

**MINUTES OF THE SPECIAL 2007 BUSINESS PLANNING
MEETING OF BOARD OF DIRECTORS OF
LAGUNA WOODS MUTUAL No. FIFTY
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION
July 26, 2006**

The Board of Directors of Laguna Woods Mutual Fifty, a California nonprofit mutual benefit corporation, met at 1:30 P.M. on Wednesday, July 26, 2006 in the Lortscher Hall at 24055 Paseo del Lago West, Laguna Woods, California.

Members Present: Richard Wurzel – Chair, Bill Masterson, Tom Jackson, Ruth Mervis, and Mollie Hayes

Members Absent: None

Others Present: Cheryl Walker – Laguna Woods Globe
Keith Wallace (Board Observer)

Staff Present: Milt Johns, Judie Zoerhof, Janet Price, Betty Parker, Dan Yost, Adeel Khan

CALL TO ORDER

Richard Wurzel, Chair of the Committee, stated that a quorum was present and called the meeting to order at 1:30 P.M.

REVIEW PROPOSED 2007 BUSINESS PLAN

Janet Price, Finance and Administration Director, presented the proposed 2007 Business Plan – Version 2, and highlighted the areas that changed from the Version 1 presentation.

Ms. Price informed the Committee that, per their recommendation, Sunday Lunch Buffet was included in the budget and the Board should indicate whether to keep or remove it from Version 3.

Ms. Price informed the Committee that Version 3 would reflect a decrease of approximately \$0.45 pmpm in Water Softening Service due to a change of contract.

Noticing a \$10.85 pmpm decrease in Towers Administration, Chairman Richard Wurzel raised some questions. Ms. Price in response, informed the Board that this change was due to a correction in allocation relating to the transfer of responsibility for Towers security, and that while Towers Administration decreased by \$10.85 pmpm, Security increased by \$8.07 resulting in a net decrease of \$2.78.

Ms. Price informed the Committee that a return of \$13.44 pmpm for Surplus/Deficit recovery had been included in the budget and that at this time the Board had the option of increasing or decreasing that amount.

Ms. Price explained the various Reserve Funds and indicated the proposed assessments for those funds in 2007.

Ms Price informed the Committee that the GRF portion of the assessments will be lowered due to the following changes made by the GRF Business Planning Committee:

1. Operational Review was removed from Professional Fees.
2. Cable TV Franchise Fees were removed from the budget.

Ms. Price reviewed the various items that made up the Direct Mutual Operating for Fifty Trust and informed the Committee that there was a \$3.04 pmpm increase in Electricity due to more recent projections of costs.

Ms. Price reviewed each item proposed in the 2007 Reserve Expenditures Plan.

After the presentation, Chairman Richard Wurzel opened the floor for questions and discussion.

Ms. Price left the meeting at 2:35 P.M.

A motion was made and seconded to choose Option 2 for the Food Service: Remove Sunday Lunch Buffet. Discussion ensued and by unanimous vote the motion carried to remove Sunday Lunch Buffet from the budget.

Following the motion, there was some discussion regarding Option 3: Increase Wait Staff Wages in Food Services in order to improve the quality of dining room service. Director Tom Jackson asked the members present to indicate, by a show of hands, how many were in favor of increasing the assessment for increased wages for the Wait Staff.

Tom Jackson made a motion to increase the wait staff wages in Food Services. The motion failed due to a lack of a second.

GOOD OF THE ORDER

At this time, Chairman Richard Wurzel opened the floor for questions and discussion. There was more discussion regarding food service and the Board agreed to continue review in closed session.

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A resident expressed concern regarding the additional operating costs incurred by caregivers that spend most of their day in a resident's manor.

ADJOURNMENT

The meeting was recessed at 3:15 P.M.

Ruth Mervis, Secretary