



THE GOLDEN RAIN FOUNDATION MEDIA AND COMMUNICATIONS COMMITTEE

**Wednesday, January 22, 2020 - 9:30 AM
Laguna Woods Village Community Center Board Room 24351 El Toro Road**

NOTICE OF MEETING AND AGENDA

- 1. Call to Order**
- 2. Acknowledgement of Media**
- 3. Approval of the Agenda**
- 4. Approval of Meeting Report - December 16, 2019**
- 5. Chair's Remarks**
- 6. Member Comments (Items Not on the Agenda)**
- 7. Director's and Staff Forum**

CONSENT: - *All matters listed under the Consent Calendar are considered routine and will be enacted by the Committee by one motion. In the event that an item is removed from the Consent Calendar by the Chair of the Committee, such item(s) shall be the subject of further discussion and action by the Committee.*

REPORTS:

- 8. Marketing and Communications Report-Eileen Paulin**
- 9. Broadband and Contracts Report-Eileen Paulin**

ITEMS FOR DISCUSSION AND CONSIDERATION:

- 10. Approval for Broadband Consultant**

ITEMS FOR FUTURE AGENDAS:

CONCLUDING BUSINESS:

- 11. Committee Member Comments**

12. Date of Next Meeting-Wednesday, February 19 at 9:30 a.m.

13. Adjournment

OPEN MEETING
THE GOLDEN RAIN FOUNDATION
MEDIA AND COMMUNICATIONS COMMITTEE
Monday, December 16, 2019, 2019, at 1:30 p.m.
Laguna Woods Village Community Center, Board Room
24351 El Toro Road, Laguna Woods, CA 92637

REPORT

- MEMBERS PRESENT:** Chair Annette Sabol Soule, Directors Pat English, Beth Perak, Annie McCary, Elsie Addington, Lynn Jarrett, Juanita Skillman, Ryna Rothberg and Advisers Carmen Pacella, Tom Nash and Frank Tybor.
- MEMBERS ABSENT:** None
- OTHERS PRESENT:** Dick Rader – GRF, Jon Pearlstone – Third and Bunny Carpenter – Third
- STAFF PRESENT:** Eileen Paulin, Chuck Holland and Becky Jackson

1. **Call to Order**
Chair Annette Sabol Soule called the meeting to order at 1:34 p.m.
2. **Acknowledgement of Media**
Paul Ortiz from Village Television was present.
3. **Approval of the Agenda**
Agenda was approved.
4. **Approval of Meeting Report from November 18, 2019**
Report was approved.
5. **Chair's Remarks**
Chair Soule stated today is the first meeting of the new GRF year and she is happy to report that she has been selected to chair this committee. She announced the non-voting advisors Carmen Pacella, Tom Nash, PhD and Frank Tybor. She stated that she feels very fortunate that each of the extremely talented volunteers has accepted.

The GRF January meeting is when the Board will vote for the non-voting advisors. Who will be seated at the next MACC meeting which will be held on Wednesday, January 22, 2020 at 9:30 a.m. in the Board Room.

Chair Soule asked everyone to make a note that the committee meets monthly in the third Monday at 1:30 p.m. in the Board Room. Martin Luther King Day is Monday, January 20 and President's Day is Monday, February 17. Meeting dates, times and locations will be determined to accommodate the holidays.

6. Member Comments (Items not on the Agenda)

Dick Rader (270-D) was called to speak and discussed marketing the Village as the community competes with newer developments. Mr. Rader suggested forming a study group and expanding the docent tours at minimal costs or creating revenue.

Director Pat English agreed with Mr. Rader and would like to see efforts to promote sales in the Village. Stated having teas or talks and invest money in these to increase sales would be beneficial.

Chuck Holland stated there are not enough real property inventories to have sales. He mentioned a task force that met three weeks ago that discussed these issues.

Eileen Paulin stated the real estate agents are the ambassadors of the Village. She mentioned the traffic on the website and the national recognition. Ms. Paulin then asked Mr. Rader to clarify what he was looking to accomplish.

Chair Soule directed Mr. Rader and Director English to put together what they would like to accomplish; the item would be moved to next month under Items for Discussion and Consideration.

7. Director's and Staff Forum

None

REPORTS:

8. Broadband and Contracts Report - Chuck Holland

Mr. Holland provided his monthly report on Contract Renewals, Subscriber Counts and Proforma Operating Statements. He described the three for the new members, stating Contract Renewals pertain to channel stations either independently or in bulk rates. Subscriber counts pertain to services the residents currently receiving. Proforma Operating Statements are the consolidated financial statements having to do with Broadband Services.

Mr. Holland started with the termination of the contract for Fox Sports Net Prime Ticket and Fox Sports Net West. He suggested residents research outside streaming services. There was also discussion that the savings of terminating these channels would not be reflected in the assessments; as the savings will be absorbed by other costs. Ms. Paulin will work on communicating this so residents are not confused as to why assessments will not be decreasing.

Mr. Holland discussed the renewal of KCOP My 13 and KTTV Fox through NCTC which provides programing at 50 cents on the dollar.

Mr. Holland presented the 2019 Subscriber Counts including the removal of standard definition and migrating to all high definition. This will decrease licensing fees and reduce equipment needs.

Mr. Holland presented the cable modem termination system. He is working on a contract with West Coast Internet pending a decision from GRF, which would have West Coast Internet pay for the materials to increase bandwidth. In turn GRF would renew their contract with West Coast Internet.

Mr. Holland gave his monthly report on Proforma Broadband Services including:

- Merchandise Sales
- Broadband Services
- Miscellaneous Expenses
- Employee Compensation
- Compensation Related Expenses
- Materials and Supplies
- Utilities and Telephone
- Legal Fees
- Outside Services
- Repairs and Maintenance
- Other Operating Expenses
- Property and Sales Tax
- Cable Programing/Copyright/Franchise Fees
- Uncollectible Accounts

Mr. Holland provided additional discussion on Broadband Services financials stating that the advertising revenues increase during elections. Overall the financials have been under budget \$12,870 or 1% better than budgeted.

9. Marketing and Communications Report - Eileen Paulin

Ms. Paulin provided her monthly report on Marketing and Communications stating November was very busy. This included workflow, iContact statistics, Docent Report, New Resident Orientations and significant projects. She had highlighted the following key messages:

- OCTA I-5/EI Toro Road Interchange Project
- Laguna Hills Mall Developer Scales Back Proposal
- Transportation Changes and the new Brochure
- Third Streetlight Pilot Testing

Ms. Paulin discussed the notification of power outages and the push for getting residents to sign up for DwellingLive. She announced CEO, Jeffrey Parker, will be meeting with the presidents of GRF, Third and United regularly, and the training for the boards will commence in January 2020. Ms. Paulin announced there has been a schedule set for 2020 to have neighborhood meetings at various clubhouses to meet with residents.

These meetings will be a roundtable format and occur twice a month with staff and a board member focusing on specific topics.

Chair Soule asked Ms. Paulin to elaborate on the magazine.

Director Juanita Skillman stated she would like to have it come out more frequently.

Director Elsie Addington asked for the breakdown of cost of the current Breeze publication.

Ms. Paulin reported the current Breeze is \$4 an issue costing \$3,200 a month in printing and half the cost to print in black and white. She reminded the committee with the pending magazine all costs would be covered. She referenced Mr. Rader's comments earlier and stated the magazine would make a great marketing tool to showcase the Village.

Jon Pearlstone was called to speak and discussed the open rates on iContact in respect to the digital copy of the Breeze. He supports the magazine knowing there would be a 100% reach to residents at no cost.

Director Annie McCary stated she is excited about the magazine and reaching out to 100% of the residents.

Ms. Paulin stated there will be an editorial board comprised of the members at the dais and other residents.

ITEMS FOR DISCUSSION AND CONSIDERATION:

10. Update Committee Charter – Chair Annette Sabol Soule

Committee directed Becky Jackson to make changes to proposal in Committee's Area's of Concern items six and seven to add in the parentheses cable advertising. Other corrections agreed upon are spelling and department title changes. With the changes Director Addington made a motion to approve the updated charter; Director Beth Perak seconded it, the updated charter was approved unanimously.

ITEMS FOR FUTURE AGENDAS:

11. Marketing the Village – Director English and Mr. Rader.

CONCLUDING BUSINESS:

12. Committee Member Comments

Director Jarrett thanked Jackie Brown for doing her PowerPoint and then asked about the consultant.

Chair Soule explained the background of how GRF obtained the approval for the consultant, to review some of the services independently. She then asked Bunny Carpenter, President of GRF, where the results should go.

Ms. Carpenter replied the results should go before the Media and Communications Committee.

Director McCary thanked Broadband and MarComm.

Director English wished everyone a Merry Christmas.

Director Perak thanked Mr. Holland and Ms. Paulin for looking forward in messaging, saving money and with canceling channels.

Director Addington thanked the staff and after checking her math stated the Breeze is currently costing \$37,000 a year.

Director Skillman wished everyone happy holidays.

Director Ryna Rothberg wished everyone happy holidays.

Mr. Holland stated the Breeze costs \$38,000 a year. He stated the real estate industry is currently depressed in general, to explain the lack of sales. He brought up the gate clearance calls total 225,000 annually and consume 3,750 hours of staff time. He will work on putting together an analysis of what that costs.

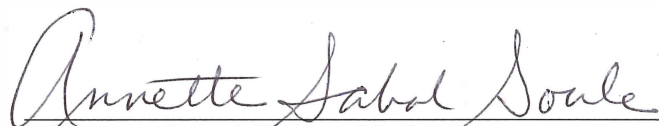
Ms. Paulin asked Director Skillman if it would be prudent to craft a message to clarify why assessments are not going down with the removal of the two channels.

Chair Soule stated it was a good meeting and thanked everyone.

11. Date of Next Meeting – Wednesday, January 22, 2019 9:30 a.m., Board Room

12. Adjournment

Meeting was adjourned at 3:31 p.m.



Annette Sabol Soule, Chair
Media and Communications Committee

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STAFF REPORT

DATE: January 22, 2020
FOR: GRF Media and Communications Committee
SUBJECT: Marketing and Communications Activities Report – December 2020

RECOMMENDATION

Review Marketing and Communications Report.

BACKGROUND

Marketing and Communications (MarComm) staff prepare a monthly report for MACC. This report includes, but is not limited to, MarComm activities, communications projects, website management, analytics, docent tours, new resident orientations, CodeRED enrollment and more.

DISCUSSION

As of January 2020, Eileen Paulin, Marketing and Communications Manager, has been promoted to Director of a newly formed group, the Department of Media and Communications. This department encompasses the GRF Broadband cable services system, Village Television, advertising revenue, the website, social media, publications and public relations.

Ms. Paulin is now the staff officer for the Media and Communications Committee. In addition to the legacy Marketing and Communications Activities report, she also will provide the monthly report on Broadband and contracts, which include contract renewals, subscriber counts and proforma operating statements.

The website is an ever-evolving information hub updated daily via input from all departments, residents and clubs. MarComm maintains webmaster duties by writing, editing and posting content, which includes, but is not limited to, governance, news, club news, club updates, training, activities and calendars.

MarComm staff also continues to proactively engage, inform and share vital information with residents. The attached report presents engagement efforts in December through the iContact direct email service, through which flyers, newsletters and other tools are used to disseminate news and information. The average open and click rates explain interest and engagement in the content disseminated.

Workflow continues to be managed through the online project management system, Trello, which tracks work performed by staff and a freelance graphic artist, including deadlines, content, artwork, editing, fact checking, graphic design and distribution. In the month of December, MarComm tracked **48** projects through Trello.

Regular publications completed by the MarComm team in December include:

- Easy Rider Transportation Newsletter (print and eblast)
- Recreation Events and Activities Calendar (print and website)
- Recreation Events Calendar (eblast)
- Village Breeze (print and eblast)
- What's Up in the Village (Friday eblast): Four editions
- Employee Newsletter (eblast)

The weekly What's Up in the Village Friday eblast and monthly issue of the Village Breeze are distributed through iContact. In addition, 800 print copies of the Village Breeze are distributed at the library, clubhouses, the Towers and the Community Center. Since February, copies are being distributed through the Social Services Division's Friendly Visitor Program when staff makes house calls.

MarComm staff also maintains specific email lists for select recipients to allow for more targeted communication while reducing communication fatigue. Current specialized lists include pool users, golf cart owners, Garden Center plot holders and real estate professionals. When the financial packet was distributed, residents were encouraged to sign up for the email distribution list. A new feature was provided allowing residents to choose specific communications and opt out of others they preferred not to receive. MarComm also can send email communications to VMS employees and directors on each of the boards.

Current key messages that MarComm delivered in December include:

- How the Village Prepares for Rain
- Discover Transportation Changes for 2020
- Holiday Transportation Hours
- RV Lot Storage Spots Available
- Additional Golf Cart, Car Spaces Created in Third
- Village Residents and Teens Garden Together
- VMS Takes the Hassle Out of Christmas Tree Disposal
- Every Day Is National Horse Day at the Equestrian Center
- Village Volunteer Dedication Recognized
- Don't Let Thieves Steal Your Holiday Spirit
- Keep Your Vehicle Legal in the New Year
- Programming Costs Drive Fox Sports from Village Television
- Nature Reigns in Village Photo Contest
- More RFIDs at Select Gates Speed Traffic
- Third Mutual Seeks Board Candidate
- It's a Wonderful Life at the PAC
- AARP Smart Driver Course Refresher
- Resident Irv Piken, 111, Is Oldest Man in U.S.
- December Holiday Hours and Holiday Message
- Christmas, New Year's Days Postpone Trash Collection
- 2020 Assessment Coupon Books Are in the Mail

- Volunteer in the Village
- Pool Closures, Schedule Changes
- Celebrate NYE with the Nelsons!
- The Village in Review: 2019

Additionally, MarComm assisted other departments, staff, directors and outside agencies with the following projects in December:

- Notified staff and residents about planned power outages in the community;
- Passed vital information to Resident Services so they can be prepared with answers when residents call with questions; and
- Press relations, including disseminating press releases to the Laguna Woods Globe.
- New Transportation brochure as well as ancillary supporting documents regarding the upcoming new bus services offered in January.
- Various letters and correspondence for Maintenance and Construction.

The Village Docent Tour Program is offered as marketing outreach to prospective residents looking to learn more about the community. Tours are available to new residents who wish to become familiar with the community, amenities and history. In December, 71 guests as well as 20 residents attended Village docent tours.

New resident orientations occur once a month for each mutual and are presented by one staff member and one board member. To welcome new residents, staff continues making personal telephone calls, writing letters and contacting new residents via email. In December, nine Third Mutual residents and 14 United residents attended new resident orientation.

FINANCIAL ANALYSIS

None

Prepared By: Eileen Paulin, Director of Media and Communications
Becky Jackson, Public Relations Specialist

Reviewed By: Siobhan Foster, COO

Workflow Report, December 2019

Recreation	Board Relations
Oscars 2020 REC	TV6 PPT for Director Margolis
Disc Golf Flyer REC	CEO Update GRF 12-3-19
Rebrand PAC rental application REC	CEO Update - Third 12-17
REC Jan 2020 Print Calendar	Transportation
REC Jan 2020 eblast	Transportation PPT Mutual No. Fifty
Jan 2020 Pour and Paint	Transportation Bus Rider Information Flyer
Volunteer Program REC	24x36 Posterboards
Cycling with Alisha REC	Transportation Information Guide
January Free Movie Night	Journey Application TRANSPORTATION
AARP smart driver program REC	Webmaster
College Football Championship Game REC	Posted 130 documents
Lunar New Year 2020	Village Television
Equestrian Center Brochure REC	Village Television guide redesign
Lunar New Year event REC	Landscape
Timeless Melodies Jan 2020 REC	Activities 12-09-2019 to 12-20-2019
Rebrand/Edit PAC/CH3 Rental Contract	Activities 12-16-2019 to 12-28-2019
Marketing and Communications	Activities 12-28-2019 to 01-10-2020
12-31 NYE blast	iContact Emails
Globe Press Releases 12-26	Entered 98
Friday blast 12-13	Security
Globe Press Releases 12-12	Found Property Log
Thrive Thank You Card	Maintenance/Construction
Disaster Assistance Equity Act letter	GRF Project Log
Village Breeze magazine comps	United Project Log
New Village Map	Third Project Log
What's Up Blast 12-6-19	Resident Services
Globe PR 12-5-19	Logo for Chuck
12-20 eblast	CodeRED
Community Center Holiday Hours	Entered 571

iContact Report, December 2019

Date	Title	Contacts	Open	Bounce	No Info.	Clicks	Smartphone	Tablet	Computer	Unsubscribe	Complained
12/1/2019	Recreation Events	11,556	41.2%	0.5%	58.5%	12.0%	42.0%	14.0%	44.0%	5	0
12/2/2019	Pool 5 Closure	227	55.9%	0.0%	44.5%	7.0%	54.0%	10.0%	36.0%	0	0
12/3/2019	Employee NL	264	45.1%	4.0%	54.5%	37.0%	4.0%	0.0%	96.0%	0	0
12/6/2019	What's Up	11,844	41.4%	0.5%	58.2%	16.0%	40.0%	13.0%	47.0%	5	0
12/13/2019	What's Up	11,893	41.7%	0.6%	57.8%	21.0%	39.0%	12.0%	49.0%	6	5
12/17/2019	Pool Schedule	212	66.0%	0.0%	34.0%	49.0%	57.0%	8.0%	35.0%	0	0
12/17/2019	Breeze	11,893	41.6%	0.5%	58.0%	21.0%	40.0%	13.0%	47.0%	4	0
12/20/2019	What's Up	11,898	41.4%	0.5%	58.2%	16.0%	43.0%	13.0%	44.0%	4	1
12/26/2019	Garden Center	337	40.4%	0.0%	59.9%	0.0%	41.0%	13.0%	46.0%	0	0
12/26/2019	Easy Rider	11,647	36.9%	0.4%	62.7%	11.0%	45.0%	13.0%	42.0%	4	0
12/27/2019	Recreation Events	11,642	39.4%	0.4%	60.3%	18.0%	44.0%	12.0%	44.0%	8	1
12/31/2019	What's Up	11,904	37.3%	0.5%	62.3%	10.0%	46.0%	11.0%	42.0%	4	1
Averages										Totals	
			44.0%	0.7%	55.7%	18.2%	41.3%	11.0%	47.7%	40	8

Docent Tours December 2019

Date	Guests	Residents	Visitors	Web	Friend	Agent	Other
Buyer Tour							
12/5/2019	17	0	17	0	12	2	3
12/12/2019	18	0	18	0	11	0	7
12/19/2019	19	3	16	2	7	2	5
12/28/2019	20	0	20	6	7	0	7
Resident Tour							
11/23/2019	0	17					
Totals							
	74	20	71	8	37	4	22

New Resident Orientations Year to Date

United Mutual		
Date	Attendance	Director
Wednesday, January 9, 2019	0	Canceled
Friday, February 01, 2019	20	Skillman
Wednesday, March 13, 2019	32	Morrison
Friday, April 05, 2019	18	Blackwell
Wednesday, May 08, 2019	0	Canceled
Friday, June 07, 2019	37	Addington
Wednesday, July 10, 2019	29	Randazzo
Friday, August 02, 2019	18	Armendariz
Wednesday, September 11, 2019	22	Addington
Friday, October 04, 2019	0	Canceled
Wednesday, November 13, 2019	32	Tornig
Friday, December 06, 2019	14	Skillman
Total YTD	222	
Third Mutual		
Date	Attendance	Director
Friday, January 18, 2019	45	Frankel
Wednesday, February 20, 2019	32	Carpenter
Friday, March 15, 2019	0	Canceled
Wednesday, April 17, 2019	21	Parsons
Friday, May 17, 2019	10	Bruninghaus
Wednesday, June 19, 2019	26	Pearlstone
Friday, July 19, 2019	19	Frankel
Wednesday, August 21, 2019	24	McCary
Friday, September 20, 2019	13	Pearlstone
Wednesday, October 16, 2019	20	Jarrett
Friday, November 15, 2019	22	McCary
Wednesday, December 18, 2019	9	Pearlstone
Total YTD	241	

STAFF REPORT

DATE: January 22, 2020
FOR: GRF Media and Communications Committee
SUBJECT: Broadband Services Update

RECOMMENDATION

Receive and file report.

BACKGROUND

Regular monthly reports are submitted to the Media & Communications Committee (MACC) for review. Included in this staff report are the contract renewals, subscriber counts and proforma operating statements.

DISCUSSION

The Broadband Services Division, including TV Operations, TV studio, media services, high-speed internet and digital services, are a part of the Media and Communications Department. Eileen Paulin, Director of Media and Communications, will be providing Broadband Services updates on an ongoing basis.

- 1) Contract Renewals
- 2) Subscriber Counts
- 3) Proforma Operating Statements

FINANCIAL ANALYSIS

None

Prepared By: Becky Jackson, Public Relations Specialist

Reviewed By: Eileen Paulin, Director of Media and Communications

ATTACHMENT(S)
ATT 1: Subscriber Counts

Subscriber Counts

	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Subscriber Counts												
Digital Subscribers	6,379	6,634	6,657	6,627	6,622	6,692	6,726	6,773	6,793	6,811	6,833	6,850
Set-Top Boxes												
DVR's	6,064	6,076	6,060	6,017	5,616	5,889	5,829	5,832	5,821	5,816	5,822	5,829
Standard	704	711	697	687	674	653	642	624	603	530	412	372
HD Standard	2,072	2,068	2,068	2,069	2,086	2,069	2,067	2,052	2,030	2,036	2,034	2,032
TiVo MG2	184	191	218	228	277	299	336	360	369	383	397	404
TiVo Qi3	182	194	224	236	277	298	346	369	381	399	415	427
DTA	386	380	371	370	368	363	363	363	360	355	350	343
HD Converter's	598	764	796	828	843	882	941	1,028	1,089	1,171	1,299	1,348
Pay-TV												
HBO	916	914	912	940	932	920	915	913	904	892	889	877
Cinemax	122	124	124	122	118	119	117	116	115	115	112	115
Showtime	448	448	450	441	437	441	436	437	439	427	424	428
Starz/Encore	323	306	301	297	292	291	289	289	284	281	271	275
PBC	17	18	18	18	18	18	17	18	18	17	16	16
International Ch.												
TV Asia	2	2	2	2	2	2	2	2	1	1	1	1
CTI-Zhong Tian	14	14	14	13	14	14	15	15	15	15	15	15
The Filipino Channel	45	46	46	43	43	42	44	43	43	43	43	43
CCTV4	10	10	10	9	9	9	10	9	9	8	8	8
Channel One Russia	12	12	12	12	12	12	12	12	12	12	11	11
tvK	10	10	10	10	9	10	11	11	11	12	12	12
TV5Monde	27	27	27	26	26	27	27	26	25	24	24	24
RAI Italia	9	9	8	7	7	8	8	8	8	8	8	8
TV Japan	50	50	49	49	48	50	51	51	51	50	51	51
Total International	179	180	178	171	170	174	180	177	175	173	173	173
High Speed Data												
High Speed Data	9,905	9,934	9,934	9,944	9,966	9,899	9,920	9,950	9,966	9,981	10,031	10,087

STAFF REPORT

DATE: January 22, 2020
FOR: Media & Communication Committee
SUBJECT: Broadband Services Operational Assessment

RECOMMENDATION

Staff recommends a supplemental appropriation from the Contingency Fund in the amount of \$50,000 to engage a consulting firm to conduct an independent strategic review of current Broadband Services operations and provide alternate options for providing cable TV and internet to the community. (Attachment 1).

BACKGROUND

During the closed session Golden Rain Foundation (GRF) meeting on December 3, 2019, the Board of Directors expressed concern about the long term viability of Broadband Services at Laguna Woods Village and what other potential opportunities are available. Due to the rising cost of programming, aging infrastructure and new emerging technologies, the Board unanimously voted to engage a third party consulting firm to analyze Broadband's current operations and determine the best course of action for future cable TV and internet services at the Village.

DISCUSSION

There are a very limited number of reputable companies that provide broadband consulting services to master planned communities. Through an independent search and networking with other local communities that own and operate cable TV and internet services, staff has identified The Broadband Group (TBG) as the predominate experts in this field with the most experience with HOAs.

TBG's scope of work would include an independent audit of existing broadband services at the Village and build several business case scenarios that provide alternate long term cable TV and internet options. Potential alternatives would be;

- Outsourcing of cable TV and internet operations
- Sale of cable TV and internet operations
- Joint Venture / Partnership of cable TV and internet operations

FINANCIAL

Funding of \$50,000 from the contingency fund includes project management, on-site engineering audit, system upgrade assessment and potential future options.

Prepared By: Chuck Holland, CIO

Reviewed By: Siobhan Foster, COO
Betty Parker, CFO

Attachments:
ATT1 – TBG Scope of Work



September 19, 2019

Mr. Chuck Holland
Chief Information Officer
Laguna Woods Village
24351 El Toro Road
Laguna Woods, CA 92637

**Re: Laguna Woods Village: Network Infrastructure & Business Case Assessment
The Broadband Group – Scope of Services**

Dear Chuck,

Thank you for the opportunity relative to your recent discussion with Jeff Reiman and Nathan Rosenberg about a strategic review of Laguna Woods Village’s hybrid fiber-coax (HFC) network and cable operations. We look forward to working with you in evaluating potential investment opportunities and strategic partnership options that would best serve the community’s connectivity agenda.

In this engagement, we will conduct the first stage of engineering and financial analysis of Laguna Woods Village’s network assets, including a comprehensive understanding of reasonable and favorable future business case options. This foundational report will guide Laguna Woods Village in choosing a path forward as well as inform future negotiations with potential industry partners (e.g., qualified Service Providers). This engagement would be under your direct control and management.

In that regard, on behalf of The Broadband Group, please accept this Scope of Services which outlines the tasks, time, and deliverables we believe appropriate to a successful evaluation of options.

Thank you again. We appreciate your consideration.

Sincerely,

THE BROADBAND GROUP

Thomas A. Reiman
President

Scope of Services: Laguna Woods Village

Overall Engagement Oversight

Project Management & Leadership

As both a Southern California-based resource and Vice President of The Broadband Group (TBG), Nathan Rosenberg will serve as the lead Project Manager for this engagement. He will oversee communications of ongoing and planned activities, interaction with Laguna Woods Village leadership, and coordination of resources to ensure timely product delivery.

Engineering Assessment of Existing Network

Initial Data Review & On-Site Engineering Audit

- Examination of Communications Facilities design and construction methodology.
- Assessment of Outside Plant Infrastructure design and adherence to Telecommunications Industry Standards for both Access and Distribution.
- Review of Right of Way utilization.
- Evaluation of Backbone facilities design and adherence to Telecommunications Industry Standards.
- Review of active electronics utilized to provide telecommunications services.
- Analysis of expansion capabilities for communications facilities.
- Network services and capacity review (including operational and billing systems).
- Subscriber service definition review (TV, Phone, Internet).
- Ownership and legal considerations (e.g., Covenants, Use Restrictions).

System Upgrade Assessment

- Network upgrades required for symmetrical Gigabit, as well as Over-the-Top (OTT) applications and content.
- Preliminary designs for potential upgrades.
- Overview of potential additional services and network requirements (e.g., healthcare, safety, security).
- High-level cost estimates for network element upgrades.

Business Case Scenarios

Investment & Partnership Options (Financial Considerations)

- Description of potential Business Case Scenarios, including:
 - "As-Is" or "Do Nothing"
 - Outsourcing of Network Operations
 - Network Sale
 - Joint Venture / Partnership
- High-level comparison of the pros and cons for each scenario.
- High-level Financial Analysis (e.g., projected costs, potential revenues, etc.).

Deliverables

Engineering Assessment & Business Scenario Report

Description: TBG will provide a final deliverable that includes:

- Detail of existing community network infrastructure facilities for both quantity and quality of installation.
- Assessment of future equipment requirements and expansion opportunities.
- Key business issues associated with network assets and operations.
- High-level financial model framework of projections to evaluate the proposed business case.
- Potential investment options or partnership recommendations.
- Identification of potential business case alternatives.

Conclusion

The Broadband Group notes that this initial analysis is not intended to serve as a final, investment-grade operational and financial due diligence leading to an imminent investment decision. Its goal is to provide Laguna Woods Village leadership with an initial, high-level technical and financial review of current operations, going-forward opportunities, and potential partnership/investment metrics. Once complete and delivered, the parties will inevitably determine if, and by what means, more detailed activity would follow.

The Broadband Group

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Suite 155
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Work Plan Summary & Budget

PROFESSIONAL TIME/RESOURCE ESTIMATE

SUBJECT	Hours	RESOURCE	ESTIMATED BUDGET
Overall Engagement Oversight	10	Business & Project Management	\$3,000
Engineering Assessment of Existing Network	50	Principal Engineering	\$15,000
Business Case Scenarios	75	Principal Financial Analysis	\$22,500
Project Administration	15	Operations	\$2,250
TOTAL			\$42,750

Resource Estimates Subject to Change with Prior Approval

TRAVEL

DESCRIPTION	COST
Travel (As Approved)	At Cost

Travel expenses submitted only as costs are incurred.

TOTAL

DESCRIPTION	COST
Professional Time/Resource Estimate	\$42,750
TOTAL (+Travel At Cost & As Approved)	\$42,750

TERM: October 1, 2019 – January 31, 2020

PROFESSIONAL FEES

RESOURCE	RATE	RESOURCE	RATE
Principal	\$330/hour	Business & Project Management	\$300/hour
Principal Engineering/Financial Analysis	\$300/hour	Operations	\$150/hour

We account for all the time our consultants and other professional personnel spend working on your matter, such as conferences with you or with others on your behalf, telephone conferences, correspondence, research, preparation and revision of documents, preparation for and appearances with carriers, customers, regulators, etc. We will keep records of the time each of our consultants and staff devote to this engagement. We record our time in units of quarters of an hour.

In addition to fees for services rendered, expenses incurred by us on your behalf will be billed to you. Expenses such as entity formation, regulatory research, facilities mapping and other filing fees, computer research costs, costs for large copy projects, charges for services rendered by outside engineers and travel expenses will be charged and listed separately. Routine expenses such as most long distance telephone calls, incidental photocopying, word processing, postage, and similar costs are included in our hourly rate. Key deliverables, documents, research, and Briefing Books will be billed separately. Payments made to us are applied first to expenses and then to fees.

Our invoices describe the work performed by each person and the date such work was performed. Each entry also shows the amount of time expended and the total billing rates for that entry. Upon request, we will supply a schedule of hourly rates for persons working on your matters.