

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THIRD LAGUNA HILLS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
2011 BUSINESS PLANNING MEETING – VERSION 2
August 5, 2010**

The Board of Directors met on Thursday, August 5, 2010 at 1:00 P.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: Carol Moore, Stanley Feldstein, Kathryn Freshley, John Paulus, Noel Hatch (left at 3:20 P.M.), Lucy Shimon, Pat Feeney, Carol Skydell, and Dominic Burrasca

Members Absent: Richard Palmer and Don Lippert

Staff Present: Janet Price, Betty Parker, Marcel Bradley, and Dan Yost

CALL TO ORDER

Carol Moore, 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 1:00 P.M.

ACKNOWLEDGEMENT OF PRESS

The press was not present.

MEMBER COMMENTS

There were no member comments.

REVIEW PROPOSED 2011 BUSINESS PLAN

Janet Price, Finance and Administration Director, presented a revised 2011 Business Plan and reviewed each line item of the Basic Assessment. She noted the changes made since Version 2 as well as the differences between the proposed Business Plan and the revisions proposed by Director Freshley at the July 26 meeting.

Ms. Price explained the difference in General Maintenance compared to the revision proposed by Director Freshley. Ms. Price noted the increase was due to an earlier board directive to move the reserve component for Building Structures from reserves to the operating budget under General Maintenance.

Director Freshley made a motion to reduce the General Maintenance budget to \$5,905,258. Ms. Price corrected the figure stating that \$135,100 would be moved from General Maintenance back to reserves. Director Freshley agreed and the motion was seconded by Director Feldstein. By a vote of 7-1-0 (Hatch opposed) the motion carried.

Marcel Bradley, Maintenance Director, explained that the Maintenance increases under Mutual Shared Operating were due to Third's portion of the costs related to staffing increases for the following positions:

- Operations Coordinator added to manage increase in permit volume and various regulations such as new lead paint regulations.
- Operations Specialist added to handle chargeable service reimbursements related to damage restoration work.
- Engineering Analyst moved from reserves (dedicated to plumbing remediation) to operating to distribute work assignments to other areas.
- Management Analyst added by GRF Finance to handle various tasks such as increasing volume of reports and analyses.

Director Shimon made a motion to increase the alteration permit fee schedule to add additional fees for higher valued projects. The motion failed for lack of second.

Director Freshley made a motion to use \$1,575,000 as the proposed 2011 budget in Maintenance Mutual Shared Operating. Discussion ensued regarding the possibility of using overtime instead of adding new positions. The motion failed for lack of second.

Director Hatch made a motion to approve inclusion of approximately \$23,000 for chargeable service work related to damage restorations. The motion was seconded and discussion ensued. By a vote of 7-1-0 (Feldstein opposed) the motion carried.

Director Freshley made a motion to remove the planned service level to manage the increase in permit volume and lead paint regulations. The motion was seconded and discussion ensued. By a vote of 8-0-0 to motion carried.

Director Hatch left at 3:20 P.M.

Director Freshley made a motion to remove Third's portion of the Management Analyst position added by GRF Finance. The motion was seconded and discussion ensued. By a vote of 6-1-0 (Shimon opposed) the motion carried.

COMMITTEE MEMBER COMMENTS

Committee members commented and thanked staff.

ADJOURNMENT

The meeting was adjourned at 3:35 P.M.

Carol Skydell, Secretary