

Leisure World Community Corporation  
Executive Committee Meeting # 7  
Friday, June 18, 2010

Members Present: Marian Altman, Chair; Philip Marks, Vice-Chair, Billie Saunders, Secretary; Barry Lubin; James McAlister; Phyllis Ross; and Larry Traynham.

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

Visitors: List on file.

1. Call to Order – The Chair called the meeting to order at 9:30 a.m.
2. Chair's Remarks – The Chair reported that more residents attended the second annual Open Forum meeting held on June 17<sup>th</sup> 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 donation. She also expressed appreciation to 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 the box of flags.

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

Executive Session: The Chair announced that an Executive 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 individuals voting in favor:

Marian Altman, Chair – Yes  
Philip Marks, Vice-Chair – Yes  
Billie Saunders, Secretary – Yes  
James McAlister, MM – Yes  
Phyllis Ross, M 6C - Yes  
Lawrence Traynham, M 20A - Yes  
Barry Lubin, M 26 - Yes

Appointments: Irving Shnider is Mutual 19B's new 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 as presented.
4. Approval of Minutes – The Minutes of the meeting held on May 14, 2010, were approved as written.
5. Approval of Minutes – The Minutes of the Special Session held on May 10, 2010, were approved as written.
6. 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 a correction in the first Education & Recreation Committee Resolution relative to the Schedule of Fees, which should state: "...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. Community Name – Letter from Neil Ross (5/26/10) requesting that this item be placed on the June Board of Directors' agenda.
  - f. E&R Policy – Letter from Neil Ross (6/26/10) requesting that amendment to the

“Clarification of E&R Policy Statement” be placed on June Board of Directors’ agenda.

- g. Veterans Park – Letter of thanks from Carl Goldstein, President of LW Center for Lifelong Learning (6/8/10).
- h. Candidates for Office – Letter from Paul Bessel, L&T Committee Chair, re meetings at Leisure World for candidates running for office (6/11/10).

7. General Manager’s Report - The General Manager’s Report for June 2010 was received, noted, and made a part of the record. In addition, Mr. Flannery reported on the following.

Finances – The financial statements for May reflect a surplus of approximately \$2,000, which brings the year-to-date deficit to approximately \$31,000. Resale activity in the Community is strong at the present time, with 35-40 resales anticipated for the month of June. In 2009, contributions at a 2 percent rate on property transfers were \$885,000. Management projects that, for the first half of 2010, the Community will be \$160,000 ahead of the amount for the comparable time period in 2009. Operating expenses remain under-budget at this time.

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 stated that he would like 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. Once a time frame is established, a 100 percent approval vote will be required by the Mutual 6C unit owners in order to annex in the new development. 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.

Clean Air Clinic – The program to inspect vehicles for clean air efficiencies and improvements is currently targeted for September.

Tennis Courts – The courts are in the process of being resurfaced. Courts three and four have been completed. Courts one and two, however, are showing evidence of sub-surface water – probably a spring. Mr. Ellis, with the assistance of H&H, has designed a drainage system. The excavation work has been completed and the tennis court contractor will return and lay the resurface.

Conchita Hundzinski – Mr. Flannery shared with the Executive Committee that Conchita (a long-time property manager and subsequently Assistant General Manager at Leisure

World) lost her battle with brain cancer and passed away last week. Conchita retired from Leisure World three years ago. A number of staff members plan to attend a family gathering following the private burial to remember Conchita.

Weapons Turn-In Program – This program was organized by the Security & Transportation Department, with the assistance of the Montgomery County Sheriff's Office. Mostly ammunition was turned in, along with several weapons.

Administration Building Renovation – The Committee 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 staying 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 will meet with the architect next week, to examine options. The first phase of the renovation will be to add porticos to the entry doors on both sides of the building, which can hopefully be completed in the fall.

## 8. 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 – Mr. Flannery updated the Committee on the status of the proposed agreement with Comcast. The effective date of the agreement is July 27<sup>th</sup>. Mr. Flannery stated that, once counsel permits release of the agreement, management's objective is to provide it to all of the associations. He has informed Comcast that, if there is a continued delay, they will need to honor an extension of the current agreement to allow for the process of providing the agreement to the Mutuals for review prior to presenting it to the Board for action. Since the provision of cable services is a Trust service, no vote on the agreement is required at the Mutual level.

Mr. Flannery is in the process of developing a summary of the agreement to help residents understand the salient points. In response to a question, he confirmed that it would be possible for the Community to terminate the agreement prior to the expiration of the 10-year term; however, if it did so in the absence of a default by Comcast, it would have to refund to Comcast a prorated portion of the approximately \$870,000 payment to the Community. He also noted that the contract contains protection language with regard to maintaining the system and

equipment up to approved industry standards.

- c. License Agreement – Leisure World counsel is still waiting to hear from counsel for RRLH, Inc. At the request of Neil Ross (Mutual 23), the issue of the Community's name will be on the agenda of the Board meeting on June 29<sup>th</sup>. In response to a question, Mr. Flannery noted that a potential name change would be a Trustee decision, but would probably be preceded by a survey of the Community.

The Chair reported that the undeveloped land of the Leisure World of Virginia development is up for auction on July 21<sup>st</sup>, 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.

## 9. New Business

- a. 2011 Budget – The Committee 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. Mr. Flannery summarized the highlights of the Budget Assumptions and distributed results of a salary survey comparing salaries for a sampling of Leisure World positions to salaries for similar positions in the State of Maryland and Washington, DC. Management's goal is to be competitive in the marketplace in terms of salaries and overall benefits.

Mr. Flannery noted that the Consumer Price Index (CPI) was published this week by the Department of Labor. The Washington/Baltimore area average increase was 1.9 percent for the period May 2009 to May 2010. This number becomes the baseline for the maximum permitted increase in the Community Facilities fee. The goal for the 2011 budget is 1.5 percent.

Ms. Altman stated that, when the budget books are distributed, she would like a cover memo to be included with the Budget & Finance Committee members' copies stating that they may share their copies with members of their Mutuals if they wish.

Mr. Marks made a motion, which was seconded, to adopt the Proposed Assumptions for the 2011 Operating Budget, as presented. Mr. Traynham suggested that all of the budget items be voted on as a package. The Committee agreed.

Mr. Flannery reviewed the remainder of the budget items and responded to members' questions. Ms. Altman suggested that, on page 4 of the Schedule of

Fees, “Special trips within community (one way),” there should be a designation of “per person” or “per car load.”

Mr. Flannery noted that the Five-Year Maintenance Plan is provided as information and will be voted on in August when the Committee acts on the entire budget.

Mr. Marks amended his motion.

Upon motion by Mr. Marks, the Committee agreed –

**Resolution # 25, 6/18/10**

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. Leisure World News Policy & Procedures and Style Manual – The Chair requested that a copy of these documents be provided that shows the changes from the prior documents. She noted that, on page 18 of the agenda package, item 5 under “Submission of Advertisements” should state the “Leisure World Community Corporation Board of Directors” rather than “Leisure World of Maryland Board of Directors.”
  - c. Parliamentary Procedures – This information will be reviewed and discussed in a separate open session immediately following the July Board meeting.
10. Open Forum – No residents requested to speak in Open Forum.
  11. Adjournment – There being no further business to come before the Committee, the meeting was adjourned at 10:35 a.m.
  12. Next Meeting – The next meeting of the Executive Committee is scheduled for Friday, July 16<sup>th</sup>, 2010, at 9:30 a.m. in the Sullivan Room.
  13. Executive Session – An Executive Session followed the regular session, in accordance with the vote recorded above.

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Billie Saunders  
Executive Secretary