meeting and called to order at 2:05 p.m.

ACKNOWLEDGEMENT OF THE PRESS

The press was not present.

MEMBER COMMENTS

There were none.

CHAIRMAN REMARKS

The Chair opted to make her remarks throughout the presentation.

REVIEW PROPOSED 2015 BUSINESS PLAN

Ms. Rothberg introduced Betty Parker, Financial Services Director, to present the proposed 2015 Business Plan – Version 1. In this version of the Business Plan, the average increase when compared to 2014 is about \$32 per unit per month (PUPM) or 1.6%, including the GRF portion.

ASSUMPTIONS

Ms. Parker explained the Policies, Practices, Directives & Assumptions used for developing the proposed 2015 Business Plan. Ms. Parker explained significant changes from prior year, including the assumption of 38 mutual-owned units (35 were planned in 2014), 30 leased mutual-owned units, 10 units paying a caregiver fee, and 31 units paying a second occupant fee.

OPERATING BUDGET

Ms. Parker presented the proposed operating budget and explained changes compared to the current plan. She also stated that actions taken at the GRF Version 1 Business Planning Committee meeting on June 11, 2014 resulted in a decrease of (\$12.00) PUPM compared to the figures presented in the Version 1 agenda.

The Board made comments and asked questions on various portions of the proposed operating expenditures. The Board posed several questions about utilities, food service, and mutual shared operating expenses.

RESERVE CONTRIBUTIONS

Ms. Parker indicated that the Replacement Fund contribution increased by \$5.00 PUPM to ensure balances will be sufficient at the end of each year to meet the association's obligations for repair and/or replacement of major components during the next 30 years. However, a reserve consultant has been retained and results of a full reserve study and any changed recommendations will be presented with Version 2.

Ms. Parker suggested that the GRF reduction be used to continue to build Mutual reserves.

A motion was made to increase the contribution to the Contingency Fund from \$20.00 PUPM to \$30.00 PUPM. After discussion, the Board came to a consensus to carry the motion.

Ms. Rothberg announced that the next meeting to review Version 2 will be held on July 14 at 2:00 p.m. in Lortscher Hall.

ADJOURNMENT

The meeting was adjourned at 3:20 P.M.

Ryna Rothberg, President