

Arbutus Park Manor

BOARD OF DIRECTORS MEETING MINUTES Tuesday June 25, 2019 at 7:00 PM

Those in attendance:

Julian Beglin
Earl Butterfield
Charles Darr
Nancy Grove
Chad Kamler
Sarah Kelley

Richard Knavel
James Knipple
Louis Nicoletti
Ronald Reinbold
John Rezk
Ryan Sedlack

Gail Spangler
Sue Strohm
Dennis Tawney
Richard Wilson

Those unable to attend: Rev. Chung, Roger Luther, Donato Zucco

Those absent: None

The June board meeting was called to order in the conference room by Dr. Reinbold, President.

APPROVAL OF MINUTES: The minutes from the March meeting were approved with no corrections.

UNFINISHED BUSINESS: Dr. Reinbold revisited the by-law update that reads: *“To waive or suspend a resident admission requirement in its sole discretion upon consideration of a written petition by an applicant.”* (30 days notice for board approval was required.) Update was approved.

TREASURER’S REPORT: Mrs. Gail Spangler, Director of Finance reported.
(Please refer to copies circulated 6-1, 6-2, 6-3).

6-1 Statement of Activities report ending April 30, 2019 shows an operating income of \$12,307,008 and a budget of \$12,001,134. (Favorable variance \$305,874) The Total Operating Expense Summary shows we budgeted \$10,627,174, and the actual Operating Expense came in at \$10,944,617. (Unfavorable variance \$317,443)

The EBITDA (*Earnings Before Interest, Taxes, Depreciation and Amortization*) was \$1,362,391, and the budgeted amount was \$1,373,960. This was a EBITDA margin of 11.1% actual with a budget amount of 11.4%. Under Non-Operating Income, we budgeted \$156,034, and we came in at \$225,653. This is a favorable variance of \$69,619. Under Non-Operating Expenses, we budgeted \$800,556 and our actual was \$775,754. The budgeted Net Income is \$729,438, and the actual Net Income is \$812,290. This is a \$82,852 favorable variance in net income for the period. Contribution margin is 6.6% with a budget margin of 6.1%.

6-2 Per request, greater detail has been provided for ‘Expense by Classification.’ This sheet breaks down Medical Supplies, Utilities, Insurance, Taxes, etc.

6-3 Investments report was reviewed by Mrs. Spangler. The Total Value of our investments as of April 30, 2019 is up at \$593,233.90 to a cost of \$569,197.59. Approximately \$490,000 of this money cannot be touched as it is part of a CCRC Liquid Reserve Fund mandated by the insurance department in the event that we would need to refund cottagers. We had about \$1,910,892 million in our money market account. Our outstanding loan balance was \$1.8 million and coming down.

DEVELOPMENT COMMITTEE: Report saved for Misc. part of meeting.

FINANCE COMMITTEE: Mr. Wilson reported for Mr. Luther. 7-1 Reviews our employee health insurance renewal and the proposed rate increases versus what our broker was able to negotiate. August 2019 to July 2020 will see no increase. We pay 75% of the premium, and employees pay 25%. Recommendation to continue doing so was approved.

PERSONNEL COMMITTEE: Mr. Wilson reported that the CNA Classes that resulted in our award will continue with a new class soon to begin. 80% retention rate of the CAN classes so far. We do struggle with RN and LPN positions, as are most facilities. We are implementing a compensated mentor program for new healthcare staff in an effort to improve retention.

BUILDING AND GROUNDS: Mr. Beglin reported that Lot #2 in Parker Ridge will be buildable in August 10, 2020 per our agreement with the neighbors. Lot #15 is buildable, #16 may be awhile longer. Motion approved for wetland specialists to review the property. The Community Room parking lot project went very well. The sewage project continues on campus, each cottage averages \$5,500. The townhomes will be the last leg of the project due to complications with the radiant floor heat.

NOMINATION COMMITTEE: Dr. Sarah Kelley reported the current officers will remain onboard in their current positions: Ron Reinbold-President, Julian Beglin-Vice President, Charles Darr-Secretary, Gail Spangler-Treasurer. No new nominations were made. There are available openings on the Home Committee and Finance Committee which will be filled by Richard Knavel.

HOME COMMITTEE: Dr. Reinbold reported the Home Committee met in May in the Community Room. Cottager attendance was good, the meeting was positive, with no items of concern because of maintenance and grounds departments being proactive.

ADMINISTRATOR'S REPORT: Mr. Chad Kamler reported.

12.1 Quality Assurance Performance Improvement program update. For the second quarter of this year, nursing recruitment, security measures, Crossroads water consistency, Crossroads restorative dining program, and Activities of daily living documentation. Security measures include alarming additional doors and potential cameras that would store footage as opposed to being only real-time.

We have been recognized by Intalere, the healthcare industry leader in delivering optimal cost, quality and clinical outcomes, as an Intalere Healthcare Achievement Award winner in the category of Financial and Operational Improvement. Through this annual awards program, Intalere recognizes successful initiatives its members implement to enhance quality and operations, improve resident satisfaction, and increase community awareness and education. We were recognized for our innovative CNA recruitment and training program. Rick and Chad were presented with the award at a ceremony during Elevate 2019, which was held May 13-16, in Denver, Colorado.

Mr. Wilson reminded everyone that we are a partner on smile.amazon.com and we get a percentage back on all purchase made through the website.

Mr. Kamler indicated that after working for almost a year on getting contracted with Etna Insurance, we have been put on hold until later in the year.

MISCELANOUS:

Ms. Strohm reviewed the feasibility study done by fundraising consultant Karen Petrucelli in an effort to research the possibility of us embarking upon a capital campaign. (The whole report is available in the June 2019 board packet.) In summary, we have a very good reputation in the community and our staff is highly regarded. Because we have never executed a capital campaign before, the study recommends a major gifts campaign with a \$500,000 goal instead of \$1.6 million.

Mr. Wilson indicated that he will accept the role of the chairperson, if approved, and will turn most day to day operations to Mr. Kamler so he can visit potential donors. In addition, Mr. Wilson asked for 100%

board participation, which will send a strong message to the community. Projects to be funded include: Doerr wing roof and air handling replacement, Doerr and East wing hot water and chiller pumps, new windows, security and communication system, new 15 passenger van, renovation of the Arts & Crafts room. All proposed aspects of the major gifts campaign were approved.

Dr. Reinbold moved that the meeting be adjourned and thanked everyone for their service. A second was received – motion carried.

Respectfully submitted,

A handwritten signature in black ink that reads "Charles L. Darr". The signature is written in a cursive, slightly slanted style.

Charles Darr, Secretary