

CALL TO ORDER

Jim Matson, Chair of the Committee, declared that the meeting had been properly noticed, and called the meeting to order at 9:00 A.M.

ACKNOWLEDGEMENT OF PRESS

Claire Webb from the Laguna Woods Globe was acknowledged as present.

MEMBER COMMENTS

Dick Sharp (887-G) commented on GRF shared costs and incentive plans.

REVIEW PROPOSED 2011 BUSINESS PLAN – VERSION 2

Janet Price, Finance & Administration Director, introduced the proposed 2011 Business Plan and noted a summary of changes from Version 1. Ms. Price stated that the assumption for CPI has been reduced to 2% and noted that the current inflation figure is .88% for the last 12 months. Version 3 will decrease slightly to reflect the management fee annual adjustment based on CPI.

Ms. Price presented the proposed Business Plan and stated that Version 2 reflects an increase of \$2.04 PMPM from Version 1 and that the total proposed assessment is a decrease of \$11.75 PMPM from 2010. A net savings of nearly \$9.00 PMPM in the operating budget results from the Connexion agreement for operation and management of the cable services.

Director Freshley made a motion to eliminate any increase in the Salaries/Wages and Related budget categories from the prior year. Discussion ensued. Ms. Price noted that the increase in compensation reflects service level changes requested by the Board.

Heather Gerson arrived at 9:25 AM, establishing a quorum for Corporate Members.

By a vote of 2-3-0, the motion failed (Directors Freshley and Moore in favor).

The chair noted that the Committee members from United were not present and, per the chair's request, Paul Vogel and Barbara Copley joined the Committee as representatives of the United board.

The Committee discussed the possibility of an early payoff of the Community Center Loan and suggested that the GRF Finance committee consider the financial impact. Discussion ensued.

Ms. Price stated that the projected year end operating surplus is estimated to be \$1.3 million in Broadband operations, due to the Connexion deal, and an additional \$1.1 million for the remaining operations.

Director Miller made a motion to increase the planned return of surplus by \$800,000 which will further reduce the proposed 2011 assessments. Discussion ensued. It was noted that such a large amount of surplus recovery may create a difficult increase in the 2012 Business Plan if additional operating surplus is not available.

Pat Fenney (2399-1E) and Jim Hart (5510-3A) commented on the motion.

By a vote of 2-5-0 the motioned failed (Directors Miller and Freshley in favor).

Ms. Price presented a new capital submittal generated by the M&C Committee for the 27-hole Golf Cart Concrete Path Renovation. A motion was made by Director Miller to include this item in 2011 Business Plan. The motion was seconded and carried unanimously.

Ms. Price advised that the business plan, as currently proposed, will be presented to the Finance Committee at 1:30 PM.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 10:50 A.M.

Jim Matson, Chairman