

Leisure World Community Corporation
Board of Directors Meeting # 7
Tuesday, June 29, 2010

Members Present:

Eleanor Friedenberg (MM), James McAlister (MM), Linda Wacha (MM), Mary Louise Furgurson (MM), Marion Herrington (5), Frances Nebesky (6B), Phyllis Ross (6C), Raymond Zagone (8), Leon Grant (9), Paul McDonald (10), Darlene Hamilton (11), Marian Altman (12), Billie Saunders (13), Jacqueline Rabinow (14), Richard Carlson (15), James Turner (16), Barbara Cronin (17A), Ed Psaltis (18), Charles Warner (19A), Irving Shnider (19B), Kenneth Zajic (20A), Philip Marks (20B), Al Lukas (20B), Robert Griffith (21), Mab Cantril (22), Neil Ross (23), Elizabeth Tremaine (24), Roy Dickstein (25), Barry Lubin (26), and Art Nimetz (27).

Members Absent:

Morton Sclar (6A), Arthur Rounds (7), Henry Tate (17B), and Ralph Kirby (20A).

Management Present:

Kevin Flannery, General Manager; Mark Ellis, Deputy General Manager; Tim Coursen, Assistant General Manager; Jennifer Peacock, Comptroller; and Berri Sommer, Executive Assistant.

Parliamentarian: Paul Bessel

1. Call to Order – The Chair called the meeting to order at 9:30 a.m.
2. Chair's Remarks – At the Chair's request, the members observed a moment of silence in remembrance of James Hummel, who passed away last week. There will be a memorial service for Mr. Hummel on Saturday, July 10th.

Open Forum – The Chair reported that more residents attended the second annual Open Forum meeting on June 17th than were at last year's Open Forum. All Executive Committee members and approximately one-third of Board members were present. A summary of the Open Forum will be in the *Leisure World News*. The Chair noted that one of the residents at the meeting suggested that more than one forum a year be held in the future.

Veterans Park –The dedication ceremony on Memorial Day was well attended. The Chair thanked Billie Saunders for her work in putting the program together, as well as the Ballroom Dance Club, Joe Stahl of Stansbury Cleaning Services, McFall & Berry, and H&H for their monetary donations. She thanked the Leisure World Jewish War Veterans for supplying the color guard, H&H for donating their time and materials to create the slate walkway in front of the boulder, and the Leisure World Foundation for their monetary donation and for supplying the flags.

Montgomery County Council Town Hall Meeting – This event took place in the ballroom on June 16th and was well attended. The Chair noted that meetings with county officials are required to be open to all Montgomery County residents, and that seating will need to be made available at any such future events for non-Leisure World residents.

Closed Session – The Chair announced that a Closed Session would follow the regular meeting to discuss matters pertaining to employees and personnel, in accordance with § 11B-111 (4) (i) of the Maryland Homeowners Association Act. She requested individual votes around the table on a motion to hold a closed session. The motion passed unanimously, with the following votes recorded:

Mutual	Name	Vote
MM	Eleanor Friedenberg	Yes
MM	James R. McAlister	Yes
MM	Linda Wacha	Yes
MM	Mary Louise Furgurson	Yes
M5	Marion Herrington	Yes
M6A	Absent	---
M6B	Frances Nebesky	Yes
M6C	Phyllis Ross	Yes
M7	Absent	---
M8	Ray Zagone	Yes
M9	Leon Grant	Yes
M10	Paul McDonald	Yes
M11	Absent	---
M12	Marian Altman	Yes
M13	Billie Saunders	Yes
M14	Jackie Rabinow	Yes
M15	Richard Carlson	Yes
M16	James Turner	Yes
M17A	Barbara Cronin	Yes
M17B	Absent	---
M18	Edmond Psaltis	Yes
M19A	Charles Warner	Yes
M19B	Irving Shnider	Yes
M20A	Ken Zajic	Yes
M20A	Absent	---
M20B	Philip Marks	Yes
M20B	Al Lukas	Yes
M21	Robert Griffith	Yes
M22	Mab Cantril	Yes
M23	Neil Ross	Yes
M24	Elizabeth Tremaine	Yes
M25	Roy Dickstein	Yes
M26	Barry Lubin	Yes
M27	Art Nimetz	Yes

Appointments: Irving Shnider is Mutual 19B's new president and representative on the LWCC Board of Directors. Jim Turner is Mutual 16's new president and representative on the LWCC Board of Directors. Paul McDonald is Mutual 10's new president and representative on the LWCC Board of Directors. Mab Cantril is Mutual 22's new president and representative on the LWCC Board of Directors. Jerry Feldman has replaced Jack Melcher as Mutual 23's representative on the Community Planning Committee, and Ray Jenkins has replaced Marvin Freedenberg as Mutual 23's representative on the Health Committee. Francoise Lesage has resigned as Mutual 13's representative on the Emergency Preparedness Committee, and Phyllis Ross has resigned from the Strategic Planning Committee.

3. Adoption of Agenda – The Agenda was adopted with the addition of item 12, Executive Session.
4. Approval of Minutes – The Minutes of the meeting held May 25, 2010, were approved as written.
5. Correspondence – The Chair reviewed the correspondence contained in the Agenda packet:
 - a. Resolutions – Resolutions voted on by Advisory Committees during the month of May 2010. The Chair noted that a correction had been made in the first Education & Recreation Committee Resolution relative to the Schedule of Fees, changing "...increase the rental fee for the Potomac Room from \$785.00 to \$125.00" to read "...increase the rental fee for the Potomac Room from \$70.00 to \$125.00."
 - b. Board Resolutions – Letter from Robert Conn (5/14/10) requesting copies of Board Resolutions and Chair's response (5/25/10).
 - c. Executive Committee Special Session – Letter from Robert Conn (5/10/10) and Chair's response (5/25/10).
 - d. Disclosure to HOA Members # 3 – Letter from Robert Conn (5/10/10) and Chair's response (5/25/10).
 - e. Veterans Park – Letter of thanks from Carl Goldstein, President of LW Center for Lifelong Learning (6/8/10).
 - f. Candidates for Office – Letter from Paul Bessel, L&T Committee Chair, re meetings at Leisure World for candidates running for federal, state, and county offices (6/11/10).

The Chair noted that arranging such events is not in the L&T Committee's Charter, but she feels they are appropriate. She will recommend to the Advisory Committee Chairs that they review their Charters and update them where necessary.

6. General Manager's Report – Mr. Flannery highlighted the General Manager's Report for May 2010, and noted the following:

- a. Property Transfer - Mr. Woodring, the owner of the property at the future site of Villa Cortese Building V, has completed the demolition of the model building. The area has been graded and seeded, and the appearance is much improved. Mr. Woodring met with the Boards of both Mutual 6C and Mutual 6B to share his intentions with them. He intends to develop the property consistent with the plan developed by IDI and approved by the Montgomery County Planning Board and to integrate it into the Villa Cortese project. He is close to putting together some pre-sale information and moving forward on the project. Once a time frame is established, a 100 percent approval vote will be required by the Mutual 6C unit owners in order to incorporate the new development into Villa Cortese. In addition, to make the project part of the Leisure World Community, Mr. Woodring will need to reach an agreement with the Board of Directors regarding the required contribution to the Community Facilities Fund. Mr. Woodring is aware of these requirements.
- b. Comcast – Leisure World management and counsel will meet on June 30th with representatives of Comcast and their counsel, to finalize the remaining outstanding areas of the agreement. Mr. Flannery has distributed a draft of the proposed agreement, along with the channel line-up, to the Mutual Presidents. Since the provision of cable services is a Trust service, no vote on the agreement is required at the Mutual level. Management is in the process of developing a summary of the agreement to help residents understand the salient points. This will be published in the *Leisure World News*.
- c. Clean Air Clinic – The date for this clinic will be September 14th. Information will be disseminated closer to the time.
- d. Recycling Award – For the third consecutive year, Leisure World has received an award from Montgomery County for exceeding the recycling targets in the Community. Mr. Flannery congratulated the Refuse/Recycling Department and commended the residents for their commitment to recycling.
- e. Administration Building Renovation – The Board members reviewed a plan of the footprint of the building, showing proposed possible modifications. This plan, developed by the architect, has been distributed to the members of the Community Planning Committee. The plan illustrates space utilization and layout within the existing footprint of the building. It was noted that this plan calls for the post office to be relocated into part of the existing lobby area.

Mr. Flannery stated that he discussed with the Community Planning Committee a recommendation to look at options relative to expanding the total footprint of the building. The committee concurred that management should explore options and develop a cost-benefit analysis relative to expanding the footprint of the building

as compared to staying within the current footprint. Mr. Flannery and Mr. Ellis met this week with the architect, who will develop some estimated costs for various alternatives and report back to the Community Planning Committee in August.

The first phase of the renovation will be to add covered porticos to the entry doors on both sides of the building. This phase could possibly be completed in the fall, depending on the outcome of discussions relative to options for expanding the building.

In response to a question about funding for the project, Mr. Flannery stated that, if the current resales trend continues, the Community should end the fiscal year with sufficient funds in the Resales Fund to possibly pay for the renovation next spring.

- f. Tennis Courts – The courts are in the process of being resurfaced. Courts three and four have been completed. Courts one and two showed evidence of sub-surface water, such as a spring, and required additional drainage to be installed.

7. Old Business -

- a. CCOC Complaint – The Chair reported that a hearing was held and rebuttal statements presented. A decision is expected in two-to-three months.
- b. Cable Negotiations – This topic was discussed as part of the General Manager’s report.
- c. License Agreement and Leisure World Name –The Chair reported that the undeveloped land of the Leisure World of Virginia community is up for auction on July 21st, as a result of the dissolution of the partnership between IDI and the Cortese Group. Out of 2,278 units, 1,113 units have been completed, leaving 1,165 remaining to be built on the two undeveloped parcels. The assessed value of the undeveloped land is \$9,730,000, with no improvements.

The Board reviewed a letter dated May 26, 2010, from Neil Ross (M23), requesting that the Board discuss the issue of changing the name of the Community.

Mr. Ross made a **motion**, which was seconded, that the Board discuss this issue and be prepared to go to the Community with a survey as to what course of action is preferred. The ballot should be carefully worded and reviewed by several members of the Board.

The Chair suggested that it would be prudent to delay action on a vote of the Community until counsel makes a recommendation. Other members disagreed, stating that both avenues could be pursued simultaneously. Further discussion

elicited support for both views.

Several members suggested that, before a survey is undertaken – or in conjunction with a survey – residents should be informed of all of the implications involved in a name change, through the publication of a fact sheet and possibly by holding an open forum to answer residents’ questions.

Mr. Flannery stated that there is no prohibition against sending out a survey to the population of the Community to get an indication of the general feeling, but the decision to change the Community’s name would be made by the Board. He agreed with a member’s suggestion that the *Leisure World News* could be used to publish a fact sheet and announce that a survey would be forthcoming. The fact sheet would be disseminated again with the survey.

Ms. Cronin offered an amendment to the motion, which was seconded and approved. The Board then voted on the amended motion.

Upon motion by Ms. Cronin, the Board agreed –

Resolution # 37, 6/29/10

To proceed to gather information from the Community at large regarding their positions on a possible name change for the Community. This would be done by setting up an ad hoc committee to research information needed to go out in an article in the *Leisure World News*, in a fact sheet, and in a possible open forum. This would result in a survey being sent out to all units via the Mutuels.

Mutual 22 opposed the motion.

The Chair asked for an indication of Board members’ interest in serving on the Ad Hoc Committee. The following individuals were appointed:

Darlene Hamilton (M11)
Ed Psaltis (M18)
Ken Zajic (M20A)
Neil Ross (M23)
Elizabeth Tremaine (M24)

- d. Leisure World News Policy & Procedures and Style Manual – The Chair noted that, on page 15 of the agenda package, items 2-b and 2-c incorrectly use the acronyms “LWMC” rather than “LWCC.” She asked Board members to review the documents for discussion and action in July.

A member requested a definition of a “recognized” organization. The General Manager responded that a recognized organization is a group that has gone through the process of submitting a charter to the Education & Recreation

Department, with Bylaws, and has demonstrated through signups that there is a demand for such a group or organization. Once a group is deemed to be “recognized,” it is allowed to request the use of meeting rooms at no charge.

- e. E&R Policy Statement Clarification – The Board reviewed a letter from Neil Ross (M23) requesting the addition of item (f) to indicate that the policies do not apply to Leisure World organizations. The Chair distributed a copy of the Policy Statement and noted that item (e) had already been added by the Board at its May meeting to indicate that prioritization is given to Leisure World residents.

Upon motion by Mr. Ross, amended by Ms. Wacha, the Board agreed –

Resolution # 38, 6/29/10

To add item (f) to the E&R Policy Statement, as follows: “The above-stated policies apply only to non-Leisure World organizations.”

Mutual 19A opposed the motion.

8. New Business

- a. 2011 Budget – The Board reviewed the 2011 budget packet, including the 2011 Proposed Assumptions, the 2011 Schedule of Fees, 2011 Proposed Capital Purchases, the LWMC Five-Year Plan for Trust Properties 2011-2015, and the Long-Term Reserve Plan for Trust Properties 2010-2024.

Mr. Flannery summarized the highlights of the 2011 Budget Assumptions. He noted that the increase in the Consumer Price Index (CPI) for the Washington Metropolitan Area for the period May 31, 2009 through May 31, 2010 was 2 percent. This number is the baseline for the maximum permitted increase in the Community Facilities Fee. The goal for the 2011 budget, however, is 1.5 percent.

Following discussion of the Budget Assumptions, Mr. Flannery reviewed the 2011 Schedule of Fees and Proposed Capital Purchases for 2011, and responded to members’ questions. He noted that the Five-Year Maintenance Plan and Long-Term Reserve Plan are provided for information only and do not presently require action by the Board. The Five-Year Maintenance Plan will be reviewed by all advisory committees and will be voted on in August when the Board acts on the entire budget.

Upon motion by Mr. Dickstein, the Board agreed –

Resolution # 39, 6/29/10

To adopt the Proposed Assumptions for the 2011 Operating Budget, the 2011 Schedule of Fees, and the Proposed Capital Purchases for 2011, as presented.

- b. Parliamentary Procedures – The Board received information prepared by Paul Bessel relative to parliamentary procedures. This information will be reviewed and discussed in a separate open session immediately following the July Board meeting.

9. Open Forum –

Robert Conn (M24) questioned item 6-c in the “Leisure World News Policies & Procedures,” which states that letters to the editor are not included in the newsletter. He stated that the Maryland Homeowners Association Act requires that letters to the editor must be permitted because the *Leisure World News* is a Trust property. He will submit to the Chair copies of his exchange with the General Manager on what the law requires.

Paul McDonald (M10) commented that, to the best of his knowledge, there is no editor of the *Leisure World News*.

James Cronin (M17A) stated that, in a November 2008 letter from the Chair to Delegate Manno, she stated that the Community is governed by the Maryland Condominium Act, which requires open meetings, etc. The Maryland Condominium Act states that an annual proposed budget shall be submitted to the unit owners 30 days prior to its proposed adoption. State law has changed the Homeowners Association law. It states that the annual proposed budget may be sent to each lot owner by electronic transmission, by posting on the homeowners’ association home page, or by including in the homeowners’ association newsletter. Mr. Cronin asked the Board to be proactive and place the budget on the Web site.

10. Next Meeting – The next meeting of the Board of Directors is scheduled for Tuesday, July 27, 2010, at 9:30 a.m. in the Montgomery Room.
11. Adjournment – The regular session of the Board was adjourned at 11:13 a.m., and all visitors and management left the room.
12. Closed Session – The closed portion of the meeting of the Leisure World Community Corporation Board of Directors was called to order by the Chair, Marian Altman, at 11:25 a.m., pursuant to a vote to hold a closed session previously reported in these Minutes, in accordance with Maryland Homeowners Association Act, Section 11B-111(4)(i).

The following Board members were present at the Closed Session: Eleanor Friedenberg (MM); Jim McAlister (MM); Linda Wacha (MM); Mary Lou Furgurson (MM); Marion Herrington (M5); Francis Nebesky (M6B); Phyllis Ross (M6C); Ray Zagone (M8); Leon Grant (M9); Paul McDonald (M10); Darlene Hamilton (M11); Marian Altman (M12); Billie Saunders (M13); Jackie Rabinow (M14); Richard Carlson (M15); Jim Turner (M16); Robert

Henkel (M17A); Ed Psaltis (M18); Ken Zajic (M20A); Phil Marks (M20B); Al Lukas (M20B); Bob Griffith (M21); Mab Cantril (M22); Neil Ross (M23); Elizabeth Tremaine (M24); Roy Dickstein (M25); Barry Lubin (M26); and Art Nimetz, (M27).

The following members of the Board were absent: Morton Sclar (M6A); Art Rounds (M7); Henry Tate (M17B); Charles Warner (M19A); Irv Shnider (M19B); and Ralph Kirby (M20A).

The Committee discussed one employee of the Leisure World of Maryland Corporation. The discussion will continue next month, on Tuesday, July 27, 2010.

The closed portion of the Leisure World Board of Directors Meeting was adjourned at 12:06 p.m.

Respectfully submitted,

Billie Saunders, Executive Secretary
LWCC Board of Directors