

**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 2
July 20, 2012**

The United Board of Directors met on Friday, July 20, 2012 at 1:30 P.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

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

Members Absent: Barbara Howard, Heather Gerson, and Jack Bassler

Others Present: None

Staff Present: Jerry Storage, Betty Parker, 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 1:30 P.M.

ACKNOWLEDGEMENT OF PRESS

No press was in attendance.

MEMBER COMMENTS

No member comments.

REVIEW PROPOSED 2013 BUSINESS PLAN

Betty Parker, Financial Services Director, presented the proposed 2013 Business Plan – Version 2, outlining the changes from Version 1. Ms. Parker also noted the reductions from the GRF Business Planning Meeting on July 19, 2012.

Director Stone made a motion to move the Interior Preventive Maintenance program from a 2-year cycle back to a 2.5-year cycle. The motion was seconded by Director Brians and passed by a vote of 5-2-0 (Directors Dalis and Vogel opposed)

OPERATING BUDGET

Ms. Parker presented the budget for Electricity. Director Copley asked if electricity costs were going to increase. Ms. Parker noted that notification from SCE regarding rate increases has not been received.

Ms. Parker stated the Management Fee will decrease slightly and will be based on published June CPI figures for Version 3.

Ms. Parker noted that operations are already offset by a \$5.00 PMPM Surplus/Deficit Recovery which is included in Version 2 of the Business Plan. Ms. Parker mentioned the line item can be discussed at Version 3 and mentioned any surplus at the end of the year can be transferred to reserves.

Ms. Parker presented the budget for Maintenance and noted the increase was due to two new positions for an Inspector position to increase the time spent conducting inspections of member-initiated alterations to United Mutual manors and an Operations Specialist position to address increased administrative work for moisture intrusion. Discussion ensued regarding the addition of the new positions in Maintenance.

Director Turner made a motion not to include the additional position for an Operations Specialist. The motion was seconded by Director Vogel and failed by a vote of 3-4-1 (Directors Turner, Vogel, and Hammer in favor).

Director Copley made a motion to include the Operations Specialist position based on forthcoming allocations. The motion was seconded by Director Hammer and passed by a vote of 4-3-0 (Directors Turner, Vogel, and Hammer opposed).

Ms. Parker mentioned the GRF Operating line item will be reduced based on the GRF Board decision at the July 19, 2012 meeting to remove the wage assumption for non union and union wages. 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 Stone made a motion to reduce the Replacement Fund contribution by \$3.00 PMPM. The motion was seconded by Director Copley and passed 4-3-1 (Directors Vogel, Hammer, and Brians opposed).

Director Stone made a motion to reduce the contribution to the Contingency Fund by \$1.00 PMPM. The motion was seconded by Director Copley. Director Dalis amended the motion to reduce the Contingency Fund by \$3.00 PMPM. The motion failed for lack of second. The original motion to reduce the Contingency Fund by \$1.00 PMPM passed by a vote of 6-1-0 (Director Hammer opposed).

Ms. Parker summarized the changes made from GRF and United for Version 3.

Director Stone made a motion to accept the budget with the proposed changes.
Director Turner seconded the motion and the motion passed unanimously.

COMMITTEE MEMBER COMMENTS

The Chair announced the next business planning meeting of the United Board will be August 10, 2012 at 9:30 A.M. to review Version 3.

ADJOURNMENT

The meeting was adjourned at 2:55 P.M.

Barbara Copley, Secretary