

**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 3
August 19, 2010**

The Board of Directors met on Thursday, August 19, 2010 at 9:30 A.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, Lucy Shimon, Pat Feeney, Carol Skydell, Dominic Burrasca, and Don Lippert

Members Absent: Richard Palmer

Others Present: Claire Webb, Laguna Woods Globe

Staff Present: Jerry Storage, Janet Price, Betty Parker, 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 9:30 A.M.

ACKNOWLEDGEMENT OF PRESS

Claire Webb from the Laguna Woods Globe and the Channel 6 Camera Crew, by way of remote cameras, were acknowledged as present.

MEMBER COMMENTS

There were no member comments.

REVIEW PROPOSED 2011 BUSINESS PLAN

President Moore stated that the purpose of the special meeting was to review Version 3 of the proposed 2011 Business Plan, and turned the meeting over to Janet Price, Finance and Administration Director.

Director Feldstein inquired about trash services and if the Mutual pays for extra bulky-item pickups. Staff confirmed that WARE will provide free bulky-item pickups one day per month. Special pickups required on other days will incur a charge which is paid by the Mutual. After discussion, the Board suggested that Director's Corner in the Globe be used to explain trash services to residents to help avoid additional charges.

Ms. Price pointed out the year-end projection of operating costs reflects a deficit and that the main increase in Direct Mutual Operating costs comes from the omission of projected surplus in the 2011 Business Plan. In the 2010 Business Plan, net operating costs were offset by an operating surplus recovery in the amount of \$7.00 per manor per month.

During review of the Elevator Replacement Fund, Ms. Price noted the potential increases of \$2.00 per manor per month each year over the next five years to maintain the proper fund balance.

Director Skydell asked about the option of coin-operated dryers to help offset laundry operating costs. Staff indicated that studies were performed in the past to evaluate the cost of changing out equipment compared to the potential offsetting revenue. Director Freshley requested a copy of the study regarding coin-operated dryers. The Board decided to discuss the possibility of coin-operated dryers in the Maintenance & Construction Committee meetings.

Ms. Price presented the 30-year funding plan for the laundry replacement fund and noted the potential increases of \$0.50 per manor per month each year over the next two years to maintain the proper fund balance.

Ms. Price noted the balance in the Garden Villa Recreation Room Fund will continue to decline as expenditures are greater than contributions.

COMMITTEE MEMBER COMMENTS

Director Feeney commented on the Board's effort to control costs.

Director Paulus thanked staff and gave a history of assessment payments.

Director Freshley thanked staff and commented on the planning process.

Director Feldstein commented on the use of surplus to help fund reserve balances.

Director Burrasca commented on the decrease in GRF due to broadband services.

Director Hatch commented on reserves and the need to keep the community updated.

Director Skydell commented on the responsibility of the members in the community.

Director Shimon thanked staff and the Board for their hard work.

ADJOURNMENT

The meeting was adjourned at 10:30 A.M.

Carol Skydell, Secretary