

**MINUTES OF THE UNITED LAGUNA HILLS MUTUAL SPECIAL BOARD
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
2008 BUSINESS PLANNING MEETING – VERSION 1
June 27, 2007**

The United Board of Directors met on Wednesday, June 27, 2007 at 9:00 AM. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: Jan McLaughlin, Ken Hammer, Bevan Strom, Linda Wilson, Mary Stone, John Dalis, Maxine McIntosh, Burns Nugent, and Marty Rubin.

Members Absent: Beth O'Brien and James McNulty.

Others Present: Lindsey Baguio – Laguna Woods Globe.

Staff Present: Janet Price, Betty Parker, Jerry Storage, Jim Dyer, Dave Smith, Marcel Bradley, Kurt Rahn, Jerry Rathje, Rob Merritt, Dan Yost, and Marci Mednick.

CALL TO ORDER

Jan McLaughlin, acting Chair, declared that the meeting had been properly noticed, stated that a quorum was present, and called the meeting to order at 9:00 AM.

By consensus, the Member Comments item was moved to the end of the agenda.

ACKNOWLEDGEMENT OF PRESS

The Press was acknowledged in the form of Lindsey Baguio of the Laguna Woods Globe.

REVIEW PROPOSED 2008 BUSINESS PLAN

Janet Price, Finance and Administration Director, presented the proposed 2008 Business Plan – Version 1.

ASSUMPTIONS

Ms. Price presented a list of Policies, Practices, Directives & Assumptions used for developing the proposed 2008 Business Plan.

OPERATING BUDGET

During the overview of the Direct Mutual Operating portion of the 2008 Budget, Ms. Price indicated a correction in the Water/Sewer category that will result in a reduction of approximately \$6.99 per manor per month (PMPM) in Version 2.

Ms. Price noted that a recommendation for surplus/deficit recovery will be projected and available for consideration with Version 2.

Ms. Price stated that, due to an allocation change, a reduction of \$0.82 in the General Management category will be made in Version 2.

Ms. Price noted that Version 2 will indicate a reduction in Landscape of about \$4.07 PMPM to properly reflect direct materials for the Centralized Irrigation System as reserve expenditures, not mutual shared operating.

A motion was made and seconded to include \$12,000 for potential roofing and maintenance consultants. The motion carried with a vote of seven in favor and one abstention (Dalis).

A motion was made to add an additional Inspector. The motion failed for lack of a second.

It was noted that the budget includes an added Inspector II position for standards compliance, as recommended by the Planning & Project Development Committee. It was the consensus of the Board to leave the position in the budget as presented in Version 1.

It was noted that the City of Laguna Woods may be increasing their inspection fees for water heaters, reflecting a potential increase of \$25,000. Ms. Price indicated that this will be included in a later version of the budget if needed.

RESERVE CONTRIBUTIONS

Ms. Price presented the Replacement Reserve 30-Year Funding Plan, which was developed by the Board, with a baseline threshold of \$3,600,000.

A motion was made to reduce the Replacement Reserve Fund contribution from \$74 to \$70 PMPM. The motion failed for lack of a second.

Ms. Price noted that the General Operating Fund balance of \$6,631,000 equates to approximately \$1,000 per manor. Considering that the Board does not have earthquake or flood insurance it may not be advisable to decrease the recommended reserve contribution as presented in Version 1.

Ms. Price stated that after all corrections and revisions have been made in Version 2 she is estimating an increase between \$30 and \$31 in the monthly basic assessment when compared with 2007, less return of prior years' surplus, if any.

MEMBER COMMENTS

Jewell Andersen (2260-P) questioned why comments from the audience were not taken during the presentation and commented on the relandscaping program.

John Dalis (8-P) questioned if it is possible to televise Version 1 and 2 meetings.

DIRECTOR'S FORUM

The Chair noted that all business on the agenda had been addressed, and therefore cancelled Meeting B, scheduled for July 5th. The next meeting of the Board to review Version 2 of the proposed business plan will be July 25, 2007 at 9:00 AM.

ADJOURNMENT

The meeting was adjourned at 11:50 A.M.

Bevan Strom, Secretary