

**MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF DIRECTORS OF THIRD LAGUNA HILLS MUTUAL  
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION  
2013 BUSINESS PLANNING MEETING – VERSION 2  
July 20, 2012**

The Board of Directors met on Friday, July 20, 2012 at 9:30 A.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: Mike Straziuso, Won Chang, Denny Welch, Rae Tso, Isabel Muennichow, Carol Moore, Dick Palmer, Lucy Shimon, Sy Wellikson, Kathryn Freshley, and John Paulus

Members Absent: None

Others Present: None

Staff Present: Jerry Storage, Betty Parker, Kelly Farano, and Dan Yost

**CALL TO ORDER**

Mike Straziuso, President of the Board, declared that the meeting had been properly noticed, stated that a quorum was present, and called the meeting to order at 9:30 A.M.

**ACKNOWLEDGEMENT OF PRESS**

No press in attendance.

**MEMBER COMMENTS**

Mary Robertson (5184) commented on the installation of pavers.

**REVIEW PROPOSED 2013 BUSINESS PLAN**

Betty Parker, Financial Services Director, presented the proposed 2013 Business Plan – Version 2, outlining the changes from Version 1. Ms. Parker also noted the reductions from the GRF Business Planning Meeting on July 19, 2012.

The Board discussed Landscape operations and the proposed increase compared to the prior budget year. Ms. Parker noted that the increase was primarily due to re-establishing the services levels removed from the 2012 operating budget as well as planned adjustments for union health and workers compensation.

Discussion ensued regarding the addition of a new position in Maintenance to address increased administrative work for moisture intrusion.

Director Muennichow commented on changing the Landscape Revitalization program within the Replacement Fund to a separate fund.

Discussion ensued over the description and use of the Disaster Fund. Ms. Parker noted the increased expenditures in 2012 from the fund which include the watershed evaluation construction.

At the end of the presentation, the Board voted on the following motions:

Director Welch made a motion to allow the full cost required for the Operations Specialist position in the budget if needed. The motion was seconded by Director Tso and passed 8-1-1 (Director Muennichow opposed).

Director Tso made a motion to increase the Replacement Fund contribution by \$2.00 PMPM. The motion was seconded by Director Welch and passed unanimously.

Director Tso made a motion to rescind the previous motion from the Version 1 Business Planning meeting which reduced the Disaster Fund by \$15.00 PMPM. Director Moore seconded the motion and discussion ensued.

Director Muennichow made a substitute motion for a \$20.00 PMPM contribution to the Disaster Fund which is a \$5.00 PMPM decrease from the prior Business Plan. The motion was seconded by Director Wellikson and passed 6-4-0 (Directors Moore, Freshley, Palmer, and Shimon opposed).

Director Tso made a motion to increase contribution to the Unappropriated Expenditures Fund by \$1.00 PMPM. The motion was seconded by Director Welch and discussion ensued.

Director Moore made a substitute motion to increase the contribution to the Unappropriated Expenditures Fund by \$2.00 PMPM. The motion was seconded by Director Shimon and passed by 6-4-0 (Directors Welch, Muennichow, Wellikson, and Palmer opposed).

Director Freshley made a motion to reduce the Directors & Officers insurance liability limits from \$20 million to \$10 million. After discussion the motion was withdrawn based on information that will be provided at a later date.

Director Muennichow made a motion to create a separate Revitalization Fund. Discussion ensued regarding the use of the fund and contribution amounts. Ms. Parker noted that a transfer might be required to start the new fund.

Director Wellikson made a motion to table the motion to a later date to clarify the use of the fund. The motion to table was seconded by Director Moore and passed 6-3-1 (Directors Muennichow, Freshley, and Shimon opposed).

Director Wellikson made a motion to accept the budget as amended. The motion was seconded by Director Tso and passed 6-4-0 (Directors Shimon, Palmer, Moore, and Freshley opposed).

Third Special Board  
Business Planning Meeting  
July 20, 2012  
Page 3 of 3

**COMMITTEE MEMBER COMMENTS**

At the end of the meeting the Directors made comments and the Chair announced the next business planning meeting of the Third Board will be August 09, 2012 at 9:30 A.M. to review Version 3.

**ADJOURNMENT**

The meeting was adjourned at 12:05 P.M.

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Isabel Muennichow, Secretary