

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF UNITED LAGUNA HILLS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
2013 BUSINESS PLANNING MEETING – VERSION 1
June 14, 2012**

The United Board of Directors met on Thursday, June 14, 2012 at 9:30 A.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: Ron Beldner, Jack Bassler, Barbara Howard, Barbara Copley, Mary Stone, Heather Gerson, Catherine Brians, Paul Vogel, John Dalis, Roger Turner, and Charles Hammer

Members Absent: None

Others Present: None

Staff Present: Jerry Storage, Betty Parker, Marcel Bradley, Kurt Rahn, Jerry Rathje, Kelly Farano and Dan Yost

CALL TO ORDER

Ron Beldner, President, 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

No press was in attendance.

MEMBER COMMENTS

Barbara Dwyer (111-H) commented on financial requirements for the community.
Marv Rosenshaft (823-A) commented on the job PCM is doing.

REVIEW PROPOSED 2013 BUSINESS PLAN

Betty Parker, Financial Services Director, presented the proposed 2013 Business Plan – Version 1 and the following items were addressed.

ASSUMPTIONS

Ms. Parker presented a list of Policies, Practices, Directives & Assumptions used for developing the proposed 2013 Business Plan. Ms. Parker gave an overview of changes made from the Version A M&C Committee meetings:

- Added 50 hours as a contingency for building exterior cleaning.
- Moved replacements for doors, sliding screen doors, beams, stucco, gutters, and bathroom mirrors from operating to reserves.

- Reduced 2013 expenditures for the exterior walkway lighting program from \$766,952 to \$500,000.
- Reduce planned expenditures for manor interior fixtures and appliances by 25%.
- Added a \$75,000 dollar contingency for Foundations for each year that did not include a planned expenditure.

OPERATING BUDGET

By consensus the Board gave staff the direction to continue negotiations with WARE Disposal regarding co-mingling newspaper collection with the blue bin recycling program.

Marcel Bradley, Maintenance Director, provided the costs for the following items that were inquired about in the Version A M&C Committee meetings:

- Cost reduction in Janitorial Services to reduce the breezeway cleaning program from 6 times a year to 5 times a year.
- Cost reduction for the Interior Preventive Maintenance program to go from a 2.5-year cycle to a ~~3~~2-year cycle.

Ms. Parker presented the budget for Laundry & Other Revenue and noted that recycling revenue may be removed in a future version based on the outcome of the WARE Disposal proposal.

Ms. Parker noted that Version 2 will include a revised assumption for Surplus/Deficit recovery.

Discussion ensued regarding the addition of a new position in Maintenance to increase the time spent conducting inspections of member-initiated alterations to United Mutual manors.

Ms. Parker mentioned the GRF Operating line item will be reduced based on the GRF Board decision at the June 13, 2012 meeting to reduce the wage assumption for non union and union wages to 2%. The result of the reduction will also impact General Maintenance and Mutual Shared Operating line items.

RESERVE CONTRIBUTIONS

Ms. Parker summarized the impact on planned expenditures in the Replacement Fund and a need for higher reserve contributions in 2013 and future years.

Director Brians made a motion to reduce 2013 expenditures for Exterior Walkway Lighting by \$500,000. The motion was seconded by Director Copley and carried unanimously.

Director Copley made a motion to reduce 2013 expenditures for Perimeter Walls by \$500,000. The motion was seconded by Director Bassler and carried unanimously.

Director Bassler made a motion to reduce the Interior Preventive Maintenance program from a 2.5-year cycle to a 3-year cycle. The motion was seconded by Director Gerson and carried by a vote of 8-2-0 (Directors Copley and Stone opposed).

Discussion ensued regarding reductions in the Landscape Revitalization program and the number of cul-de-sacs currently in the program. Ms. Parker commented that service level changes in Landscape should be made in Version 1 or Version 2 of the Business Plan.

Kurt Rahn, Landscape and Recreation Director, mentioned a dollar amount could be given for the Landscape Revitalization program and the number of cul-de-sac projects could be backed in to the dollar amount.

Director Copley made a motion to reduce 2013 expenditures for the Landscape Revitalization program from \$1,490,233 to \$500,000. Director Gerson suggested withdrawing the motion to discuss Landscape Revitalization at the next Version 1 Meeting B. Director Copley withdrew the motion on the condition Landscape Revitalization will be discussed at the Version 1 Meeting B scheduled for June 29, 2012.

COMMITTEE MEMBER COMMENTS

The Chair announced that Version 1 of the Business Plan would continue to be reviewed at Meeting B scheduled for June 29, 2012 at 9:00 A.M.

ADJOURNMENT

The meeting was adjourned at 11:25 A.M.

Barbara Copley, Secretary