

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

July 24, 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

Board of Directors, attending		
Jeffrey Ernico, Chair	Barbara Harbison	Efonda Sproles
R. Scott Coolidge		
Board of Directors, absent		
Richard Shuman		
Staff		
Todd Andrews, President, Community Living	Terra Bennett, Administrative Services Manager for minutes	
Doug Leidig, CEO & President	Kim Ehrenfried, Comptroller	
Bri Stewart, SVP of Sales, and Brand	Andrew Jeanneret, CFO	

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 4:17 p.m. and he then offered a prayer.

Mr. Ernico referred to the agenda and consent resolution in the Board Packet for the July 24, 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 July 24, 2024, Board of Directors meeting as it appears in the Board Packet.*

2. Approval of Minutes. *The minutes for the May 8, 2024, Meeting of the Board of Directors as they appear in the Board Packet.*

ITEM: FINANCIAL REVIEW: (20 minutes)

Ms. Ehrenfried discussed 2024's second-quarter results and shared some highlights when reviewing the Balance Sheet, including the following:

- Prepaid expenses and other assets declined from \$9.7M to \$4.3M due to resident promissory notes decreasing by approximately \$3.6M.
- Long-term Investments Held Under Bond Indenture decreased by \$5.7M due to spending the project fund for capital projects at Asbury Methodist Village (AMV) and Asbury Solomons (AS).
- Overall assets increased by about \$9.7M since 12/31/23.

Then, Ms. Ehrenfried discussed the Income Statement, noting that the Operating Ratio is 92.4% compared to a budget of 95.7%, equating to a favorable variance of \$2.8M. Approximately \$0.9M of the favorable variance is driven by Cash Operating Revenue, and \$1.9M is driven by Cash Operating Expenses. She also noted that the Net Operating Revenue is at budget year-to-date. When reviewing occupancy, Ms. Ehrenfried provided the following information:

- AMV is focused on improving Residential Living (RL)
- AS is focused on increasing Skilled Nursing (SNF)
- Bethany Village (BV) is favorable in all levels of care
- Springhill (SH) is unfavorable in all levels of care but over 90% occupancy in all levels

She mentioned that overall, most expense categories have year-to-date favorable variances to budget, except for contract labor, which has an unfavorable variance due to BV nursing and dining labor. A favorable variance in Salaries and Wages offsets this unfavorable variance.

ITEM: OPERATIONS REVIEW: (30 minutes)

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

- AMV – 5 stars
- AS – 3 Stars
- BV – 5 Stars
- SH – 4 Stars (increased by one star on April 1)

He noted that AS will return to 5 stars by the third quarter. Mr. Andrews mentioned that CMS has been very heavy on their audits this year, with one major focus being labor.

Mr. Andrews discussed the short and long-stay quality measures and how the clinical team meets weekly to strategize how to improve quality measures. Additionally, he highlighted that CMS froze some metrics that will remain the same for at least a year. This impacts Springhill negatively far exceeding the other 3 locations.

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

Goal 1: Operating Ratio Achieved

- The target is a 95.7% Operating Ratio, and the actual is 92.4%.

Goal 2: Associate Turnover Rate (For Atlantic Communities)

- As of 4/28/24: 34.44% (Atlantic) and 35.51% (ACOMM)

Goal 3: Resident Satisfaction

- Annual Resident Survey will take place in September

Mr. Andrews discussed operations' areas of focus for the second quarter of 2024:

- New Electronic Medical Health Record PointClickCare implementation (Feb-Aug)
- Resident Satisfaction Survey date set for September
- Enhancing communications with both associates and residents
- Continuing Well-being evolution and programming
- Falls Collaborative with Caring Communities

Lastly, Mr. Andrews discussed Bond Capital Projects, including:

- HVAC and electrical upgrades at AMV
- Parking lot and road repaving, SNF private room conversions, and dining renovations at SH
- Electronic door locks at BV
- Window replacement and electric infrastructure at AS

ITEM: ADJOURNMENT

The meeting was adjourned at approximately 5:30 p.m.

Todd Andrews, President Community Living Division