

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

February 8, 2023

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	Barbara Harbison	Efonda Sproles (Virtual)
Richard Shuman		
* <i>Attended as indicated</i>		
Board of Directors, absent		
Staff		
Todd Andrews, President CCRC	Terra Bennett, Minutes (Virtual)	
Andrew Jeanneret, CFO	Kim Ehrenfried, Comptroller	
Doug Leidig, CEO		

Note: the meeting was held via teleconference and in person.

ITEM: CALL TO ORDER

The meeting of the Board of Directors of Asbury Atlantic, Inc. (“Atlantic”) was called to order by Mr. Jeffrey Ernico at approximately 4:15 p.m. Mr. Sproles offered a prayer.

Mr. Ernico introduced a new member, Mr. Richard Shuman.

Mr. Ernico then referred to the agenda and consent resolution contained in the Board packet for February 8, 2023, Asbury Atlantic, Inc. Board of Directors meeting (“Board Packet”) and asked for a motion to approve.

An additional consent resolution was presented for the Bank Signature Approval for Aaron Praetzel.

The following motion was made, duly seconded, and 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 February 8, 2023, Board of Directors meeting as it appears in the Board Packet for the February 8, 2023, Board of Directors meeting.
2. Approval of Minutes. The minutes for the November 30, 2022, Meeting of the Board of Directors as it appears in the Board Packet, on Board Effect, for February 8, 2023, Board of Directors Meeting (“Board Packet”).

ITEM: OPENING REMARKS

ITEM: FINANCIAL 2022 YEAR-END

Ms. Ehrenfried mentioned that the information provided is preliminary and unaudited. There will be adjustments and she will report the final numbers at the next meeting. On the balance sheet, Ms. Ehrenfried highlighted cash and investments have increased over last year in the asset section. You will notice statutory reserve investments, which are required by the state, increased by approximately \$1.9M and are adjusted annually at year-end. We still are working through year-end Foundation adjustments. There are \$1.5M in long-term liabilities related to the AMV beds that we sold.

We received \$4.1M from government funding in 2022 but have not budgeted money from government funding in 2023. Looking at expenses, we have had to use contract labor which offsets the salaries and wages favorable variance to budget. BV is especially challenged with the need to use contract labor.

At the end of the year, our OR was 94.5% compared to the budget of 95.2%, a \$1.1M positive variance

Question: Is there anything being done to help with contract labor at BV?

Answer: We are doing much better than earlier in 2022. It has varied throughout the year at each campus.

Question: When we are in corporate board meetings, is this the standard format presented to the board?

Answer: Yes

Question: When we talk about Foundation allocation, what does allocation mean? Between these two corporate entities, what is governance?

Answer: This is allocating Foundation contributions/expenses to the entity that is benefiting. Most of the time it is requested or given as a gift, and not necessarily governance between the two entities.

ITEM: OPERATIONS REVIEW

Quality

5 Star ratings are as follows:

AMV – 5 stars

AS – 4 Stars

BV – 4 Stars

SH – 3 Stars

Mr. Andrews discussed Quality Measures and mentioned that BV dropped a star due to a good survey score that dropped off. They should go back up in the next quarter. CMS only gives 5 stars to the best 10% of Nursing Homes. The cut lines change every quarter. You have your staffing score, survey score over the last several years, and quality measures compilation. AMV has one the highest nurse staffing ratio in the state of MD, which is a significant cost. We have made staffing changes at AMV that will improve the bottom line but will not affect the star rating.

Mr. Andrews mentioned that the Quality Measures are discussed between the clinical team and the individual communities so they can review what they need to improve. Action plans created and monitored.

Strategic Blueprint Focus

Goal 1: Operation Margin Achieved – The target is a 101.5 Operating Ratio, and the Actual is 104.5 (unaudited)

Goal 2: Employee Turnover Rate Reduced – Target achieved.

Goal 3: Cognitive Brain Health Program/Well Being - established and implemented in all Atlantic communities – All four communities have deployed basic programs and plans for additional programming in 2023 are locked into the budget of all 9 communities. We are putting Brain Health Coaches in every community. Goal achieved

ITEM: MASTER PLANNING

Mr. Andrews went over the various projects that are currently taking place on each campus.

ITEM: EDUCATION: EVOLUTION OF OUR WELL-BEING MODEL

Mr. Andrews shared the new logo for Well-Being. We are starting to do branding and marketing to attract new prospects leveraging the Well Being model per the blueprint. We are converting Wellness Centers to Well-Being Centers. Sue Paul is now working at Corporate and will be taking what she did at AMV to all the other communities. She will be executing plans, training the Well-Being teams, and creating conduits for all levels of care for Brain Health and Well-Being. Well-Being touches all areas of a person’s life, we will tie together services, care, and programming. Over the next six months, we plan to: explain the plan, explain benefits, communicate continuously, and involve team members at all levels of care, we are going to one system across the system for Resident Engagement. We partnered with a company called ICON to create this. It will be customized for ASBURY Communities not an off-the-shelf product. The initial launch is at BV in June 2023 and will be system-wide by the end of 2023.

Question: Has pickle ball been brought up by residents?

Answer: This has been brought up by residents at AMV; however, does not seem to be of interest to residents in the other communities.

ITEM: ADJOURNMENT

The meeting was adjourned at approximately 5:48 p.m.



Todd Andrews, President Community Living Division