

**REPORT OF THE MEETING OF THE GOLDEN RAIN FOUNDATION OF
LAGUNA WOODS BUSINESS PLANNING COMMITTEE
2008 BUSINESS PLANNING MEETING – VERSION 2
July 23, 2007**

The Golden Rain Foundation Business Planning Committee met on Monday, July 23, 2007 at 9:30 A.M. in the Community Center Board Room at 24351 El Toro Road, Laguna Woods, California.

Members Present: George Portlock – Chair, Bob Miller, Noel Hatch, Richard Moos, Beth O'Brien, Jim McNulty, and Jim Matson.

Members Absent: Tom Jackson

Others Present: Ruth May, Bea McArthur, Cynthia Chyba, Joseph Heller, Mark Schneider, Don Tibbetts – GRF
Jan McLaughlin, Ken Hammer, Linda Wilson, Mary Stone, John Dalis, Maxine McIntosh – United
Bob Hatch, Larry Souza, Isabel Muennichow, Raymond Gros (10:35), Richard Haskell, Gunter Vogt, John Paulus, Dominic Burrasca – Third
Lindsey Baguio – Laguna Woods Globe.

Staff Present: Janet Price, Betty Parker, Kurt Rahn, Jerry Rathje, Brad Antoine, and Marci Mednick.

CALL TO ORDER

George Portlock, Chair of the Committee, 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

The Press was acknowledged in the form of Lindsey Baguio of the Laguna Woods Globe, arriving at 9:35 A.M.

MEMBER COMMENTS

The Committee addressed questions and comments from the audience.

Dick Sharp (887-Q) suggested that assessments be determined on a per occupant basis rather than per manor basis.

Connie Grundke (2214-B) questioned recruiting fees.

Maxine McIntosh (68-C) questioned the need for a Corporate Members meeting.

REVIEW PROPOSED 2008 BUSINESS PLAN – VERSION 2

Janet Price, Finance & Administration Director, introduced the proposed 2008 Business Plan – Version 2 and noted a summary of changes from Version 1, including a proposed surplus recovery of \$650,000 in operations and a proposed transfer of surplus to reserves of \$1,000,000. Ms. Price noted that the inflation rate for the projected reserve expenditures has been changed to 3.5% in Version 2 from 4% in Version 1, as requested by the Committee.

Mr. Noel Hatch asked if Staff could estimate the impact of changing the non-union wage increase assumption from 5% to 4%. Discussion ensued.

A motion was made, seconded and carried by a vote of four in favor and two opposed (O'Brien, Miller) to recommend that the Board change the assumption for the merit wage increase for non-union employees from 5% to 4%.

Mr. Noel Hatch commented on Other Operating Expenditures and requested to meet with Ms. Price for further detail of expenditures related to Staff Support.

Mr. Moos commented on the costs of recruiting and retention of employees.

Ms. Price stated that Version 3 will show an increase in Landscape adding 118 hours for the centralized irrigation program.

Mr. Matson questioned what comprises the total costs for Broadband Services and Ms. Price informed him that they include operating and capital costs as presented in the proposed Business Plan.

Ms. O'Brien expressed concern about sharing costs on a basis other than per manor per month, such as per occupant or per square foot due to the complexity in administering such a plan.

Ms. Price reviewed each item proposed in the 2008 Capital Plan and noted that two items were not included in the Proposed Capital Plan presented with Version 1. These items, the Riding Spray Rig and the Power Sand Rake have been reviewed and recommended for approval by the Landscape Committee. By consensus, the Committee accepted the Riding Spray Rig and the Power Sand Rake capital items.

A motion was made to recommend that the Board add \$1,500,000 to the Facilities Fund for security gate beautification. The motion failed for lack of a second.

Ms. Price discussed the Replacement Reserves 30-Year Funding Plan and the proposed \$1,000,000 transfer from operating surplus. She stated that this contribution will allow for lower reserve contributions in 2008 and future years.

A motion was made, seconded and carried unanimously to recommend the 2008 Business Plan as amended.

Connie Grundke (2214-B) commented on the employee incentive plan and requested historical data.

Larry Souza (5077) discussed Security Gate 16 beautification and return of surplus.

Mary Stone (356-C) commented on missed meal penalties.

Rich Haskell (3240-A) commented on Broadband Services operating costs and vehicle replacement parameters.

Betty Salazar (40-O) expressed concern with spending levels.

DIRECTOR COMMENTS

The Committee addressed questions and comments from the audience.

ADJOURNMENT

The meeting was adjourned at 11:55 A.M.

George Portlock, Chair