Price – Highlights of 14 years

Robert L. Price first served as physical properties director at Leisure World, Walnut Creek. He was sent to observe the first move-ins at Laguna Hills on September 10, 1964, and was assigned here permanently two months later.

In the stark and unemotional jargon of the corporate boardroom, it was simply called Resolution 2540. But what the GRF board of directors really passed unanimously at its January 1978 meeting was a warm and all-encompassing “thank you” to Bob Price, who retired after 14 years of service, 13 of them as its administrator.

January 20, 1978, the day designated by the GRF resolution as “Robert Price Day,” the first time it so honored an individual, hundreds of Leisure Worlders gathered to pay tribute to Price on his 65th birthday.

While clearing his desk of gifts and cards from well-wishers, Price paused and looked back on some of the highlights of his 14 years with Leisure World News Staff Writer Joyce Miller.

Price recalled the scenario of 20 moving vans unloading belongings that first day and the sentiments of the area’s newcomers. “They were eager, expectant, patient and cooperative. It was that attitude that laid the groundwork of Leisure World today. Also, they were pioneering, and so they knew there were changes ahead and they looked forward to them.”

Although the valley was sparsely populated, those pioneer residents were far from lonely. The common areas they shared for laundry and parking facilities gave an unexpected impetus to their early socializing, according to Price.

One of the greatest mysteries of managing Leisure World in its early days, Price recalled, was programming the community’s recreational activities. At first, management felt it would have to put on programs for the residents to come to the clubhouses. It didn’t work, the people did not turnout.

Confounded, the managers, in that first year, realized they had to show that the recreation facilities belonged to the residents. Price believed that purpose of a recreation program is to support people’s desires. The staff’s job is to help organize and to see that no one organization takes over any activity and that every resident gets a fair break. Except for a few community sponsored entertainment programs, the residents and clubs sponsored their own activities, contributing to the success of the recreation program.

After 14 years of service to Leisure World, Price remained awed at the opportunities for “the good life” that exist in Leisure World. Price believed that Leisure Worlders also enjoy something unique from the rest of the country—a lack of “class strictures. Everyone belongs to the same club. A man could be a millionaire, the other retired on a limited income and they play side-by-side. Nobody puts on an appearance of being better than anybody else. This has been an interesting thing to observe. This is a tremendously wonderful cooperative community with an attitude that is wonderful to behold. People don’t really appreciate Leisure World until they see it and live it.”

One of Price’s highlights was the construction of the Clubhouse III auditorium, which was not part of Rossmoor’s original plans. Clubhouse III was originally meant to be “just another clubhouse.” The auditorium

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was added to the plans when a persistent group from the Production (Theater) Guild kept pleading to the GRF board for an auditorium. At last, Price said, “GRF finally saw the wisdom of it, borrowed money and the community had an auditorium.”

Price said, “Running a close second was the development of Clubhouse IV. That clubhouse was first conceived, as a fairly simple affair, until the residents made their wishes known upping the price to $750,000 from the original estimate of $400,000. It was exciting to see it evolve from zero to such a sophisticated concept. It might be the most sophisticated arts and crafts center anywhere.

“Another highlight, from the management aspect, was when the community had sufficient confidence in the management team to award the management contract to PCM in 1973. That was a distinct expression of confidence, and quite a tribute to the management team. Part of PCM’s success in managing Leisure World, is that its employees enjoy working here because of their good rapport with residents. Leisure Worlders treat PCM employees as people, not as servants.”

Price watched Leisure World grow from a community served only by the country store on El Toro Road to community of nearly 20,000, surrounded by a thriving business community. He noted that he watched Leisure World go from fairly medium cost buildings with few frills to more expensive buildings with more aesthetics. During his 14 years, the average age of residents increased from 67 to 72.

**General Manager –**

**Litten to Disbro to Ayres to Disbro**

In December 1976, the Leisure World corporations approved a new three-year contract with Professional Community Management (PCM) and a general manager was chosen for Leisure World from among 300 applicants. Harold ‘Hank’ Litten became the community’s first general manager on February 28, 1977.

The position was created on the recommendation of the Arthur D. Little Company’s study of Leisure World’s management, and became a condition of PCM’s management contract. Prior to the creation of the general manager position, Administrator Bob Price, Controller Russell Disbro and Director of Operations Robert Mitchell all reported directly to PCM President Edward Olsen.

Litten stressed long range planning and the recommendations of the Little study as his top priorities for Leisure World. Litten’s duties as general manager was, in Olsen’s words, “to carry out all of the policies established by the boards of directors through the management agreement, through their approval of the annual budget, and through advice and counsel received at the monthly meetings with the boards and their committees.”

A native of Whittier, CA, Litten was general manager of a real estate subsidiary of a major South Carolina conglomerate prior to joining PCM. He spent five years as director of administrative services, public relations and advertising at TRW Systems, a major aerospace organization, where he managed a staff of 654 and a budget of $21 million.

**Litten Fired**

The presidents of Leisure World’s nine corporations met with Ed Olsen on January 3, 1978, to discuss the selection of a new general manager in the aftermath of Olsen firing Litten during the last week of 1977. Olsen told the presidents that Litten had been terminated because his performance of the job “had given rise to irreconcilable differences” in management philosophy.

The presidents almost unanimously agreed that Olsen should have let them know ahead of time and given them some voice in the decision. At that meeting, the presidents agreed that Controller Russell L. Disbro should be appointed acting general manager.

Later that week, during an interview at his home in Lake Forest, Litten indicated that the irreconcilable differences centered around Litten’s plan to reorganize Leisure World’s staff.

Litten acknowledged that “even if a general manager was given the full authority to do everything he thought right for the community, subject of course to the policies approved by the various corporations, it would still be very difficult because of the complexities of the community.”

**Disbro Appointed**

Russ Disbro, a graduate of the University of Oklahoma, was employed by Montsanto Company and Blue Cross of Southern California before coming to Leisure World in 1972 as cost accountant and operational analyst in the Operations Department. In 1973, he was promoted into the budget and cost control section and one year later became budget director. In
1975, he was named internal auditor. In 1976, he assumed the responsibilities of acting controller and in November 1976 was appointed controller.

When interviewed, Disbro said the community’s long range operational plan and computerization of the service desk were two projects that he would give top priority. He maintained that the question of selecting a new general manager should “be ironed out between the directors and Ed Olsen. As Hank used to say, Leisure World is big business. I’m going to have enough to keep me busy with meetings, the plans for Clubhouse V, long range planning, the outdoor recreation center and other projects.”

**Community Association Opines**

After a closed meeting of the Board of the Community Association on January 5, 1978, a statement was released by Association President Dr. David Ast stating that Leisure World residents “are entitled to a better explanation” of why Litten was fired by PCM President Ed Olsen.

Olsen countered with, “All of the 950 management persons at Leisure World, including the general manager, are hired by PCM. It is PCM’s responsibility to ensure that they are conducting themselves in accordance with the contract and other regulations laid down by the boards of directors. My decision to terminate Mr. Litten was therefore made in the best interests of the residents of Leisure World and of its boards of directors because in my opinion his actions were inimical to the best interests of the community.”

**Olsen Resigns as President of PCM**

In March 1978, PCM President Edward L. Olsen announced that he would resign as president in May and would be replaced by his son, Jeffrey B. Olsen, 31, current PCM vice president. “I will be eligible for retirement myself in a year,” Olsen said. “This will ease me into it—it won’t be an abrupt cessation of work.”

Olsen, who served as president of the Leisure World Foundation from 1967 to 1972, and then as president of PCM after it was formed in 1972, said that he would devote full time to marketing and expansion of PCM. At that time, PCM managed 17 homeowner associations including Leisure World.

**Ayres General Manager**

On April 24, 1978, Doug Ayres, 47, plunged back into the world of active management, after his selection was approved the previous week by the community’s nine governing corporations. On his first day on the job, Ayres met with the officers of GRF, lunched with PCM staff and worked on his transition into the general manager’s post with Russ Disbro, who became the executive vice president and chief financial officer of PCM. Ayres was a former city manager turned professor who said he was “hired away from academia by the prospect of getting back into management.”

After graduating from the University of North Carolina and attending graduate school at Syracuse University, Ayres worked in municipal government and then joined a management consultant company, Public Administration Service.

As a consultant, he traveled all over the country to government agencies and private companies. Ayres said he eventually got tired of traveling and became city manager of Melbourne, Florida, which grew from 6,000 to 50,000 in four years because of the boom caused by the space program. After two years he became the city manager of Salem, Oregon for six years, followed by eight years as city manager of Inglewood, California. In July 1975, he accepted a full professorship at the Center for Public Policy Administration at Cal State Long Beach. After two years, he became a full-time professor at USC, where he had previously taught part time.

Ayres said he felt the goal of PCM was to be “completely unobtrusive—to make things work well so (residents) don’t have to think about us.” Ayres continued, “One big thing I’m looking forward to is developing a highly detailed five-year plan to help the community plan for and cope with changes brought on by the build-out of manors and the resulting cessation of income from new manor sales. Such a plan can make that transition period as painless and inexpensive as possible.”

**Ayres Resigns**

In late September, 1979, Doug Ayres’ resignation, appeared to have caught both PCM staff and mutual
corporation directors by surprise. But the decision was apparently not a sudden one on Ayres’ part.

“I’m a victim of my own progress,” the 49-year old Ayres explained. “When I got here PCM was on the verge of being thrown out. I’ve accomplished that which I set out to accomplish. I’m at the point in my life where I have to decide whether to keep hitting the ball or let up a little. The demands have been such that I couldn’t call enough of my life by own.”

When Ayres arrived in April 1978, the community was operating with a half-million dollar deficit. The 1980 budget was expected to show a $1.25 million dollar surplus. Ayres noted that the service center had “been beefed up,” a personnel system was established along with an organization chart. A purchasing system and ethics code was adopted and “the management contract was passed with no fuss and for an indefinite time. Now, I’m spending a lot of time doing a lot of things I’m not interested in.”

During the summer of 1979, the PCM contract was renewed by the Leisure World corporations for an indefinite period. For the past few years, the community had paid PCM a management fee of $1 per manor per month—about $150,000 per year.

When Ayres resigned he agreed to sell the PCM stock he acquired in 1979, back to the corporation. As a result, the majority of PCM’s stock was held by Jeff Olsen and Russ Disbro. Ed Olson, Jeff’s father, Bob Price and Doug Krauter, the broker for PCM’s real estate operations were minority stock holders.

**Disbro Promoted**

PCM, with the boards approvals, immediately appointed PCM Vice President Russell Disbro as Leisure World’s interim general manager. Disbro said that the decision on a permanent general manager would not be made until after the various corporate budgets were approved in early November.

GRF President Ferdinand Hall stated that the mutual directors reserved the right of approval of the general manager, but other than that, would not be involved in personnel. Hall continued, “Personnel is none of our business. We’ve gone through this before. Ed Olsen was criticized in the eyes of the community because he fired Hank Litten. It’s none of our business.”

“The directors’ responsibilities are limited to budget, policy and overall critiquing of PCM’s operation in Leisure World,” Hall noted. “When we hire a corporate management company we are obligated to stay out of personnel policy.”

During the first week of October 1979, GRF unanimously approved Disbro as general manager.

**Employee Strike**

January 1979, began with controversy and strife as, for the first time in its history, there was a strike in Leisure World. Laborers demanded higher wages than were being offered and then General Manager Doug Ayres vowed a “hang tough” policy. Fortunately, the 14-day strike ended on January 4.

Ayres said that the major obstacle during the strike was PCM’s demand for increased productivity rather than concern over wages. The employees accepted a contract that gave them a 50¢ an hour increase.

**Governance - Policies**

**Lessee Fees**

A 1978 study of lessee fees, conducted by PCM staff, suggested that lessees be given the option to pay a $25 third-party monthly fee, and use the facilities as residents owners did, or continue to pay for the use of facilities on a per-use basis. The basis for the original policy was that Leisure World was to be owner occupied and the manors were not to be rented or leased. The coops were restricted to one six-month lease during any 12-month period.

At that time, lessees paid a premium to use community facilities: $7.00 green fees rather than the $2.50 resident fee; 50¢ to use the pool and $2.00 to attend Saturday night dances. They could use clubhouse facilities only when a class they registered for was in session. They could attend private club activities as invited guests, but could not be a member of any club. Lessees were not permitted to use the recreational vehicle storage facility, to rent space in the garden centers and were not issued decals for their cars.

In November 1978, GRF approved a policy that gave lessees the option of paying $25 per person per month to fully use all facilities and pay the same fees as residents or continue to pay the lessee fee for each use.

**Closed Meetings**

At the October 1979 meeting of United Mutual, Director “Dinty” Moore read a prepared statement that advised residents that the directors had no intention of
The first Leisure World manor went solar on August 25, 1979. One large smoky glass solar panel on the roof of Mr. and Mrs. Walter Bott’s manor provided enough hot water for everyday chores. Mrs. Bott reported that the system provided water sufficiently hot for dishwasher and showering. “But wouldn’t you know it,” she commented, “the first day I washed clothes, it was cloudy.”

**Energy**
**Powershift Program**

In early January 1978, Southern California Edison began installing “automatic powershift” equipment in air conditioners and on electric water heaters. During times of peak usage the powershift equipment received radio signals from the Edison Substation on Laguna Canyon road and turned off the air conditioner compressor, but not the fan, 10 minutes out of each half-hour and water heaters for two or three hours a day. This action was forecasted to occur less than 10 days a year. Residents received rate reductions for participating in the program.

**Solar in Laundry Rooms**

In February 1979, after almost a year of testing solar heating in three laundry rooms, United Mutual approved the installation of solar panels in 40 additional laundry rooms. The results of three test laundries showed a reduction in energy usage of 60 to 70%. United directors appropriated $185,000 for the project and expected a 2 1/2 year return on the investment as a result of state tax incentives and energy savings. About half of the mutual’s 175 laundry rooms were located where they could benefit from solar panels.
Facilities

Clubhouse I

At its September, 1979 meeting, GRF approved a contract for $479,434 for construction of the mini-gym at Clubhouse I. The mini-gym would be 5,511 square feet with a ceiling about 20 feet high to accommodate badminton and exercise classes. A smaller room on the side will be equipped as a fitness center.

Clubhouse V

GRF took action on plans for Clubhouse 5 in May 1976, when they allocated the funds to purchase the land. The $110,420 for the 5.3 acres on Monte Hermosa and Punta Alta was included in Rossmoor’s Community Facilities Agreement with GRF. A little over a year later, architects displayed the first drawings to GRF at its July 1977 meeting. The groundbreaking ceremony for Clubhouse V took place on May 8, 1978 and the grand opening took the form of a New Year’s Eve party welcoming 1980.

Garden Center

A new 600-plot Garden Center opened on Via Campo Verde, behind the stables, on October 18, 1978.

9 Hole, Par-3 Golf Course

The course was to be constructed by the Rossmoor, in lieu of a 14-acre man-made lake, in accordance with the Community Facilities Agreement. GRF’s construction costs were estimated to be $325,000 in addition to the $375,000 to GRF paid for the land. The par-3 course plans included the pro shop, restrooms, vending machines, a trellis covered patio and maintenance area. A small footbridge would cross a six-foot deep man-made lake that contained more than 600,000 gallons of water.

The longest hole, was 160 yards from the furthest tee and the shortest hole was 80 yards from the closest tee. The maximum playing distance was 951 yards, and the minimum 849 yards.

Emeritus Program

Responsibility for the publicly-funded education program in Leisure World was assumed by the Saddleback College Emeritus Institute at its August 1, 1978 meeting. The Saddleback Valley Unified School District (SVUSD), which had financed the programs since 1973, voted unanimously at its July meeting to

Seven of the first 12 players lost a ball in the lake in the center of the par-3 course. The course became a mixed blessing, depending on the accuracy of the golfers who occasionally teed off into adjacent manors. This living room window clearly showed the evidence of a golfer's wild shot and the ball—lying just below the living room window surrounded by bits of glass is the golf ball that came through the window.
Early in 1978, GRF constructed the circular driveway that allows passengers and equipment to be dropped off at the entrance to Clubhouse II.

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turn the program over to the college for the 1978-79 school year.

The 140-class Leisure World program eliminated $120,000 from the school district’s budget. The two-year-old program attracted 2,100 students, approximately 80% of whom lived in Leisure World.

The Emeritus Institute’s program began in September 1978, and offered 90 classes, without fees. The reduction in the number of classes was partially offset by combining beginning and intermediate classes.

The college’s program offered educational and exercise programs taught by college-qualified instructors, but excluded hobby-type programs.

Both the Emeritus and the SVUSD programs, by law, had to be open to all residents of the district. In an effort to reduce the non-resident participation, the programs offered in Leisure World received limited publication. Also, class enrollment for Leisure World residents started sooner than it did for others, so classes held in Leisure World filled up quickly.

Non-residents who attended classes were carefully monitored by security. Their gate pass allowed them to arrive no more than 15 minutes before and leave no more than 15 minutes after the class for which they were registered.

A council of senior citizens was appointed that provided residents with the opportunity to influence the kind of courses offered.

**Laguna News-Post Lawsuit**

On March 17, 1965, Leisure World Foundation, initiated a “house organ,” the Leisure World News. It was edited by Foundation staff and was distributed by carrier to resident manors. As the community grew the commercial value of the publication increased as circulation grew and the business community responded with more advertising.

In March 1972, the now recognized “community” newspaper was sold to the Golden West Publishing Corporation, owned by some of the officers of Leisure World Foundation. Golden West also published other local newspapers. GRF continued its policy of allowing the Leisure World News to be delivered to residents without a subscription.

The News-Post of Laguna Beach, published by Vernon R. Spitaleri, wanted to circulate a free Leisure World edition to residents while charging others for subscriptions. This ran counter to GRF policy that prevented solicitation or distribution of material within Leisure World because it was private property with no public streets. Therefore, the News-Post had to use the mail for delivery and solicitation, a much more costly procedure. The fact that the Leisure World News, now owned by a private publisher was permitted distribution rights within the community provided a basis for “freedom of the press” issues to be raised. GRF found itself in the middle of a public policy dispute between the two publishers.

As the battle of word in the newspapers continued until 1973, when the owners of the Laguna Beach paper filed suits against both the owners of the Leisure World News and GRF, making various allegations, including restraint of trade, by virtue of GRF policy. The defendants counter-sued, the case going to the Orange County Superior Court. After more than four years in the courts, a five-month trial and six days of deliberation, a jury decision on April 27, 1978, held in favor of GRF and the Leisure World News, granting the newspaper $5,000 actual damages and $50,000 punitive damages for unfair business practices by the Laguna Beach publisher.

The News-Post appealed, alleging that its freedom of the press rights had been violated when it had been prevented by GRF policy from delivering its newspaper door-to-door in Leisure World. More than five years later, after the exchange of claims and counter-claims, GRF settled the case with a payment of $1.85 million to the Laguna Beach publisher.

It had been a costly lesson for successive GRF boards of directors in determining what policy to pursue.
The new Leisure Golf Course survived 1979’s early spring rains. The grand opening ceremony was held on April 16, 1979. Fees were $1.50 for nine holes and $2.50 for 18 holes. Electric carts were not permitted on the course. Hand-pulled carts could be rented for 50¢. All of the mutuals became part of Third Laguna Hills Mutual.

Aerial photo George Phelps, Ace Aerial Photography, Diagram Adapted from Leisure World News