

**MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF DIRECTORS OF UNITED LAGUNA HILLS MUTUAL  
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION  
2011 BUSINESS PLANNING MEETING – VERSION 1  
June 22, 2010**

The United Board of Directors met on Tuesday, June 22, 2010 at 9:00 A.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: Gail McNulty, Marty Rubin, Arlene Miller, Paul Vogel, Libby Marks, Cynthia Chyba, Ron Beldner, Heather Gerson, Harold Allen, Barbara Copley.

Members Absent: Linda Wilson

Others Present: Ken Hammer

Staff Present: Jerry Storage, Janet Price, Betty Parker, Gene Hart, Marcel Bradley, Jim Dyer, Katy Howe, Dave Smith, Jerry Rathje, Marci Mednick

**CALL TO ORDER**

Gail McNulty, President, declared that the meeting had been properly noticed, stated that a quorum was present, and called the meeting to order at 9:04 AM.

**ACKNOWLEDGEMENT OF PRESS**

The press was not present.

**MEMBER COMMENTS**

None.

**REVIEW PROPOSED 2011 BUSINESS PLAN**

Janet Price, Finance and Administration Director, presented the proposed 2011 Business Plan – Version 1 and the following items were addressed.

**ASSUMPTIONS**

Ms. Price presented a list of Policies, Practices, Directives & Assumptions used for developing the proposed 2011 Business Plan.

Ms. Price indicated that the Board can recommend a change to the CPI assumption at this time, or later in the planning process.

Ms. Price noted that GRF made changes at their Version 1 review which will be incorporated into the next version of the United business plan.

Director Allen commented on the estimated life used for washers and dryers. Director Rubin discussed repair costs and parts obsolescence. Ms. Price discussed the Board's current policy of proactive replacement at the end of the appliance's estimated useful life.

A motion was made by Director Copley to extend the life of laundry dryers to 12 years. Discussion ensued. The motion failed by a vote of 1-6-1 (Director Copley in favor, Beldner abstained).

#### OPERATING BUDGET

Ms. Price noted that Version 2 will include an assumption for Surplus/Deficit recovery.

Mary Wall (239-D) requested actuals for 2009 income and expenses. Staff provided the figures based on preliminary year-end financials.

#### RESERVE CONTRIBUTIONS

Ms. Price 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.

Director Copley suggested a reduction in the contribution to the Contingency Fund. Discussion ensued.

A motion was made by Director Vogel to increase the baseline threshold for the Replacement Reserves from \$3.8 million to \$5.5 million. The motion was seconded and passed unanimously.

#### COMMITTEE MEMBER COMMENTS

The Chair announced that all business had been addressed and therefore cancelled the Version 1 Meeting B scheduled for June 29, 2010 at 1:30 P.M. The next business planning meeting of the United Board will be July 26, 2009 at 9:00 A.M. to review Version 2 of the proposed business plan.

#### ADJOURNMENT

The meeting was adjourned at 10:54 A.M.

---

Gail McNulty, Chair