

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF UNITED LAGUNA HILLS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION
2012 BUSINESS PLANNING MEETING – VERSION 2
July 22, 2011**

The United Board of Directors met on Friday, July 22, 2011 at 1:30 P.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: Gail McNulty, Arlene Miller, Barbara Copley, Heather Gerson, Cynthia Chyba, Ron Beldner, John Dalis, Roger Turner, and Catherine Brians

Members Absent: Harold Allen, Libby Marks

Others Present: Denise Welch - Third

Staff Present: Jerry Storage, Janet Price, Betty Parker, Marcel Bradley, Kelly Arata, 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 1:30 PM.

ACKNOWLEDGEMENT OF PRESS

Lois Rothschild from the Laguna Woods Globe was acknowledged as present.

MEMBER COMMENTS

Paulette Schlechter (2183-Q) commented on assessment increases.

Lucienne Skogen (364-O) commented on the appliance replacement policy.

REVIEW PROPOSED 2012 BUSINESS PLAN

Janet Price, Finance Advisor, presented the proposed 2012 Business Plan – Version 2, noting that GRF made changes at their Version 2 review which will further reduce the budget by approximately \$2.19 per manor per month.

Ms. Price presented a list of Policies, Practices, Directives & Assumptions used for developing the proposed 2012 Business Plan. Ms. Price outlined the changes made from Version 1 to Version 2.

Director Gerson asked about changes in General Maintenance from 2011. Staff indicated that a portion of the increase is due to the addition of new lead paint abatement and handling procedures which added \$216,000 to the budget.

Discussion ensued regarding the increase in Paint Program and potential for reductions.

Ms. Price noted that a change in Version 3 will include a small increase in the Management Fee based on the June CPI.

Ms. Price discussed prior years surplus and suggested including \$5.00 per manor per month as a surplus recovery, based on the amount of accumulated surplus at the end of 2010..

Director Copley made a motion to include a surplus recovery of \$5.00 per manor per month. Director Dalis seconded the motion.

After discussion, Director Turner amended the motion to include \$3.00 PMPM for surplus recovery. Director Gerson seconded the motion and by a vote of 3-6-0 the motion failed (Directors Miller, Gerson and Turner in favor).

The original motion to include \$5.00 per manor per month surplus recovery passed unanimously.

Director Dalis made a motion to reduce the paint program by the equivalent of \$4.00 per manor per month. The motion did not receive a second.

The Board discussed the removal of two maintenance positions from Version 1 of the Business Plan. The Board also asked about a change in General Management staffing directed by Third Laguna Hills Mutual which had a bottom-line impact of increasing the GRF portion of the mutuals' assessments by approximately \$.50 PMPM.

Director Beldner made a motion to remove the Landscape Revitalization component in the reserve expenditures plan. Ms. Price explained that a reduction in planned expenditures would not result in a reduction for the 2012 assessment. Director Turner explained the progress of the current conceptual planning being completed by an outside consultant, expecting pilot projects to be defined after review and approval of the report. The motion failed by a vote of 2-7-0 (Directors Beldner and Dalis in favor).

Ms. Price summarized the changes and estimated the assessment increase anticipated for Version 3.

COMMITTEE MEMBER COMMENTS

The Chair and committee thanked staff.

ADJOURNMENT

The meeting was adjourned at 3:45 P.M.

Barbara Copley, Secretary