

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THIRD LAGUNA HILLS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
2009 BUSINESS PLANNING MEETING – VERSION 2
July 23, 2008**

The Board of Directors met on Wednesday, July 23, 2008 at 1:30 P.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: Cynthia Conners, Carol Moore (left at 3:45), Dominic Burrasca, Larry Souza, John Paulus, Bob Hatch, Gunter Vogt (left at 4:30), Isabel Muennichow, Jim Matson, Don Lippert

Members Absent: Stanley Feldstein

Others Present: Bob Miller, Ruth May (left at 4:00)

Cheryl Walker Laguna Woods Globe

Staff Present: Milt Johns (left at 4:00), Janet Price, Betty Parker, Jim Dyer (left at 3:45), Gene Hart, Jerry Storage (left at 3:45), Dave Smith (left at 3:45), Marcel Bradley (left at 4:15), Jerry Rathje, Dan Yost and Marci Mednick

CALL TO ORDER

Cynthia Conners, 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 9:00 A.M.

ACKNOWLEDGEMENT OF PRESS

The Press was acknowledged in the form of Cheryl Walker of the Laguna Woods Globe.

MEMBER COMMENTS

None.

REVIEW PROPOSED 2009 BUSINESS PLAN – VERSION 2

Janet Price, Finance and Administration Director, presented the proposed 2009 Business Plan – Version 2 and noted a summary of changes totaling a decrease of \$10.19 per manor per month from Version 1. Ms. Price also noted that the total proposed basic assessment is an increase of \$19.66 per manor per month compared to prior year.

Ms. Price discussed assumptions used for developing the proposed budget including 4% for CPI and 4% for the wage adjustment pool for non-union staff. Ms. Price noted that the current inflation figure is 5.4% for the last 12 months.

A motion was made, and seconded to increase the assumption used for inflation from 4% to 5.4%.

Member M. Robertson (5184) commented on CPI.

By a vote of 6-2-0 (Directors Moore and Burrasca voted against) the motion carried.

Ms. Price discussed a recent press release from Southern California Edison advising of proposed rate increases for electricity of 25-30%. Discussion ensued.

A motion was made and seconded to increase the electricity budget by 25% as a contingency for rate increases.

By a vote of 8-0-0 the motion carried.

Director Paulus discussed the addition of \$25,000 for a part-time employee to mitigate property service delays. Discussion ensued. Ms. Price noted that the proposed budget includes an additional staff person to address resident complaints and billing disputes for property services.

Member H. Curtis (5371-2A) commented on 3-story building walkway replacements.

Member M. Robertson (5184) asked for clarification on the increase in General Maintenance.

Member E. Hewitt (2289) commented on carpet replacement for the Garden Villa walkways.

A. Cohen (2391) commented on resident service requests.

A motion was made and seconded to add \$50,000 for a full-time position to provide residents with a status of pending service requests. Ms. Price noted that this will be added to the MSO category of Maintenance.

M. Robertson (5184) commented on service requests.

By a vote of 6-2-0 (Directors Moore and Burrasca voted against) the motion carried.

Ms. Price explained the projected surplus recovery line item, and informed the Board that the recommended amount to include in the 2009 Business Plan is

\$5.00 per manor per month, based on a conservative estimate of year-end surplus. Discussion ensued.

A. Cohen (2391) commented on surplus recovery.

Director Moore commented on the reductions made by the Landscape Committee following the Version 1 budget presentation. Ms. Price noted that the Committee's recommendations are included in the Version 2 budget presented today. Discussion ensued.

A. Cohen (2391) commented on landscape service levels.

A motion was made and seconded to increase the budget by \$51,800 for the Relandscaping/Retrofit program.

By a vote of 5-2-1 (Directors Moore, Burrasca voted against and Director Paulus abstained) the motion carried.

A motion was made and seconded to increase the budget by \$38,000 for the Catalina Patio Conversion program.

By a vote of 5-2-1 (Directors Moore, Burrasca voted against and Director Paulus abstained) the motion carried.

A motion was made and seconded to increase the budget by \$109,000 for the Slope Maintenance Pruning/Weeding Cycle.

M. Robertson (5184) commented on landscape service levels.

By a vote of 5-0-2 (Directors Paulus, Burrasca abstained and carried by a vote of five in favor and two abstentions) the motion carried.

Discussion ensued regarding reserve contributions and funding plans.

M. Robertson (5184) commented on contribution to the Disaster Fund.

H. Curtis (5371-2A) commented on Garden Villa surcharges.

A motion was made and seconded to decrease the contribution to Garden Villa Recreation Room Fund by \$0.75 per manor per month.

By a vote of 5-1-0 (Director Souza voted against) the motion carried.

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Director Hatch commented on the need to improve the appearance of the Garden Villa Recreation Rooms.

DIRECTOR'S FORUM

No comments

ADJOURNMENT

The meeting was adjourned at 4:40 P.M.

Cynthia Conners, President