

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THIRD LAGUNA HILLS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
2014 BUSINESS PLANNING MEETING – VERSION 1

June 14, 2013

The Special Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Friday, June 14, 2013 at 1:30 P.M. at 24351 El Toro Road, Laguna Woods, California.

Members Present: Mike Straziuso, Isabel Muennichow, Won Chang, Kathryn Freshley, Denny Welch, Beth Perak, Jim Juhan, Judith Troutman, Sy Wellikson, Rae Tso

Members Absent: Hank Gioia

Others Present: None

Staff Present: Jerry Storage, Betty Parker, Marcel Bradley, Kurt Rahn, Jerry Rathje, Cindy Grace, Katy Howe, Kelly Farano, Dan Yost

CALL TO ORDER

Director Mike Straziuso, President of the Corporation, called the meeting to order at 1:30 P.M. and established a quorum.

ACKNOWLEDGEMENT OF PRESS

There was no press in attendance.

MEMBER COMMENTS

There were no member comments.

REVIEW PROPOSED 2014 BUSINESS PLAN

Betty Parker, Financial Services Director, presented the proposed 2014 Business Plan – Version 1 and the following actions were taken:

OPERATING BUDGET

Director Tso made a motion to increase the proposed Electricity budget by \$50,000 to include the additional expense of street lights, in response to recent action taken by the City to no longer pay the electricity. The motion was seconded by Director Welch and discussion ensued.

The motion carried by a vote of 8-1-0 (Director Freshley opposed)

Director Tso made a motion to increase the frequency of cleanings for three-story buildings from twice a month (25 times per year) to weekly (50 times a year), to maintain existing service levels. The motion was seconded by Director Freshley and discussion ensued.

The motion carried unanimously.

Ms. Parker noted the portion of Professional Fees related to tax preparation was not included in Version 1 of the Budget and Version 2 will increase by \$0.13 PMPM.

Director Tso made a motion to decrease the Uncollectible Accounts line item from \$160,000 to \$80,000. The motion was seconded by Director Welch and discussion ensued.

The motion carried by a vote of 8-0-1 (Director Muennichow abstained)

RESERVE CONTRIBUTIONS

Ms. Parker 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.

Ms. Parker noted the assessment contribution to the Garden Villa Recreation Room Fund could be increased since there is a declining balance. The Board decided not to take action at this time.

Ms. Parker summarized changes recommended by the Board and approximated that the impact on the Mutual portion of the assessment is an increase of approximately \$2.30 PMPM compared to Version 1 of the proposed Business Plan.

COMMITTEE MEMBER COMMENTS

President Straziuso announced that all business had been addressed and cancelled the Version 1 Meeting B scheduled for June 27, 2013. The next business planning meeting of the Third Board will be July 17, 2013 at 1:30 P.M. to review Version 2.

ADJOURNMENT

The meeting was adjourned at 3:05 P.M.

Isabel Muennichow, Secretary