

State of the Community Report – January 2016

A year of celebration and innovation, 2016 is an exciting time for Leisure World of Maryland. Balancing the needs of a diverse population with sound business practices, the community remains on a path of sustainability in terms of resident values and market competitiveness.

Celebration

The 50th anniversary of Leisure World is slated for a weeklong schedule of events Sept. 10-17, 2016. Founded in 1966, this landmark community was envisioned as resort-like retirement community and today continues to be a sought-after enclave for homeowners aged 55 and older, many still working and actively engaged in their professions.

In 1991, the community celebrated its 25th anniversary. That year was a significant moment in the community's history, marking a decade of self-governance. The Leisure World Community Corporation (LWCC) was established as Trustee in 1981, succeeding the Suburban Trust Company, which previously served as Trustee.

The first five highrises were dotting the landscape by 1991, adding 2,000 units to the existing count of approximately 3,600. Today, more than 5,600 units are sited throughout the community's 610 acres.

Diversity

Leisure World is a diverse community, both in its population and in the various types of residential construction. The eclectic nature of the community makes it unique and also presents challenges. Successfully addressing these challenges requires a collaborative effort from management, community leadership, and residents.

Traditional approaches to providing services must be reviewed and updated annually in order to meet the needs of the residents in a cost-effective manner. Residents play an important role in identifying potential new services and amenities that both respond to the changing needs of current residents and will attract new residents, ensuring the community maintains a competitive position in a rapidly growing market.

Balance

Modifying business practices in order to address the demands of a changing population requires progressive thinking and must also recognize the needs of the aging population that was here during the 25th anniversary.

In addition to the challenges presented by a broad customer base, Leisure World must keep in mind that at the end of the day the funds to operate this community come directly from the residents.

Suggestions and requests are plentiful in this community, many of them smart and incredibly instructive. Given the source of operating funds, it is imperative that management and leadership are mindful of the spectrum of ideas, as decisions are made on any number of matters throughout the year in the best interest of the community.

Amenities and Mutual Buildings

As buildings throughout the community age, it is imperative that Leisure World of Maryland Corporation (LWMC) management and various leadership boards and committees work collaboratively to maintain both the Trust amenities and residential structures of each mutual. In order to meet this goal, strategic plans, including affordable funding options, must be developed and implemented, after adequate review and input.

In terms of Trust properties and amenities, major efforts are already underway. In September 2015, the first project in the Facilities Enhancement Plan was delivered—the renovation to the Crystal Ballroom in Clubhouse I.

In 2016, the following projects are scheduled:

- Renovations and improvements in the north wing of Clubhouse I, including the Terrace Room, Cascade Bistro, Maryland Room, and rest rooms adjacent to the Cascade Bistro;
- Renovation of the PPD customer service area;
- Addition of a new fitness center in Clubhouse II;
- Start of rehabilitation work on the pond at the golf course and review of improvements to the golf course; and
- Continuation of development plans for construction of a new Administration Building.

In the coming years, there will be a need to provide a higher level of support to mutuals in addressing the upkeep and maintenance of their properties/buildings. The structure of the LWMC must align with these changing customer requirements.

Innovation and Business Practices

The scope of ongoing and forthcoming improvement projects extends beyond brick and mortar.

In 2015, the LWCC Board of Directors chartered an ad-hoc Technology Committee. The committee's primary charge is to reach out to residents and collaborate with leadership

and LWMC to identify the innovations and technical advancements necessary to improve the experiences and lifestyle of residents.

A significant investment in replacing information technology equipment throughout corporate offices will begin by the end of the first quarter of 2016. In addition, in the third or fourth quarter of the year, management anticipates the “lighting up” of the fiber optic cable that was installed in 2015.

The fiber optic system connects to all corporate offices (Trust buildings). As designed, the fiber system provides capacity for future networking to the residential sections of the community. Innovation and technology advancements are critical to improving services that will help control operating expenses and improving on the quality of services.

Safety and Security

Among the key factors in persons deciding to live in Leisure World is safety and security. For example, residents enjoy walks throughout the community at all hours of the day, which is wonderful. However, security must not be taken for granted.

Locking homes and automobiles should be automatic. When residents are considering hiring someone to clean or run errands, it is important that they do their homework. Residents may contact the Leisure World Security Department for helpful guidelines before making a hiring decision, in addition to any research or background information they may pursue on their own.

Residents should be vigilant by reporting suspicious behavior in the community and contacting Social Services if there is concern that a neighbor may need some assistance.

At the end of January, Winter Storm Jonas presented a real challenge for the community’s landscaping and snow removal vendor (McFall and Berry) and for members of the LWMC management team. Many associates of both organizations worked tirelessly throughout the blizzard and the days following. A number of these individuals stayed overnight (some up to three nights) to provide snow clearing, maintenance, and security services to the community. Their dedication and commitment is much appreciated.

Most importantly, there were no serious medical events during the blizzard and only a handful of slips and falls during the storm period and the immediate aftermath.

Environment

The appeal of Leisure World is inextricably linked to the natural beauty of its majestic landscape and any discussion of the state of the community must address the preservation of this valuable asset. A maturing community approaching its half-century mark requires both thoughtful planning and a financial commitment to protect such a vast natural amenity. A sound approach to accomplish this should be a priority in 2016.

Leisure World has already made some inroads on this front. The community's recycling and waste management programs have been recognized by Montgomery County. Such successful programs can only be achieved through conscientious efforts from all members of the community.

Conclusion

In terms of amenities and business practices, in order to succeed Leisure World must be prepared to accept change. The culture of the governance and how the community is managed must promote inclusiveness. Furthermore, communication must be timely and broad in scope.

Leisure World is in a competitive market. Its business practices and facilities must be updated and modified in order to protect the investments of homeowners.

This special anniversary year is the start of a very exciting time at Leisure World.

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Leisure World of Maryland