

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF UNITED LAGUNA HILLS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
2009 BUSINESS PLANNING MEETING – VERSION 2
July 23, 2008**

The United Board of Directors met on Wednesday, July 23, 2008 at 9:00 A.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: Jim McNulty, Bevan Strom, Lloyd Foster, Linda Wilson, Burns Nugent, Mary Stone, Paul Vogel, John Dalis, Maxine McIntosh (arrived at 9:40), and Marty Rubin (arrived at 9:30)

Members Absent: None

Others Present: Bob Miller, Ken Hammer – GRF
Cheryl Walker – Laguna Woods Globe

Staff Present: Milt Johns, Janet Price, Betty Parker, Jerry Storage, Jim Dyer, Dave Smith, Marcel Bradley, Jerry Rathje, Gene Hart, Dan Yost, and Marci Mednick

CALL TO ORDER

Jim McNulty, President, declared that the meeting had been properly noticed, stated that a quorum was present, and called the meeting to order at 9:00 AM.

ACKNOWLEDGEMENT OF PRESS

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

MEMBER COMMENTS

Marv Rosenhaft commented on budget process.

REVIEW PROPOSED 2009 BUSINESS PLAN – VERSION 2

Janet Price, Finance and Administration Director, presented the proposed 2009 Business Plan – Version 2 and noted a summary of changes from Version 1. Version 2 reflects a decrease of \$8.31 per manor per month (PMPM) from Version 1. Ms. Price also noted that the total proposed basic assessment is an increase of \$20.43 PMPM from 2008.

Ms. Price discussed assumptions used for developing the proposed budget including 4% for CPI and 4% for the wage adjustment pool for non-union staff. Ms. Price noted that the current inflation figure is 5.4% for the last 12 months.

Ms. Price discussed a recent press release from Southern California Edison advising of proposed rate increases for electricity of 25-30%. Discussion Ensued.

Ms. Price stated that if service level changes are desired they should be made today in order to issue our budget by the required deadlines.

K. Margason (510-C) commented on pest control.

A motion was made and, seconded to maintain the 2008 budget amount for roof repairs, increasing this line from \$96,546 to \$106,532.

By a vote of 6-3-0 (Directors Rubin, Vogel, and Wilson) the motion carried

A motion was made and seconded to increase the Surplus/Deficit Recovery from \$3.00 to \$5.00 per manor per month.

By a vote of 9-0 the motion carried unanimously.

The Board, by consensus, agreed to increase Electricity from \$6.41 to \$8.00 per manor per month in anticipation of the projected rate increase by SCE.

K. Margason (510-C) commented on security and the selection of an audit firm.

J. McNulty (2140-D) commented on landscape operational review added to the budget for 2009.

K. Margason (510-C) commented on the landscape operation review.

Ms. Price reminded the Board that the General Operating and Unappropriated Expenditures Funds were combined and renamed as the Contingency Fund to better reflect the purpose of these reserves. Ms. Price also noted the projections for water line and waste line remediation have been revised which reduced the need for large reserve contributions in future years.

K. Margason (510-C) commented on televised meetings.

J. Anderson (535-A) commented on the transfer of surplus to reserves.

DIRECTOR'S FORUM

Director Vogel asked for clarification of matters to consider at the Version 3 meeting scheduled for August 13th.

Director Nugent commented on the budget process and the challenge of balancing service levels and assessment fees.

Director Dallis thanked Staff for the presentation.

Director McNulty commended Staff on the budget presentation

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ADJOURNMENT

The meeting was adjourned at 10:55 AM.

Linda Wilson, Secretary