

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THIRD LAGUNA HILLS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
2015 BUSINESS PLANNING MEETING – VERSION 2

July 17, 2014

The Special Meeting of the Third Laguna Hills Mutual Board of Directors, a California non-profit mutual benefit corporation, was held on Thursday, July 17, 2014 at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Members Present: Mike Straziuso, Hank Gioia, Ray Gros (entered at 10:45), Kathryn Freshley, Rosemarie di Lorenzo Dickins, Wei-Ming Tao, Bert Moldow

Members Absent: Jim Juhan, Judith Troutman, Won Chang, Beth Perak

Others Present: None

Staff Present: Jerry Storage, Betty Parker, Marcel Bradley, Kelly Farano, Jose Campos

CALL TO ORDER

Director Mike Straziuso, President, called the meeting to order at 9:30 A.M. and recessed the meeting until a quorum could be established. The meeting was turned over to Director Hank Gioia, Treasurer.

ACKNOWLEDGEMENT OF PRESS

There was no press in attendance.

MEMBER COMMENTS

There were no member comments.

REVIEW PROPOSED 2015 BUSINESS PLAN

Betty Parker, Financial Services Director, presented the proposed 2015 Business Plan – Version 2 and the following items were addressed.

OPERATING BUDGET

The board discussed and considered line items within the operating budget, noting the proposed assessment increase of \$10.21 per manor per month (PMPM) in this category.

A motion was made and seconded to reduce the frequency of cleanings for the LH21 buildings to 50 times from 25 times a year.

By a vote of 4-1 the motion carried.

RESERVE CONTRIBUTIONS

The Board discussed and considered the 30-year reserves plan. 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.

The Board reviewed a recommendation from the Energy Committee to add a new component to the reserves for LED Lighting in all three story buildings.

Discussion ensued; no action was taken.

A motion was made and seconded to increase the threshold (minimum balance) for the Replacement Reserves to \$5,000,000.

Betty Parker, Financial Services Director, advised the Board that based on projected ending balances, this change would put the Mutual below the desired threshold for 2015 in the reserves plan.

The motion carried unanimously.

After reviewing the Elevator Replacement Fund, the Board inquired if floor replacements were included in the refurbishment.

Staff was directed to verify and add funds for floor replacements if not already included. An updated figure will be presented during Version 3 of the Business Plan review.

DIRECTOR COMMENTS

Director comments were made at the end of the meeting.

ADJOURNMENT

The next business planning meeting of the Third Board will be August 6, 2014 at 9:30 A.M. to review Version 3.

The meeting was adjourned at 11:00 A.M.

Mike Straziuso, President