

**MINUTES OF THE
ASBURY ATLANTIC, INC.
MEETING OF THE BOARD OF DIRECTORS**

FOR PUBLIC POSTING

December 2, 2020

Asbury Atlantic, Inc. is a not-for-profit, tax-exempt corporation. Our charitable purpose is to create services for older adults that enhance the value of the entire span of life. The Asbury organization provides housing, healthcare, and other services to residents of its continuing care retirement communities, with a sense of financial security through our benevolent care program. Our charitable purpose and faith-based heritage guide our decisions and direction as we serve our residents and future generations of seniors. Asbury also reaches out to individuals and other organizations serving older adults in the communities in which its communities exist.

MEETING ATTENDEES

Board of Directors, attending		
Jeffrey Ernico, Chair	Louis Grammes	Carolyn Stamatakis
Sue DaCamara	Richard Findley	
* Attended as indicated		
Board of Directors, absent		
Staff		
Todd Andrews, President CCRC Division	Henry Moehring, VP of Healthcare Srvs & Ops	
Kim Ehrenfried, VP & Controller*	Douglas Leidig, CEO, Asbury Communities	
Salome Nengean, Staff Counsel		

Note: the meeting was held via teleconference due to COVID-19 pandemic.

ITEM: CALL TO ORDER/CONSENT RESOLUTION

The meeting of the Board of Directors of Asbury Atlantic, Inc. (“Atlantic”) was called to order by the Chair at approximately 10:15 a.m. Ms. DaCamara read a devotional and offered a prayer.

ITEM: OPENING REMARKS

The Chair recognized and thanked Ms. Stamatakis for her many years of service to Asbury, including Asbury Atlantic. He noted that her term expires at the end of December but she will continue to serve on the Asbury Foundation Board. Ms. Stamatakis thanked the Board for the opportunity to serve the organization.

Then, the Chair also thanked Ms. DaCamara for her service and said she will also be leaving the Board although she will remain with the organization. Ms. DaCamara also thanked the Board for its support. She provided a review of the new organizational structure, her new role within the new structure, Chief Strategy and Innovation Officer, and continued support of Mr. Andrews in his role as President of the CCRC division and Mr. Moehring, Vice President of Operations and Healthcare Services.

The Chair noted that because Ms. Ehrenfried is in the Audit & Finance/Investment Committee meeting, she will present the finance report when she joins.

The Chair then referred to the agenda and consent resolution contained in the Board packet for the December 2, 2020 Asbury Atlantic, Inc. Board of Directors meeting (“Board Packet”) and asked for a motion to approve.

The following motion was made, duly seconded and unanimously approved.

IT IS HEREBY RESOLVED that the following be, and they are hereby, adopted, ratified, and/or approved as applicable:

1. *Set Agenda. The agenda for the December 2, 2020 Board of Directors meeting as it appears in the Board Packet for the December 2, 2020 Board of Directors meeting.*
2. *Approval of Minutes. The minutes of the October 21, 2020 Meeting of the Board of Directors as it appears in the Board Packet, on Board Effect, for the December 2, 2020 Board of Directors Meeting (“Board Packet”).*

<i>Kim Ehrenfried Joined the Meeting</i>
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ITEM: REVIEW & CONSENSUS OF 2021 BUDGET

The Chair recognized Ms. Ehrenfried to present the financial review and a draft of the 2021 budget, including the assumptions that were used to draft the budget. She referred to the detailed report of the operating statements and the 2021 budget assumptions provided in the Board packet. Of the assumptions, she highlighted the occupancy levels, cost of labor increases, capital targets, resident rate increases, entry fee increases, entrance fee turnover used in the budget assumptions.

Ms. DaCamara noted that one of the other assumptions that went into drafting the budget was the need to remain aligned with the strategic goal of building financial strength and bringing all communities under one hundred percent (100%) operating ratio (“OR”). She remarked that the draft budget includes that assumption also.

Regarding the end-of-year update, she reported that additional funding from the state has been received; the organization continues to work with FEMA to receive additional funding. She noted that the same trends continue into the fourth quarter regarding PPE, spending, etc.

Mr. Andrews reported that the state of Maryland has issued a new mandate which requires testing of associates twice a week and residents once a week. He remarked that the mandate puts a significant strain on the 2021 budget which has some testing costs built in but not enough to cover the additional costs related to the mandate.

Finally, Ms. Ehrenfried reported that the finance team is considering a refinance of the Pennsylvania Obligated Group's long-term debt given the current low interest rates to realize significant savings. She noted that additional details, projected savings, and a vote to approve the measure will be brought before the Board during its February meeting. In the meantime, the finance team will work with bond counsel on the details and bring to the Board for approval.

Following her presentation, the Chair asked whether there were questions or comments.

<i>Kim Ehrenfried Departed the Meeting</i>
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ITEM: 4TH QUARTER ANTICIPATED RESULTS

The Chair again requested that Ms. DaCamara report the anticipated fourth quarter results. She made introductory statements, noting that because of her new role, Mr. Andrews and Mr. Moehring are more closely involved in the operations and will present the report. She recognized Mr. Andrews and Mr. Moehring.

Quality

Mr. Moehring noted that the Centers for Medicare and Medicaid ("CMS") has frozen the five (5) parts of the quality ratings through the end of the year. There is still the ability to move the quality measures and those efforts continue to be a focus at all communities.

Mr. Andrews noted that the organization is examining the value of the CARF accreditation, the time it takes to submit an application and the expense involved. He noted that further details and a decision will be provided to the Board during its next meeting.

Operations

Mr. Andrews noted that the Maryland Governor's mandate to test associates twice a week has been implemented on the Maryland communities; however, the organization is working with LeadingAge to provide some advocacy around the issue and communicate to State officials the costs involved in implementing the mandate. He shared with the Board the ways in which they can be involved in the advocacy efforts. The Board asked for resources or details that would be helpful in those advocacy efforts. Mr. Andrews confirmed that a sample letter with specific costs to the Maryland communities will be sent to the Board.

Strategic Goals Specific to 4 CCRCs

Ms. DaCamara reported that the goals related to person-centered care and Planetree and Holleran “would you recommend” are both temporarily on hold and anticipate that will be the case into 2021. Further, she reported that the 2021 goals related to *Provider of Choice* are ongoing and Asbury Communities Board will continue that conversation tomorrow during its meeting. She also noted that previously, the *Provider of Choice* was focused on the CCRCs; however, there are some efforts to update that definition to be broader and add additional goals to include, for example, pharmacy and other ancillary services.

The second goal that is recommended to be added is the positivity rate and that would include infection control, PPE availability, etc. She concluded that although some goals are on hold, new goals will be added in 2021.

COVID-19

Mr. Andrews provided an overview of the operations, including the reactivation, reconfiguration, and expansion of the command center, its role, and operations. He also shared some of the initiatives that continue to occur unrelated to COVID-19 to ensure the organization continues to move forward.

Mr. Moehring provided an update regarding the operational challenges and how those are being addressed. He also provided an update on the process of acquiring personal protective equipment (“PPE”) and mentioned that although the system has about a sixty-day (60) supply of PPE; gloves continue to be difficult to acquire.

The Board asked whether the states where Atlantic operates have published their plans for vaccine distribution. Mr. Moehring confirmed but noted that the plans are still vague. He also reported that Asbury has signed an agreement with CVS pharmacy to serve as its COVID-19 vaccination partner.

ITEM: EDUCATION TOPIC

The Chair recognized Mr. Andrews and Mr. Moehring to present the education topic. Mr. Andrews noted that beyond COVID-19, the organization continues to innovate and move forward. For example, he shared that a brain initiative program at Asbury Methodist Village (“AMV”); Birdsong at AMV and Its never too late program on Asbury Solomons’ (“AS”). He also highlighted the virtue sense (falls prevention) platform enhancements at Bethany Village (“BV”). He mentioned that the intent is to take these pilots system wide in the second quarter of 2021.

Finally, there is an initiative on the campuses to regarding vacated units prior to the next resident's occupancy with the goal of retrofitting and advancing the smart home technology initiatives.

Following the presentations, the Board asked how the platforms are being introduced to residents and how feedback will be received because of the limited contact there is between residents.

ITEM: MASTER PLANNING UPDATES

Ms. DaCamara noted that although there are no construction projects planned for 2021, Asbury's approach is that master planning is not always about brick and mortar; it is also about programming and those efforts continue to go on. Mr. Andrews reported that he is having conversations about how to do "mini master planning" to address the age of plant, programmatic needs, and renovations that are needed.

ITEM: REVIEW AND APPROVAL OF BYLAWS

The Chair referred to a draft of the proposed bylaws provided in the Board packet and noted that the revisions are necessitated based on Asbury staff restructuring which has eliminated the position of Chief Operations Officer ("COO"). As such, Article VI, Section 3, which requires, one (1) voting member of the Board "shall be the Chief Operating Officer...who shall serve ex officio with vote" is null. With that, the Chair asked whether there were questions or comments.

Action: a motion was made, duly seconded and unanimous to approve the revision to Article VI, Section 3 of the Asbury Atlantic, Inc. bylaws to remove the requirement that one (1) member of the Board be the Chief Operating Officer of the organization.

ITEM: 2021 BOARD OF DIRECTORS & OFFICERS

The Chair noted that Asbury Communities Board is responsible for electing the Atlantic Directors and Officers. The Asbury Communities Board will take up that election during its meeting tomorrow. He referred to the proposed slate of 2021 Asbury Atlantic, Inc. Directors and Officers. He noted that the proposed slate includes residents: one from Asbury Methodist Village, Barbara Harbison and Mr. Findley, who is currently a Director and an Asbury Solomons' resident.

Ms. DaCamara provided background information on the process and reasons that resulted in selection of Ms. Harbison. She thanked Mr. Findley for his continued service on the Asbury Atlantic Board.

ITEM: 2021 BOARD MEETING DATES

The Chair again referred to the proposed 2021 meeting dates included in the Board packet for Directors' information.

Douglas Leidig Joined the Meeting

ITEM: OTHER ITEMS

The Chair asked whether there was further business to come before the Board. Mr. Leidig addressed the Asbury Communities Board members regarding the Vice Chair selection process. He noted that an email will be sent to the Asbury Communities' Board members about the process later this afternoon.

Mr. Findley requested that staff ensure that any pilot programs be operational on android and PC devices. Mr. Andrews confirmed.

The Chair again thanked Ms. Stamatakis and Ms. DaCamara. He concluded by asking the Board to join him in the singing of *She's a jolly good fellow* in honor of both Director's service and farewell.

ITEM: ADJOURNMENT

The meeting was adjourned at approximately 12:00 p.m.