

Lourdes Senior Community Boards

Tuesday, February 7, 2023, 1:30 p.m., LRHC Chapel

Note: Includes Board of Directors for Lourdes, Inc., Fox Manor, Clausen Manor (Lourdes Alzheimer's Special Care Center), Joseph T. Mendelson Assisted Living Home (Lourdes Assisted Living), Dominican Health Care and Lourdes Campus Fund

BOARD MEMBERS PRESENT

Richard Acho, President and CEO
Sister Janice Bachman, OP
Beth Cafaro (via Zoom)
Brian Condit, Chair
Linda Gifford (via Zoom)
Henrietta Juras, MD
Steven Kastner (via Zoom)
Msgr. Michael LeFevre (via Zoom)
Lynne Lepisto-Golling, RN, MS
Joseph Manuszak
Sister Peggy Martin, OP (via Zoom)
John Noone, Secretary/Treasurer
Barbara Mendelson, Vice President (via Zoom)
Sister Barbara Rund, OP

STAFF PRESENT

Colleen Burke, Director, Clausen Manor
David Krolkowski, Director, Finance
Rebecca Latta, Director, Human Resources
Robin McClintock, CTRS, CASP, Director, Fox Manor and Mendelson Home
Maureen McGee, Administrator, Lourdes Rehabilitation and Healthcare Center
Jason Mize, Director, Plant Operations
Wendy Mosella, Director, Development and Marketing

CALL TO ORDER

The meeting was called together at 1:30 p.m. by Mr. Condit. A full quorum was present.

REMEMBRANCE OF SISTER SUE MCMAHON, OP

Mr. Condit reflected on the impact Sister Sue McMahon, OP, had on the legacy of Lourdes and how much she will be missed.

OPENING PRAYER

Mr. Acho led the group in prayer. The prayer was in honor of St. Valentine.

CAPITAL REPLACEMENT FOR MENDELSON HOME AND FOX MANOR

Previously the Board had designated funds that were unrestricted within Mendelson Home and Fox Manor to cover capital replacement and bond payments for the two homes. This has been ongoing each year since 2006. The bonds are paid off for each building. Mr. Acho requested a rewording of the previous resolution to allocate a certain amount of unrestricted funds every year to capital replacement needs, removing the wording for the bond payments. The resolution requests \$60K annually from the Mendelson unrestricted funds and \$50K from the Fox Manor unrestricted funds be moved over to capital replacement costs. The funds will be held in the Comerica investment portfolio until needed. The only thing changing is the general ledger account number. This will remain in effect until modified.

MOTION: SR. JANICE BACHMAN, OP, MADE A MOTION TO APPROVE THE RESOLUTION AS STATED. SECONDED BY DR. HENRIETTA JURAS. ALL IN FAVOR. MOTION CARRIED.

BOARD DESIGNATED FUNDS

Historically, a resolution was put into place at the beginning of the capital campaign for the rebuilding of the skilled nursing facility. The resolution stated that all incoming unrestricted funds would be used for the capital campaign. Now that the rebuild is complete, the request is for the unrestricted funds be designated for the healing garden. \$129K has been raised thus far for the healing garden. Estimates are at \$305K to complete. In 2022, \$46K was received in unrestricted funds. This will be transferred to the healing garden account. The proposed resolution requested that all incoming unrestricted funds be allocated to the healing garden. Should a need arise

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that the Board deems as a higher priority than the healing garden, a new resolution can be written to supersede the healing garden resolution.

MOTION: BETH CAFARO MADE A MOTION TO APPROVE THE RESOLUTION AS STATED. LYNNE LEPISTO-GOLLING, RN, MSN, SECONDED. ALL IN FAVOR. MOTION CARRIED.

It was asked that the resolutions be numbered for future reference.

LRHC PROJECT

Jason Mize reported that the demolition of St. Joseph Hall is complete. The enclosure of the hallway leading to Marian Hall from the front lobby is finished. Photos of the new area were displayed.

Quotes are being collected for areas of LRHC that need cameras. A camera and intercom system was installed at the front door for after-hours.

Quotes are being collected for the repavement of the front entrance.

The Mendelson apartments are receiving a refresh with new cabinetry, vanity, countertops, flooring, paint, light fixtures, and receptacles. Photos were displayed of the newly finished apartments. The budget for 2023 includes the completion of five apartments at \$12K each. Windows in the dining room and activity room at Mendelson are being replaced in April.

MANAGEMENT REPORTS

Clausen Manor – Colleen Burke: Census at Clausen Manor is at 19 with another resident moving in this week. The older resident is 101 years and the youngest is 62 years.

Fox Manor – Robin McClintock: Fox Manor has seven vacancies with six move-ins pending. The seventh apartment is due for a full remodel. Fox has had two residents on hospice pass away this year. The families stayed with them so that they could remain in their homes until they died. One of the residents had been at Fox Manor for 11 years. Residents and staff made snow angels during the last big snowfall.

Mendelson Assisted Living – Robin McClintock: Mendelson Home has eleven vacancies. Several residents have transitioned to Clausen Manor and one was able to go back to Fox Manor. Four admissions are pending. A Place for Mom is the primary referral source besides word of mouth. Turnover was questioned as to why the number is so high. Ms. McClintock responded that with the number of jobs available in the community, a lot of the new employees stay with LSC for less than one year. Hospitals are now hiring unlicensed attendants, competing with the staff that Mendelson would normally attract.

Compliance – Robin McClintock: The excluded supplier statics spreadsheet was distributed to the Board members. There were no confirmed matches.

Human Resources – Rebecca Latta: In 2020, we saw the Great Resignation during the pandemic. In 2023, we are seeing the Great Rethink. Individuals that had resigned from their job are now rethinking that decision and deciding what they need to do going forward. The Bureau of Labor Statistics reported that 10.4 million jobs are open with only 6 million individuals looking. Application numbers have increased. LRHC had four RN/LPN openings that were aggressively recruited for. The contingent nurses heard that LRHC was working hard to fill the positions. Four of the contingent nurses committed to working full-time with LRHC. Two of LRHC's long-term

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CNAs have converted successfully to a four-day workweek. This has allowed us to retain them and help them not feel as burnt out. We have heard positive feedback from these individuals who made the shift.

Lourdes Rehabilitation and Healthcare Center – Maureen McGee: The nursing home comparison on the CMS website has been refreshed and Lourdes is once again a 5-Star facility. Canterbury on the Lake is a 1-Star facility and Regency of Waterford is a 1-Star facility. Mr. Condit asked how marketing can benefit from this. The hospitals will be encouraged to look at the star ratings for LRHC and our competitors.

Trinity Health has asked LRHC to enter into a 50/50 partnership with them for managed care patients. Trinity has asked LRHC to take their managed care, residents, prior to receiving authorization. LRHC would become Trinity Health's (St. Joseph Mercy Oakland) preferred provider. Should the resident come to Lourdes and the authorization never be approved, LRHC would absorb 50% of the cost and Trinity 50% of the cost of their stay at LRHC. LRHC is in talks with the CFO of Trinity for clarity.

Finance and Technology – David Krolkowski: Year-end 2022 was been closed. The total consolidated operating is a loss of -\$1.3 million. Revenue is down -\$2 million. Professional services were \$582K unfavorable to budget. Supplies were \$140K unfavorable to budget. December ended with an operating gain of \$82K. The timing of the ERC payment is expected in late 2023. We are expecting a credit of \$3.45 million. The financial statements will be modified to reflect that \$3.45M in 2022 as this is an audit requirement. The net asset number will change to a positive one. Direct care workers of SNFs continue to receive \$2.35 per hour additional from the State. Groups are asking that the governor expand this to assisted living direct care workers along with housekeeping, dietary, and laundry.

Marketing/Communications/Development – Wendy Mosella: The Donor Perfect database has been run through an address update software system. This will assist in capturing some of the lapsed donors and ensuring we have updated addresses for them so that our mailing efforts are going to the right place.

BOARD RETREAT PREPARATION

The Board retreat is on April 18, 2023. The Governance and Nominating Committee will develop several vision statements that will be presented at the retreat for the Board to vote on. The strategic imperatives from last year's retreat and the findings from the Committees assigned to the imperatives will be presented. Repositioning the Lourdes campus will be explored. This may include adding an additional independent living unit and/or adding ranch-style homes. The profit margin on the independent living side of the business is much greater than the other communities due to very few staff requirements and no direct care. A market feasibility study will be done and presented at the retreat. The location of the retreat will be determined.

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EXECUTIVE SESSION

DOMINICAN SISTERS OF PEACE

The Dominican Sisters of Peace sponsor a ministry leader gathering annually. This is for their founded ministries. This year the gathering will include senior housing and healthcare organizations. This is the first time Lourdes Senior Community has been invited to the gathering. The healthcare-sponsored ministries are comprised of LSC and two SNFs, one in Columbus and one in Kentucky. The gathering will be held February 21-23, 2023. Mr. Condit and Mr. Acho are attending, along with Sr. Peggy Martin, OP.

All founded ministries of the Dominican Sisters of Peace present an annual report to the Corporate Members each year. The annual report is due on March 3. Mr. Condit and Mr. Acho will meet with Sr. Janice Bachman, OP, and the Corporate Members on March 21 to discuss the report.

REPORT OF THE CHAIR

During the second executive session of the November meeting the Board discussed moving to a metric-based approach for the CEO's compensation plan. Measuring and setting targets to continuously improve Lourdes is the goal.

The Governance and Nominating Committee will continue to work with Mr. Acho on the retreat planning.

REPORT OF THE CHIEF EXECUTIVE OFFICER

The new Development Director, Wendy Mosella, started with LSC on January 9. Her first item was to clean up the database. Ms. Mosella recommended the use of the address lookup software program. Postcards have been mailed consecutively for three months to homes in the area that met certain criteria. LSC has received one admission thus far from the postcard mailing. A senior living magazine is being personalized and printed for LSC. The magazine is free to LSC, supported by the individuals and companies who are advertising in the magazine. The magazines will be given to potential residents who tour with us, along with their families. The magazine will be taken to marketing events as well. The commercials are complete. Mr. Acho and Ms. Mosella are working with WDIV Channel 4 to develop a plan to air them. Mrs. Lepisto-Golling recommended advertising in the Vitality within the Oakland Press.

Waterford Township has requested Lourdes Senior Community's information to justify the property tax exemption status. This is requested every two to three years. As far as our understanding at the time, the only building in question from the township was the assisted living building. Mr. Acho then received an email from the assessor with further questions. Historically, each of the LSC properties has been tax-exempt except for the independent living property which pays property tax on the parcel that the building occupies. SNFs, homes for the aged, and adult foster care homes are exempt from paying property taxes if they are also a religious community or charitable community. Historically, LSC has fallen under the religious category. No longer can an organization be exempt for religious reasons unless its primary designation is to preach the word of God. Canterbury on the Lake has been paying property taxes on their entire community. Canterbury has been appealing to the township for four years. Recently, Canterbury won a ruling in the tax tribunal court that they are now property tax exempt on their SNF only. Waterford Township sent Mr. Acho a letter stating that LSC has failed to prove tax-exempt status. Mr. Acho is appealing. There is no consistency or clarity across townships in the state as to who should or should not pay property taxes. Mr. Acho is part of a LeadingAge MI committee that has written legislation that is on the docket for the State of Michigan requesting consistency across townships in Michigan. Mr. Acho has been in contact with an attorney for the Archdiocese of Detroit who then sent him the case file on Canterbury. He has developed a list of items that sets Lourdes Senior Community apart from Canterbury and is preparing to go before the appeals board in March.

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Mr. Acho is unwinding some past practices that are no longer working for the organization. Previously management received unlimited sick time which is no longer the case. Working from home is no longer an option. Mrs. Cafaro, Chair of the HR Committee, suggested that policies should be put into place for these practices.

COMMITTEE REPORTS

Human Resources Committee – Beth Cafaro: The next HR Committee meeting is scheduled for February 8. An employee opinion survey will be on the agenda along with succession planning.

Governance and Nominating Committee – Brian Condit: Mr. Condit confirmed that the Finance Committee will be overseeing the property tax appeal. Kimika Garrett has resigned from the Board and the HR Committee. A survey went out in December requesting recommendations for potential new Board members. Five names were recommended and they will be vetted further by the Governance and Nominating Committee.

Philanthropy Committee – Brian Condit: The Philanthropy Committee has not met since the last meeting of the Board. A meeting date is a priority for the new director.

Quality/Resident Care Committee – Lynne Lepisto-Golling: Three policies were included in the Board packet for approval. The Committee will be prepared to discuss their assigned strategic imperatives at the Board retreat.

Audit and Compliance Committee – Barbara Mendelson: The Audit and Compliance Committee has not met since the last meeting of the Board. There has been no follow-up by a previous resident's attorney regarding a potential lawsuit. The Ethics Guide was distributed to each member to recertify. The Audit officially begins on February 27.

Finance Committee – John Noone: The Committee met on February 1. The financials through part of December were discussed along with the investment summary, the property tax implications, and the ERC.

Continuing Support Fund Committees – Rich Acho: The Committee met in December and authorized five new resident requests. The fund dropped from \$5 million to \$4.3 million during the recent stock market fluctuations.

CONSENT AGENDA

- Meeting minutes of November 15, 2022
- Meeting minutes of September 20, 2022
- The Continuing Support Fund Charter
- Policies
- Educational materials

It was noted that the minutes have been updated to reflect that Lynne Lepisto-Golling attended the meeting in person, not via Zoom.

MOTION: JOHN NOONE MADE A MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED. LYNNE LEPISTO-GOLLING SECONDED. ALL IN FAVOR. MOTION CARRIED.

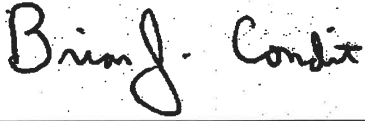
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ADJOURNMENT

The meeting adjourned at 3:39 p.m.



Brian Condit, Board Chair



Debi Batchelder, Recorder