

**MINUTES OF THE UNITED LAGUNA HILLS MUTUAL SPECIAL BOARD
BUSINESS PLANNING MEETING
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
2007 BUSINESS PLANNING MEETING – VERSION 2
July 26, 2006**

The United Board of Directors met on Wednesday, July 26, 2006 at 9:00 A.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: Beth O'Brien, Don Tibbetts, Ken Hammer, Bevan Strom, Linda Wilson, Jim McNulty, Burns Nugent, Mary Stone

Members Absent: Larry Dersh

Others Present: Cheryl Walker – Laguna Woods Globe

Staff Present: Milt Johns, Janet Price, Dave Smith, Jim Dyer, Marcel Bradley, Betty Parker, Dan Yost

CALL TO ORDER

Beth O'Brien, President of the Corporation, declared that the meeting had been properly noticed, stated that a quorum was present, and called the meeting to order at 9:00 A.M.

ACKNOWLEDGEMENT OF PRESS

The Press was acknowledged in the form of Cheryl Walker of the Laguna Woods Globe.

MUTUAL MEMBERS' FORUM

President O'Brien invited the members of the Board and audience to speak if they so desired.

REVIEW PROPOSED 2007 BUSINESS PLAN – VERSION 2

Janet Price presented the proposed 2007 Business Plan – Version 2, noted a summary of changes from Version 1, and explained that the total basic assessment was a \$29.77 increase per manor per month.

During review of the General Maintenance line item, a question arose regarding the Mutual's gutter cleaning policy. There was some confusion over the responsibility of the resident versus the responsibility of the Mutual to clean building rain gutters.

A motion was made and seconded to remove the entire gutter cleaning budget from the 2007 Business Plan. Much discussion ensued regarding this topic.

The motion was withdrawn citing the need for further study and consideration regarding the Mutual's rain gutter policy. It was determined by consensus of the Board that the policy would be further discussed at the next regular M&C Committee meeting.

Following the presentation of the surplus recovery line item in the operating portion of the budget, Ms. Price suggested an additional way to return surplus is to transfer it to reserves.

A motion was made, seconded, and carried by a vote of 4-3-0 (Directors Strom, Nugent, McNulty opposed) to reduce the Surplus Recovery by \$1.00 per manor per month, and to add \$1.00 per manor per month contribution to the Unappropriated Expenditures Fund. Janet Price recommended that further discussion regarding surplus be held at the next regular Finance Committee meeting.

The Board discussed a memo from Jerry Storage, written upon Board request, identifying the additional cost of providing more detailed analyses for maintenance programs. President O'Brien invited a motion to increase data analysis. No motion was made.

Discussion of the Replacement Reserves 30-Year Funding Plan led President O'Brien to suggest emulating the direction given by GRF, which was to index the reserve baseline threshold with the same inflation factor presently used to forecast future expenditures in the 30-year plan. She then deferred this matter of discussion to the Finance Committee at their next regular Finance Meeting.

Jim Dyer addressed the Board and provided an explanation of the Countertop line item in General Maintenance, as requested at the Version 1 meeting.

GOOD OF THE ORDER

President O'Brien informed the members of the Board that director Dersh felt it necessary to resign from the Board due to his present state of health.

ADJOURNMENT

The meeting was adjourned at 10:40 AM.

Bevan Strom, Secretary