

Arbutus Park Retirement Community

BOARD OF DIRECTORS MEETING MINUTES Tuesday September 22, 2020 at 7:00 PM

Those in attendance:

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

Richard Knavel
James Knipple
Roger Luther
Louis Nicoletti
Ronald Reinbold
Ryan Sedlack

Sue Strohm
Dennis Tawney
Richard Wilson
Donato Zucco

Those unable to attend: Rev. Chung
Those absent: John Rezk

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

APPROVAL OF MINUTES: The minutes from the June meeting were approved. Motion made by Mr. Butterfield and second by Mr. Luther.

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 June 31, 2020 shows an operating income of \$15,769,944 and a budget of \$15,326,029. (*Favorable variance \$443,916*) The Total Operating Expense Summary shows we budgeted \$13,966,344, and the actual Operating Expense came in at \$14,419,718. (*Unfavorable variance \$453,374*) Expenses were higher than projected partially because of the new therapy company and the number of cottages that turned over requiring renovation. Fundraising for the capital campaign was over budget by \$172,000.

Mr. Wilson indicated we are seeing a decrease in revenue from the end of the fiscal year due to having to set aside 22 beds related to the COVID wing. Mrs. Macy stated that the loss of revenue from March through June is \$315,000. We are hoping to have grants cover that loss for that time period.

The EBITDA (*Earnings Before Interest, Taxes, Depreciation and Amortization*) was \$1,350,227, and the budgeted amount was \$1,359,685. This was a EBITDA margin of 8.56% actual with a budget amount of 8.87%. Unfavorable variance of 2.13% or \$9,458. Under Non-Operating Income, we budgeted \$212,519, and we came in at \$417,059. This is a favorable variance of \$204,539. Under Non-Operating Expenses, we budgeted \$945,000 and our actual was \$904,022. The budgeted Net Income is \$627,204 and the actual Net Income is \$863,263. This is a \$236,059 favorable variance in net income for the period. Contribution margin is 5.47% with a budget margin of 4.09%.

6-2 Investments report was reviewed by Mrs. Macy. The Total Value of our investments as of August 31, 2020 is at \$687,442.71 to a cost of \$573,639.95. Our First Commonwealth MMA account is at \$4.27 million, which is where COVID grants are held until we expense them. A motion to accept was made by Mr. Knavel with a second from Ms. Strohm. All in favor.

DEVELOPMENT COMMITTEE: Ms. Strohm reported on handout 7-1. We are currently at \$419,007 in pledges and payments for the Capital Campaign goal of \$500,000. Donors and cottagers are being invited to an 'Oktoberfest Drive-through' meal on Oct 21 outside the manor. We did a postcard mailing for planned giving spotlighting Don Anderson and his generous planning to include APRC in his will at \$650,000. We also received a \$14,000 grant from the United Methodist Foundation of Western PA as

part of a very successful 'Red Stocking Sunday' fund drive. The annual Christmas Angel Appeal will be mailed in November. We will participate in 'Giving Tuesday' on December 1st. Home for the Holidays will be much different than last year because of the pandemic, but we will make every effort possible for our residents to have a merry Christmas.

FINANCE COMMITTEE: Mr. Luther reported on 8-1. Based on expenses, we are recommending a \$10 increase for the cottage maintenance for 2021. (*Main campus \$325/Parker Ridge \$425*) Motion made by Mr. Luther with second by Dr. Grove. All in favor.

8-2 illustrates a comparison of our peers in the area and their current rates. The recommendation is a \$5 increase per day for 2021 in Personal Care, Skilled Nursing, and Crossroads. Motion made by Mr. Luther with second by Mr. Knipple. All in favor.

8-3 outlines our insurance premiums for General Liability/Property and Workers Comp which are expected to increase dramatically, upwards of 55.1% Motion made by Mr. Beglin with a second by Mr. Butterfield. All in favor.

PERSONNEL COMMITTEE:

Mr. Knipple reported on 9-1 which shows our history of raises and incentives over the past few years. We have again raised our wages for RNs to be competitive in the market. Other employees can expect increases in the area of 2%. The CNA program has had 29 graduates. Vo-tech has allocated us 6 of the 10 class slots, and we are hoping to be the clinical site for the program. \$3 an hour 'Hazard' pay has been provided by a grant for employees making less than \$20 an hour from Aug 16 to Oct 24 along with a one-time \$500 'Hero' pay bonus. The motion was made by Mr. Knipple with second by Dr. Zucco. All in favor.

The next recommendation was for the 401k contribution to continue at 1.75% of gross wages. Increased salaries will take the contribution from \$99,000 to \$104,000 to APRC. It will be paid in 2021, but for the 2020 calendar year salaries. Motion was made by Mr. Knipple second by Dr. Grove. All in favor.

BUILDING AND GROUNDS: Mr. Beglin reported that the majority of the cottages are complete as part of the sewage project. Two remain on Wesley and all 16 townhomes. Mr. Geno Shore of Shore Construction went to the Highland Sewer meeting and asked for an extension. We have until Dec 2021 to complete them, which will still be a challenge. One quad (*4 townhouse block*) must be completed per quarter in 2021. The Manor itself could possibly be exempt based on the number of connections and taps within the building along with how they exit the building.

Parker Ridge lot #2 is looking good for Mr. & Mrs. Rhine. Lot #16 is still designated a wetland, and is probably more challenging than the others.

The new ADA compliant ramp has been going very well. It is about 2/3 complete, and Richland Township is very pleased with the progress. We have submitted plans for an indoor 'chatterbox' within the Independent Dining Room off of the sunporch. Mr. Beglin is working with the PA Dept of Health and Mike Yeager in the planning and approval, with hopes that we can have it constructed by the end of the year.

Mr. Wilson added that we had a cottage (#159) in Parker Ridge open that immediately was resold.

NOMINATION COMMITTEE: Dr. Sarah Kelley indicated that there is no report at this time.

HOME COMMITTEE: Dr. Reinbold reported the Home Committee was unable to meet and does not expect to meet in November.

ADMINISTRATOR'S REPORT: Mr. Wilson reported.

13-1 Quality Assurance Performance Improvement program update. For quarter 3 we are working on Pandemic Planning, Handwashing, Social Distancing w/ Residents, and Lift & Wheelchair Maintenance.

Mr. Wilson opened the floor for any COVID related questions. Mr. Wilson also shared that for labor related legal issues we will potentially be using a referral from Senator Langerholc.

MISCELANOUS: 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 Mr. Beglin and second by Mr. Darr. 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