

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF UNITED LAGUNA WOODS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
2014 BUSINESS PLANNING MEETING – VERSION 2

July 19, 2013

The Board of Directors met on Friday, July 19, 2013 at 1:30 P.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: Phil Doran, Jack Bassler, Barbara Howard, Jerren Auble, Pat English, Erna Ferris, John Beckett, Jan LaBarge, Mike Comer, John Parker, Al Roddan

Members Absent: None

Others Present: None

Staff Present: Betty Parker, Marcel Bradley, Kelly Farano, Dan Yost

CALL TO ORDER

Phil Doran, President of the Corporation, chaired and opened the meeting. A quorum was established and the meeting was called to order at 1:30 P.M.

ACKNOWLEDGEMENT OF PRESS

Press was acknowledged as present.

MEMBER COMMENTS

United Mutual Members were given the opportunity to speak and the Directors briefly responded.

CHAIR REMARKS

President Doran commented on the budget process.

REVIEW PROPOSED 2014 BUSINESS PLAN

Betty Parker, Financial Services Director, presented the proposed 2014 Business Plan – Version 2, outlining the changes from Version 1 and the following actions were taken:

OPERATING BUDGET

Staff noted the changes in General Maintenance included the removal of the dry rot inspection program and the addition of the new smoke alarm installation program. Staff also noted that instead of adding a new position, the interior preventive maintenance scope of work would be adjusted to include installation of the new smoke alarms, resulting in a longer cycle for regular preventive maintenance tasks.

Discussion ensued regarding the regulatory requirement for the Mutual to provide new smoke alarms in the Mutual. Staff noted legal counsel will be available at the Monday, July 22 meeting to answer questions.

Director Ferris made a motion to decrease the Legal Fees line item from \$250,000 to \$225,000. The motion was seconded by Director Howard and discussion ensued.

The motion carried unanimously.

RESERVE CONTRIBUTIONS

Ms. Parker explained how the Replacement Reserves 30-Year Funding Plan was developed and how funding levels are determined to prevent large fluctuations for reserve contributions in future years.

The Board discussed balances in the Contingency Fund.

Director English made a motion to reduce the contribution to the Contingency Fund from \$7.00 PMPM to \$6.00 PMPM. The motion was seconded by Director Howard and discussion ensued.

The motion failed by a vote of 2-8-0 (Directors Parker and English in favor).

Director Parker made a motion to remove the 2014 planned expenditures for the landscape revitalization program. The motion was seconded by Director Beckett and discussion ensued.

The motion carried unanimously. Staff was requested to evaluate the impact of this change on reserve balances and report back to the Board at the next business planning meeting on Monday.

COMMITTEE MEMBER COMMENTS

No Comments.

ADJOURNMENT

The meeting was adjourned at 4:02 P.M.

Jerren Auble, Secretary