

**MINUTES OF THE SPECIAL 2012 BUSINESS PLANNING
MEETING OF THE BOARD OF DIRECTORS OF
LAGUNA WOODS MUTUAL NO. FIFTY
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION
July 25, 2011**

The Board of Directors of Laguna Woods Mutual Fifty, a California nonprofit mutual benefit corporation, met at 2:00 P.M. on Monday, July 25, 2011 in the Lortscher Hall at 24055 Paseo del Lago West, Laguna Woods, California.

Members Present: Ryna Rothberg, Marilyn Ruekberg, Darrell Haskell (arrived at 2:30 p.m.) Herb Harris, and Keith Wallace. . . ,

Members Absent: None

Staff Present: Judie Zoerhof, Janet Price, Betty Parker, Jerry Storage, Kelly Arata, Jose Campos

CALL TO ORDER

Ryna Rothberg, chair, stated that a quorum was present and called the meeting to order at 2:05 P.M.

ACKNOWLEDGEMENT OF THE PRESS

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

MEMBER COMMENTS

Mark Licha (755) asked about the length of the management contract with PCM. The Board clarified that the contract length is 5 years.

REVIEW PROPOSED 2012 BUSINESS PLAN

The chair introduced Janet Price, Finance Advisor, and Betty Parker, Financial Services Director, to present the proposed 2012 Business Plan – Version 2.

ASSUMPTIONS

Ms. Price explained the Policies, Practices, Directives & Assumptions used for developing the proposed 2012 Business Plan.

OPERATING BUDGET

Ms. Price presented the operating budget and explained that changes made by GRF at their Version 2 review meeting will reduce the bottom-line by approximately (\$2.19) PUPM for Mutual Fifty.

RESERVE CONTRIBUTIONS

Ms. Price indicated that the Replacement Fund contribution increased \$5.00 PUPM based on the recommendation from a contracted reserve specialist to ensure balances will be sufficient at the end of each year to meet the association's obligations for repair and/or replacement of major components during the next 30 years.

Ms. Price summarized the impact of the Business Plan on assessments. On average, the 2012 monthly assessment will increase by nearly \$80 Per Unit Per Month when compared to 2011.

Director Harris reiterated that 96% of the proposed increase comes from lost revenue, mainly the Mutual-owned units and delinquencies where assessments are not being collected. Director Harris also noted that the assessment has increased an average of 2.3% the past several years and is reasonable when compared to the current economy.

Richard Wurzel (961) inquired about the possibility of freezing wages.

Julia Ross (562) asked how much was budgeted for the Marketing of Mutual-owned units and was answered that \$24,000 is budgeted.

Nora Neustaedt (763) commented about the quality of food.

Director Harris stated that due to the proposed increase of assessments, he would not propose an increased contribution to the Contingency Fund.

The chair announced that the next meeting to review Version 3 will be held on August 18 at 2:00 p.m. in Lortscher Hall.

ADJOURNMENT

The meeting was adjourned at 3:04 P.M.

Keith Wallace, Secretary