

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

**FOR PUBLIC POSTING**

April 28, 2021

*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**

<b>Board of Directors, attending</b>		
Jeffrey Ernico, Chair	Barbara Harbison	Louis Grammes
Todd Andrews	Richard Findley	Efonda Sproles
* Attended as indicated		
<b>Board of Directors, absent</b>		
Melissa Fors		
<b>Staff</b>		
Kim Ehrenfried, VP & Controller	Salome Nengean, Staff Counsel	
Krista DiGeorge, VP, Sales & Marketing	Henry Moehring, VP of Healthcare Srvs & Ops	

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

**ITEM: CALL TO ORDER**

The meeting of the Board of Directors of Asbury Atlantic, Inc. (“Atlantic”) was called to order by the Chair at approximately 3:15 p.m. Ms. Harbison offered a prayer.

The Chair then referred to the agenda and consent resolution contained in the Board packet for the April 28, 2021 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 April 28, 2021 Board of Directors meeting as it appears in the Board Packet for the April 28, 2021 Board of Directors meeting.
2. Approval of Minutes. The minutes of the February 3, 2021 Meeting of the Board of Directors as it appears in the Board Packet, on Board Effect, for the April 28, 2021 Board of Directors Meeting (“Board Packet”).

**ITEM:        OPENING REMARKS**

[REDACTED DUE TO PROTECTED HEALTH INFORMATION]

**ITEM:        1ST QUARTER RESULTS**

[PORTIONS REDACTED DUE TO PROPRIETARY INFORMATION]

The Chair recognized Mr. Andrew to provide the first quarter results. Mr. Andrews provided a brief overview of the financial stressors, including: high COVID-19 testing costs based on CMS and State testing guidelines; a competitive labor market driving up labor costs; increases in Personal Protective Equipment (“PPE”) expenses; continued lower than budgeted occupancy due to the market impact of COVID-19; Associate living wage and competitive compensation pay scales; Investment in Information and Technology Infrastructure; lower than budgeted net entrance fees; higher than expected attrition and movement through the continuum; high than budgeted costs in employee health care plan.

Then, Mr. Andrews recognized Ms. Ehrenfried to present the fourth quarter financial results. Ms. Ehrenfried referred to the detailed report provided in the Board packet and provided an overview of the financial results as of March 31, 2021 as follows: the 2020 audit report was issued last week; therefore the 2020 numbers are final audited results. Spending on health insurance costs significantly increased starting in January 2021. Testing costs have also been significantly higher than budgeted. There are savings in the administrative costs due to limited travel, conference attendance, subscription fees, etc. Finally, the Operating Ratio (“OR”) is currently at 105.9 percent compared to a budget at 95.8.

Following her presentation, the Chair asked whether there were questions. In response to the Board’s question regarding whether the testing costs were anticipated, Mr. Andrews noted that there was some anticipation; however, there was insufficient information to appropriately budget for testing when the budget was finalized back in October because CMS and State regulators had not set the current testing guidelines.

Quality

Next, Mr. Andrews reported on each community’s star rating and then recognized Mr. Moehring to report the quality ratings. Mr. Moehring reported the quality improvement focuses on each

Atlantic community: AMV is focused on obtaining accurate and timely weights, fall reduction, assessment and appropriate use of side rails; BV is focused on infection control, including associate screening accuracy in the line list and PPE use; AS is focused on fall reduction, pressure ulcer prevention and infection control practices; and SH is focused on fall reduction and weight loss.

### Operations

Mr. Moehring provided an overview of some operational details that continue to happen on campuses while managing COVID-19. He noted the following: the command center continues to meet to mitigate impact of COVID-19 on residents and staff; Asbury's philosophy is to work toward "YES" in the safest, fastest and best way possible as amenities begin to reopen; testing costs and frequency are based on State guidelines, which amount to testing associates twice a week and residents—Assisted Living and Skilled Nursing—once a week; PPE is currently in good supply; and infection control measures are well-established on each campus.

### COVID-19/Vaccine Data

Mr. Andrews provided a brief report of the COVID-19 update including, the campus amenities that have been reopened, continued communication with residents, families, and associates, and efforts to connect families with residents.

## **ITEM: 2021 STRATEGIC GOAL FOCUS AND REVIEW**

The Chair again recognized Mr. Andrews to present the 2021 strategic goals and focus. Mr. Andrews reported on the 2021 strategic goal focuses as follows for each of the three pillars of the strategic goals: (1) in the provider of choice, the Asbury communities will achieve at least a 4-Star rating in CMS 5-Star rating system in at least 5 communities. Also to establish pharmacy programs at SH, AMV and AS. And to achieve a COVID-19 positivity rate 50% below the yearly national average. He noted that no risks have been identified for Provider of Choice metrics in 2021. (2) Under the employer of choice, Asbury will achieve 20% reduction in average annual associate vacancy rate. Also, to sustain Great Place to Work Certification; and to commit to including at least one (1) ethnically diverse candidate in leadership positions. The risks identified include availability of Registered Nurses ("RN") leaders with experience and credentials, lack of vacancy data for some communities who are still on a separate payroll system, and turnover in leadership positions. (3) In the financial strength pillar, bring operating ratio and occupancy in line with budget. The risks identified are challenges in occupancy levels, particularly in Assisted Living; and finally, continued increases in testing costs.

## **ITEM: EDUCATION TOPIC**

The Chair recognized Ms. DiGeorge to present the education topic. Ms. DiGeorge thanked the Board for the opportunity to share the impact of COVID-19 on the Asbury's system and how that impact compares to Asbury's peers. She began by highlighting some of the National Investment Center ("NIC") first quarter data. Second, she shared Asbury's 1st quarter comparison for 2019, 2020 & 2021. Third, she shared the residential challenges and the residential sale momentum in the Asbury system. Finally, she reported on the challenges on each level of living and the tactics being employed by the Asbury sales team to address those challenges and increase occupancy levels.

Following her presentation, the Board thanked Ms. DiGeorge and requested that she return to the next Board meeting for a more in-depth discussion regarding her presentation.

**ITEM: MASTER PLANNING UPDATES**

The Chair again asked Mr. Andrews to provide the master planning update to the Board. Mr. Andrews reported as follows: the Bethany Village Dining Renovation and upgrade project is completed; the grand opening occurred on April 7, 2021. AMV's stream restoration project is continuing to be ahead of schedule and on target to be completed on time and slightly ahead of budget. He reported that the project will be completed in the next couple of months. Additionally, he reported that AMV's master planning project remains on hold. Finally, as a result of significant philanthropy at AMV, Asbury will begin several campus enhancements this summer.

**ITEM: OTHER ITEMS**

The Chair asked whether there was any further business to come before the Board; there was none.

**ITEM: ADJOURNMENT**

The meeting was adjourned at approximately 5:31 p.m.

/S/

Andrew Joseph, Secretary