**MINUTES OF THE**

**ASBURY ATLANTIC, INC.**

**MEETING OF THE BOARD OF DIRECTORS**

January 27, 2022

*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**

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| **Board of Directors, attending** |
| Jeffrey Ernico, Chair  | Barbara Harbison  | Louis Grammes |
| Christina Croll  | Richard Findley  | Efonda Sproles  |
| \* *Attended as indicated* |  |  |
| **Board of Directors, absent**  |
|  |
| **Staff**  |
| Todd Andrews, President CCRC | Terra Bennett, Notes |
| Kim Ehrenfried, VP & Controller  | Henry Moehring, SVP of Operations |
| Andrew Jeanneret, CFO | Andrew Joseph, Counsel  |
| Doug Leidig, CEO |  |

**Note: the meeting was held via teleconference due to the 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 10 a.m. Mr. Ernico offered a prayer.

The Chair then referred to the agenda and consent resolution contained in the Board packet for the January 27, 2022, Asbury Atlantic, Inc. Board of Directors meeting (“Board Packet”) and asked for a motion to approve.

**The following motion was made, duly seconded, and approved. Christina Croll abstained as she was not part of the previous meeting.**

***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 January 27, 2022 Board of Directors meeting as it appears in the Board Packet for the January 27, 2022 Board of Directors meeting.*
2. *Approval of Minutes. The minutes of the December 1, 2021, Meeting of the Board of Directors as it appears in the Board Packet, on Board Effect, for the January 27, 2022, Board of Directors Meeting (“Board Packet”).*

**ITEM: OPENING REMARKS**

*The Chair’s opening remark was to wish everyone a Happy New Year and hoped that everyone would have a great year. Additionally, he hoped that everyone was able to read the article in Senior Living. The Chair introduced the new Board Member, Christina Croll.*

**ITEM: END OF YEAR 2021 FINANCIAL REVIEW**

Ms. Ehrenfried presented the end-of-year financial results. Ms. Ehrenfried stated that the financial results are preliminary and unaudited. The audit will be finalized by the end of April. Ms. Ehrenfried doesn’t anticipate significant changes topreliminary results. Ms. Ehrenfried referred to the detailed report provided in the Board packet and provided an overview of the financial results as of December 31, 2021. On the Balance Sheet, total assets have remained consistent, investments are lower due to having to withdraw for operations. Ms. Ehrenfried noted that there were occupancy challenges in both assisted living and skilled nursing. We have received approximately $3.9M in government funds and of that amount, $2.4M has been recognized as revenue.  We continue to have COVID-19 testing costs and staffing challenges. Testing costs for the year were$1.9M. There are savings in the general and administrative expenses due to limited travel, conference attendance, subscription fees, etc. We anticipate that testing costs will go down significantly in 2022. So far, a lot of the testing cost**s** have been able to be reimbursed by FEMA. We started to see funds coming in for 2020 in late 2021. We have applied for reimbursement and so far, everything that we have applied for has been approved. Finally, the Operating Ratio (“OR”) is currently at 99.6% compared to a budget of94.8%.

**Question** – Ms. Croll asked if the contract labor is a one-time benefit? Yes, that favorability will not be there for Therapy in 2022.

**Question** – Ms. Harbison asked for an explanation of the current policy for COVID quarantine? Mr. Moehring stated that there are different paths that take into account symptoms, testing, and vaccination. It usually runs around 10 days.

What advice is being given to residents? We encourage every resident who is positive to connect with their personal physician that knows them best. It would be similar to associates; you would stay in your apartment, and we would bring services to you.

**Question** – Mr. Sproles asked what is the accuracy of the rapid tests? We have found with Omicron that it is not always accurate. We understand it’s about 80% accurate. We are just using an abundance of caution. If there are any symptoms, then they don’t enter the community.

**ITEM: 4th QUARTER REVIEW**

Quality

Mr. Moehring reviewed the star ratings. We are still 4 stars or better for all communities. A 4-5 Star rating is positive and should be what we always work towards. Focus for the communities from a Quality perspective has been talked about and they continue to have ongoing PIPs (Performance Improvement Plans). Each community is working about 3-5 PIPs at a time that they want to focus on. They are continued until the key metrics are obtained. Falls have become a major issue through the pandemic due to less exercise, caused by quarantines and other COVID and Non-COVID issues. The residents lose a lot of their strength in these times of quarantine. Additionally, the average age of residents continues to increase as well.

**Question** – Mr. Findley asked when is the earliest that AMV and SH can return to a 5-Star rating? Mr. Moehring stated that he can get back to him with that information as he will need to look at when they had the survey and a lot of new data that is being used to calculate these ratings.

Operations

Each community has an Infection Preventionist, a nurse that had additional training in Infection Control. It’s primarily in skilled nursing but it has been expanded to the entire community. They have created programs to help with Infection Prevention. There are still 2 levels of Infection Control surveys: an annual survey and then also Technical Assistance Teams (TAT) that come in for more support. We do well with both surveys. We continue to be in a good place with PPE. Our goal is to have a 90-day par level. We are just about there except for masks and gloves. We are well above 60-days with these. We use multiple vendors to get supplies. The newest concerns are around needles and syringes, but we have been able to obtain a year’s supply for all our communities.

Vaccine Update

Since the month of October due to Omicron we have experienced an uptick in positivity. We are still under 1% overall for our positivity. Our vaccination rate is at 97.77% for residents and the associate rate is at 97.82%.

Question: Ms. Croll asked if we are mandating a booster? Currently, we are not requiring the booster currently.

Integrated Services

The construction of the AMV Pharmacy is complete and are waiting on a license from the Board of Pharmacy. The lab continues to develop. We are hopeful that we will begin services in March 2022. Home Health continues to have some growth and we are working to get approval for Chester County CMS approval. There is a tremendous growth opportunity with these services.

Occupancy

There are charts in the executive summary that goes over-occupancy. We have had a transition of residents from RL into AL at the AMV campus. Attrition has been very high at our AMV campus.

Since the end of the year, our occupancy is at 1912, up about 14 people from the end of December. Our deposits across the system are at 47 reserved and only projecting 20 attritions, which is a positivity of 27. In AL we are approaching the budget in 5 communities.

**Question**: Ms. Harbison, has the concept of rental gone away? We have a renter at AMV and a couple more to come. There are rentals at BV and a few at SH.

**[Confidential Portion Redacted]**

**ITEM: EDUCATION TOPIC: Well-Being Focus CCRC’s, STRATEGIC BLUEPRINT**

For the next 3 years as part of our new Strategic Blueprint, we will be focused on “Well-Being Destination Communities (CCRC’s), Diversified Aging Services Organization (Integrated Services), Leader in Healthcare Technology Solutions (IT) and High-Performing Organization (HR).

You will hear Todd talk about well-being continuously. We need to create a value proposition that focuses on the interest of new potential residents as well as our current residents. It’s important to find balance. We will develop with residents what a “Well-Being Resident” Model means. We want to make this fun and exciting.

**[Confidential Portion Redacted]**

**ITEM: OTHER ITEMS**

Ms. Croll thanked everyone for answering the questions and for the detailed information.

**ITEM: ADJOURNMENT**

The meeting was adjourned at approximately 12:00 p. m. Our next meeting will be in April. Mr. Andrews will get in touch with members over the next couple of weeks.