

**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 3
August 20, 2010**

The United Board of Directors met on Friday, August 20, 2010 at 9:30 A.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: Gail McNulty, Arlene Miller, Paul Vogel, Cynthia Chyba, Heather Gerson, Harold Allen, and Barbara Copley

Members Absent: Marty Rubin, Libby Marks, Ron Beldner, and Linda Wilson

Others Present: Claire Webb, Laguna Woods Globe

Staff Present: Jerry Storage, Janet Price, Betty Parker, and Dan Yost

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 9:30 A.M.

ACKNOWLEDGEMENT OF PRESS

Channel 6 Camera Crew, by way of remote cameras, was acknowledged as present. Claire Webb from the Laguna Woods Globe arrived at 9:40 A.M.

MEMBER COMMENTS

Ron Stenson (285-C) commented on newspaper bins in the community.

Lou Skogen (364-O) commented on the proposed assessments.

Mary Stone (356-C) commented on GRF assessments.

Kay Margason (510-C) commented on the need for a forensic audit.

Maxine McIntosh (68-C) commented on increases in the GRF business plan.

Mary Wall (239-D) commented on water and sewer expenses.

REVIEW PROPOSED 2011 BUSINESS PLAN

President McNulty stated that the purpose of the special meeting was to review Version 3 of the proposed 2011 Business Plan, and turned the meeting over to Janet Price, Finance and Administration Director.

President McNulty asked about increases in the proposed assessment for Trash. Ms. Price reviewed the assumptions included in the budget for Trash.

Mary Stone (356-C) asked if more blue bins will be installed in the community. President McNulty stated the issue was being worked on.

Ms. Price presented the General Maintenance line item and explained the increases were due to: 1) an increased scope of work for the 2011 exterior paint program; 2) the reserve component for building structures moved from reserves to this line item; and 3) tile repairs increased to address a backlog of work.

Mary Stone (356-C) asked about the increase in dry rot repair and commented on dry rot inspections and paint trim cycles.

Kay Margason (510-C) asked Director Allen to give an update regarding inspection of dry rot repairs.

Ms. Price presented the line item for Legal Fees. Mary Stone (510-C) noted the increase and asked if the new general counsel charges were higher than the fees paid previously. Director McNulty confirmed that the new rates will be higher.

Ms. Price presented the Landscape line item under Mutual Shared Operating expenses. President McNulty suggested that the Landscape Renovation line on page 3 of the agenda show a total for all renovation type work rather than budgeting specific tasks, to leave flexibility for the Landscape Committee to focus on the areas needed such as slope repairs.

Ms. Price presented the reserves portion of the 2011 Business Plan and noted the Version 3 decrease of \$3.00 per manor per month in the contribution to the Replacement Fund.

Lou Skogen (364-O) asked about the budgeted line item for Surplus/Deficit Recovery. Ms. Price explained the purpose of the line item and how surplus is returned to the community.

Director Copley suggested returning at least another \$1.00 per manor per month to surplus recovery. A motion was made by Director Copley to increase the return of surplus; discussion ensued and the motion failed for lack of second.

COMMITTEE MEMBER COMMENTS

Director Allen commented on the status of reserves.

Director Miller commented on the business plan.

Director Vogel commented on the reduction in the business plan.

Director Gerson commented on the business plan.

ADJOURNMENT

The meeting was adjourned at 11:05 A.M.

Gail McNulty, Chair