

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

October 25, 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**

<b>Board of Directors, attending</b>		
Jeffrey Ernico, Chair	Barbara Harbison	Efonda Sproles
Richard Shuman		
<b>Board of Directors, absent</b>		
none		
<b>Staff</b>		
Todd Andrews, President Community Living Division	Terra Bennett, Administrative Services Manager for minutes	
Sue Paul, Sr. Director of Well-Being, and Brain Health	Kim Ehrenfried, Comptroller	
Andrew Jeanneret, CFO		

**Note: The meeting was held in person.**

**ITEM: CALL TO ORDER: (5 minutes)**

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. Shuman offered a prayer.

Mr. Ernico referred to the agenda and consent resolution contained in the Board Packet for the October 25, 2023, Asbury Atlantic, Inc. Board of Directors meeting (“Board Packet”) and asked for a motion to approve.

**The following motions were 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 October 25, 2023, Board of Directors meeting

*as it appears in the Board Packet.*

2. Approval of Minutes. *The minutes for the July 26, 2023, Meeting of the Board of Directors as it appears in the Board Packet.*

**ITEM: Q2 FINANCIAL REVIEW: (24 minutes)**

Ms. Ehrenfried began the third quarter financial review starting with the balance sheet, highlighting investments increased by \$2.5M since year-end, which include proceeds from a land sale at Bethany Village (BV). She noted that prepaid expenses and other assets increased primarily due to prepaying taxes and an increase in resident promissory notes, which are usually paid in 30-60 days.

Then, Ms. Ehrenfried shared that \$2M in government funding was received but not recognized as revenue and that total liabilities have decreased by \$10M since year-end. She explained that net operating revenue is unfavorable by \$2.5M to budget, mainly due to independent living and assisted living occupancy at AMV, Asbury Solomons (AS) skilled nursing, and Springhill (SH) independent living occupancy. AS, BV, and SH are above 90% of actual occupancy year-to-date. Salaries and benefits are favorable to the budget, offset by contract labor, which is unfavorable to the budget. Utilities, leases, and telephone expenses are unfavorable to the budget due to necessary equipment rentals. September year-to-date Operating Ratio (OR) is 96.6% compared to a budget of 97.6%, equating to a \$1.1M favorable variance.

After the financial review, the Board discussed continued funding from the government. Mr. Jeanneret noted that the funds sometimes take a long time to receive, and expenses needed to be incurred by May 11, 2023, to be reimbursed.

**ITEM: OPERATIONS REVIEW: (38 minutes)**

Mr. Andrews began the operations review by sharing the following star ratings:

- AMV – 4 stars
- AS – 5 Stars
- BV – 5 Stars
- SH – 3 Stars

Then, he discussed staffing stars and how Asbury's staffing models have changed to lower labor costs with slight changes, for instance, not filling an RN Shift Manager position right away. Our staffing ratios per schedule are between 4 and 5 stars range at current. He explained how PA recently passed new regulations that enhance staffing ratios and target hands-on nursing prior to the CMS ratios expected in 2024.

Following the quality discussion, Mr. Andrews provided updates about the Strategic Blueprint: Goal 1: Operation Margin Achieved – The target is a 97.6% Operating Ratio, and the actual is 96.6%.

Goal 2: Employee Turnover Rate – 37.68%

- Mr. Andrews stated the main reasons for an increase are college students returning to

school and those taking other employment that we hired first. The job market continues to improve for employers, but competition is fierce.

- Mr. Andrews also shared that we can now access exit interview information and use the data to address specific challenges and monitor our performance.

Goal 3: Cognitive Brain Health Program/Well-being - Achieved the goal of adding a second Brain Health Coach to AMV

- EngAge Well and Kinnections Brain Health is being implemented in all communities, and both programs are progressing as per schedule. In addition, Brain Health Coaches will be hired in all communities by the end of October 2023.

Then, Mr. Andrews discussed data resources used by the sales team and confirmed that overall, we continue to improve across the communities.

Finally, Mr. Andrews discussed Bond projects. All PA Bond projects are scheduled to be completed by July 2024 and the MD Bond projects by May 2025.

**ITEM: EDUCATION: WELL-BEING AND BRAIN HEALTH PROGRAM DEVELOPMENT: (28 Minutes)**

Ms. Paul discussed all the initiatives happening for the Well-being and Brain Health Programs. Additionally, she highlighted the following:

- Presented at multiple conferences to raise Asbury's profile for brain health and well-being
- Hired five additional brain health coaches
- Added additional activities/services
- Connecting Well-being Directors and Brain Health Coaches from all communities
- Re-Aligning Well-being and Activities
- Kinnections programming extended to dementia care

**ITEM: OPEN DISCUSSION**

No agenda items were requested for the open discussion.

**ITEM: ADJOURNMENT**

The meeting was adjourned at approximately 5:50 p.m.

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Todd Andrews, President Community Living Division