

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

May 8, 2024

*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	
Andrew Jeanneret, CFO	Kim Ehrenfried, Comptroller	
Bri Stewart, SVP of Sales & Brand	Doug Leidig, President & CEO	
Stephanie Lee, VP of Clinical Support & Programming	Maggie Olsen, Director, Compliance & Risk Management	

**Note: The meeting was held virtually.**

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

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

Mr. Ernico referred to the agenda and consent resolution in the Board Packet for May 8, 2024, 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 May 8, 2024, Board of Directors meeting as it

*appears in the Board Packet.*

2. Approval of Minutes. *The minutes for the February 7, 2024, Meeting of the Board of Directors as it appears in the Board Packet.*

**ITEM: FINANCIAL REVIEW: (15 minutes)**

Ms. Ehrenfried began by discussing the completion of the 2023 audit process. She reported the final Operating Ratio for Asbury Atlantic as 94.2% compared to 94.1% based on preliminary results. There were no audit adjustments, and the audit report was issued on April 22, 2024.

Next, Ms. Ehrenfried discussed 2024's first quarter results and shared some highlights, including the following:

- Balance Sheet total assets were consistent with 12/31/23 amounts.
- Current investments held under bond indenture decreased due to scheduled principal and interest payments, and the long-term portion decreased due to spending \$3.7M of the project fund for capital projects at Asbury Methodist Village and Asbury Solomons.
- Prepaid Expenses and Other Assets decreased primarily due to a decrease in resident promissory notes.
- For Total Liabilities, Accrued Interest Payable declined because of interest payments.

Ms. Ehrenfried then discussed the key metric of cash flows from net entrance fees that are \$4.1M favorable to budget for the first quarter and shared that all communities were favorable to budget. She also reviewed the Statement of Operations, noting that Net Operating Revenue is at budget and no government funding was recognized in the first quarter. When reviewing occupancy, Ms. Ehrenfried provided the following information:

- Bethany Village (BV) is favorable in all levels of care
- Asbury Solomons (AS) is favorable in independent living (IL) and assisted living (AL)
- Asbury Methodist Village (AMV) is favorable in (skilled nursing) SNF
- Springhill (SH) is favorable in AL and trending up in IL and SNF

AMV IL and AS SNF occupancy continue to be challenges that staff are addressing. She mentioned that overall, most expense categories had savings, except for Employee Benefits due to health insurance claims. Ms. Ehrenfried concluded by share that overall, the Operating Ratio is at 93.9% compared to a budget of 97.0%, equating to a \$1.3M favorable variance.

**ITEM: OPERATIONS REVIEW: (30 minutes)**

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

- AMV – 5 stars
- AS – 3 Stars (due to audit of Payroll Based Journal (PBJ) labor for the first quarter)
- BV – 5 Stars
- SH – 4 Stars (increased by one start in April)

Then, he discussed AS dropping two stars last quarter due to incorrectly coding AL items to skilled care. An investigation occurred and the error was corrected; it is expected that AS will return to five stars after the next quarter. After sharing the current star ratings, Mr. Andrews introduced Ms. Lee.

Ms. Lee discussed the Quality Comparisons and informed the Board that some quality measures are frozen until January 2025. She explained how the clinical team addresses negative outcomes in quality measures and conducts activities, including weekly team meetings and developing action plans to address areas of concern. She mentioned that short-stay residents are where a lot of focus is due to them only being in the community for a brief time. Lastly, Ms. Lee discussed the importance of all other measures and how the clinical team can track metrics with the new Electronic Health Record.

The group discussed how the team addresses skin issues, especially pressure ulcers.

Following Ms. Lee's presentation, Mr. Andrews briefly discussed occupancy and noted that Ms. Stewart would further detail results later in the meeting. He also shared that AS is conducting a study to determine the future needs of memory care or additional AL beds for their local area.

Next, Mr. Andrews provided the following updates about the Strategic Blueprint:

Goal 1: Operation Margin Achieved

- The target is a 97.0% Operating Ratio, and the actual is 93.9%.

Goal 2: Employee Turnover Rate (For Atlantic Communities)

- As of 4/28/24: 31.05% (Atlantic) and 37.99% (ACOMM)
  - Mr. Andrews mentioned focus is on first-year turnover.

Goal 3: Resident Satisfaction

- Annual Resident Survey will take place later this summer.
  - Mr. Andrews and the operations leaders are assessing other food service providers due to low scores on the last three resident surveys and lower than national benchmarks.

Lastly, Mr. Andrews discussed operations' areas of focus for the first quarter of 2024:

- New Electronic Medical Health Record PointClick Care implementation (Feb-Aug)
- Resident Satisfaction Pulse Survey
- Enhancing communications with both associates/ residents
- Evolving TN day-to-day under management agreement
- Onboarding Grace Park and Ivy Gables
- Continuing Well-being evolution and programming
- Falls Collaborative with Caring Communities

A group discussion ensued about the Falls Collaboration with Caring Communities.

### **ITEM: OCCUPANCY UPDATE (30 Minutes)**

Ms. Stewart began the occupancy update by celebrating the wins across the system, including the

deposits received in the first quarter. Then, the group discussed the longevity of sales directors and mentorship and best practices for sales event attendance.

Next, Ms. Stewart discussed AMV occupancy, including attrition, and shared information about lead generation and conversions.

Ms. Stewart discussed the strategy for AMV RL, which includes:

- Adding a regional sales specialist
- Focusing on smaller units and quick settlements
- Regularly review incentives
- Ensure the sales team creates urgency

To finish her presentation, Ms. Stewart highlighted one of her outstanding associates.

**ITEM: EDUCATION: EMERGENCY PREPAREDNESS (10 Minutes)**

Ms. Olsen discussed Emergency Preparedness at the community level, noting that each Emergency Preparedness plan is individualized to the community. She also shared a high-level review of the Risk Management program and mentioned that our broker conducts annual walk-throughs and provides feedback. Lastly, Ms. Olsen discussed post-incident reports and communication with insurance companies.

The group discussed incidents that Ms. Olsen reviewed in her presentation.

**ITEM: ADJOURNMENT**

The meeting was adjourned at approximately 5:55 p.m.

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Todd Andrews, President Community Living Division