

Arbutus Park Retirement Community

BOARD OF DIRECTORS MEETING MINUTES

Tuesday June 30, 2020 at 7:00 PM

Those in attendance:

Julian Beglin
Earl Butterfield
Charles Darr
Nancy Grove
Roger Luther

Chad Kamler
Sarah Kelley
Richard Knavel
Louis Nicoletti
Ronald Reinbold

Gail Spangler
Sue Strohm
Richard Wilson

Those unable to attend: Rev. Chung

Those absent: James Knipple, John Rezk, Ryan Sedlack, Dennis Tawney, Donato Zucco

The June board meeting was called to order online by Dr. Reinbold, President.
Ms. Strohm opened with prayer.

APPROVAL OF MINUTES: The partial minutes from the December meeting were approved with a change of attendance. Don Zucco was in attendance by phone. Motion made by Mr. Luther and second by Mr. Darr.

UNFINISHED BUSINESS: No unfinished business to report.

TREASURER'S REPORT: Mrs. Allison Macy, Director of Finance reported.
(Please refer to copies circulated 6-1, 6-2, 6-3).

6-1 Statement of Activities report ending March 31, 2020 for a full fiscal year pre-audit shows an operating income of \$11,698,566 and a budget of \$11,510,890. (*Favorable variance \$187,675*) Census was higher than budgeted and Skilled and Private pay being over budget. The Total Operating Expense Summary shows we budgeted \$10,454,032, and the actual Operating Expense came in at \$10,723,080. (*Unfavorable variance \$269,048*) Therapy contract was higher because of census being higher as well as renovations related to the open cottages preparing them for new cottagers. Medical supplies and education were over budget as well. Mr. Wilson indicated this increased census was pre-COVID.

The EBITDA (*Earnings Before Interest, Taxes, Depreciation and Amortization*) was \$975,486, and the budgeted amount was \$1,056,859. This was a EBITDA margin of 8.34% actual with a budget amount of 9.18%. Unfavorable variance of 43.36% or \$81,373. Under Non-Operating Income, we budgeted \$159,389, and we came in at \$264,228. This is a favorable variance of \$104,839. Under Non-Operating Expenses, we budgeted \$708,750 and our actual was \$625,072. The budgeted Net Income is \$507,498 and the actual Net Income is \$625,072. This is a \$107,143 favorable variance in net income for the period. Contribution margin is 5.25% with a budget margin of 4.41%.

Mrs. Macy also explained the pandemic related funds we have received: \$1.95 mil from the PPP loan program in April. That covered payroll, healthcare, 401k, unemployment, etc. Health and Human Services funds in the amount of \$626,000 were received in April and May which covered COVID expenses and lost revenue. We anticipate being down approximately \$184,000 based on previous March-April-May numbers. Mr. Wilson indicated that his conference calls with other administrators have indicated they are using those funds to off-set costs of revenue and census being down. The Pa Cares Act 24 will be sending us \$367,000 in July. These funds must be used or returned by November. Establishing Red and Yellow 'Zones' has created a number of expenses as supplies and materials must stay quarantined in those zones and not be shared resources.

6-2 Investments report was reviewed by Mrs. Macy. The Total Value of our investments as of May 31, 2020 is at \$625,175.86 to a cost of \$555,284.86. We have 4.2 million in our First Commonwealth MMA account, which is where these COVID funds are held until we expense them.

DEVELOPMENT COMMITTEE: Ms. Strohm reported we collected \$8,250 from 116 donors in 2020 for the Memory Star mail appeal, down approximately \$5,000 with 135 donors from the year prior. The pandemic has understandably changed. There has been an increase in online donations. The notecards returned with gifts mean a lot to our residents and staff. Mr. Wilson referred to 7-1 which outlines potential fundraising efforts for the rest of the year as we have to adapt plans for traditional efforts like PumpkinFest. Mr. Don Anderson, a regular donor, has called and indicated that we are in his estate plan for approximately \$465,000. This would be our largest gift ever.

FINANCE COMMITTEE: Mr. Wilson reported for Mr. Luther. 8-1 Employee health insurance through UPMC renews on August 1. Our increase is 5% due to higher claims this past year. Employees cover 25% of the plan, which is increasing \$76,606. Motion made by Mr. Knipple and second by Mr. Beglin. Motion passed.

Largely because of taxes, the cottage maintenance fee is recommended to go up \$10 effective January 1. To truly cover related costs, we would have to raise the fee \$210. All in favor, approved unanimously.

PERSONNEL COMMITTEE:

Mr. Wilson reported for Mr. Knipple. He indicated that the pandemic has not impacted our employment. We lost 3 employees who refused to be COVID tested.

BUILDING AND GROUNDS: Mr. Beglin reported that a new ADA compliant ramp has been designed for the Chapel per our last manor inspection. As soon as Richland Township approves it, grounds will construct it. In Parker Ridge, Lot #15 cottage (Custer) is complete except for landscaping. Lot #2 (Rhine) is being cleared and prepared for the construction of the largest Parker Ridge cottage. Home will be set August 1. The last remaining wetland lot of Parker Ridge has a tentative buyer. Three cottages remain to have sewer work completed on Wesley Dr, and then all the townhomes to be done in the final year to be compliant.

NOMINATION COMMITTEE: Dr. Sarah Kelley indicated that there are four nominees: Dr. Reinbold for President, Mr. Beglin for Vice President, Mr. Darr as Secretary, and Mr. Nicoletti as Treasurer. All in favor, approved unanimously. Mr. Kamler referenced 11-1 which is the standing committee sheet, to be updated to add Ms. Strohm on the executive committee. Also all in favor, approved unanimously.

HOME COMMITTEE: Dr. Reinbold reported the Home Committee was unable to meet in May, but hopes to be able to meet in the fall.

ADMINISTRATOR'S REPORT: Mr. Chad Kamler reported.

13-1 Quality Assurance Performance Improvement program update. For quarter 1 and 2, we are focused on pandemic planning, infection control, resident hydration, and plan of correction audits.

Mr. Wilson reported that we currently have 60 cemetery plots at Forest Lawn Cemetery that have been given to us. We hope that the Board Member newsletter is helpful to you.

We went through a Department of Labor audit which has been closed out. We were 'fined' to make \$31,000 in reparations to certain employees. Our overtime was not being correctly calculated for bonuses.

As for the revitalization campaign, we have \$400,000 towards our goal of \$500,000. We have accomplished a number of the campaign goals with those funds: new van, new bus, new Doerr roof and air handler, and a number of windows.

We received \$3,000 towards the purchase of 8 iPads for activities to use with residents for programs and communication.

We started our mandated COVID testing, having completed half of our employees and residents, with no positive cases.

We did provide our employees with 'Hero Pay' which averaged between \$300-\$400 per employee, totaling \$122,000. This was from the Paycheck Protection Plan. We continue to do extra employee meals, gifts, and incentives. The Chatterbox has been a huge success for residents to visit with loved ones. We are going to be very conservative in regards to our plans.

Dr. Reinbold asked that a letter be drafted and sent to employees thanking them for their incredible service and dedication to the community.

MISCELLANEOUS: No miscellaneous business to report. Remember the board website password has been updated. Dr. Reinbold moved that the meeting be adjourned and thanked everyone for their service. Motion made by unidentified individual and second by Mr. Luther. Motion passed.

Respectfully submitted,

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

Charles Darr, Secretary