

Ourdes Senior Community Boards - Retreat

Tuesday, April 29, 2025, 1:00 p.m., LRHC Chapel

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

BOARD MEMBERS PRESENT

Richard Acho, President and CEO
Erin Asdell
Sister Janice Bachman, OP
Linda Gifford
Peggy Holden, Secretary/Treasurer
Msgt. Michael LeFevre
Joseph Manuszak
Sister Peggy Martin, OP
John Noone, Chair
Paul Propson
Sr. Barbara Rund, OP

BOARD MEMBERS EXCUSED

Barbara Mendelson, Vice President

STAFF PRESENT

David Krolkowski, Director, Finance
Rebecca Latta, Director, Human Resources
Robin McClintock, CTRS, CASP, Director, Fox Manor and Mendelson Home
Maureen McGee, Administrator, Ourdes Rehabilitation and Healthcare Center
Jason Mize, Director, Plant Operations
Cori Sharrard, Director, Clausen Manor

GUESTS

Jason Choi, Ziegler
Tom Meyers, Ziegler
Sara Montgomery, Plante Moran

WELCOME

Mr. John Noone called the meeting to order at 1:00 p.m. A full quorum was present.

OPENING PRAYER

The Leadership Team read the prayer.

HISTORY OF THE DOMINICAN SISTERS OF PEACE

Sr. Janice Bachman, OP, and Sr. Peggy Martin, OP, led this topic. A video was shown on the history of St. Dominic, the Dominican Sisters of Peace, and their connection to Ourdes Senior Community. The Board members broke into smaller groups to discuss the similarities between the Dominican Sisters of Peace's direction and the Ourdes Senior Community's mission. They came back to the larger group to share the thoughts of their smaller groups. Both the direction statement and the mission statement reflect the gospel of Jesus. Pride amongst the employees is evident in the work that they do and the fact that 29 Ourdes employees have more than 20 years of seniority at Ourdes.

SENIOR LIVING TRENDS

Mr. Jason Choi and Mr. Tom Meyers, both of Ziegler, reported on the current trends in senior living and the current financial status of LSC. Ourdes Senior Community has almost \$40M in cash and investments and \$15M in debt. The bonds are at 2.5% APR, with a mature date of September 2026. The 75+ population will increase by nearly 60% from 2024 to 2034. Data predicts there will be a need for 800,000 additional senior living units by 2030. Projections suggest the industry will only deliver less than 200,000 units. 48% of NFP SNFs have downsized since the pandemic. At the end of 2023, there were only five single-site CCRC's NFP operators in Michigan with more than 200 units.

STRATEGIC PLAN PROCESS

Mr. Noone provided an overview of the next few agenda items regarding the strategic plan. The Strategic Plan Process diagram was highlighted.

MISSION, VISION, AND VALUES STATEMENTS

The Board was asked to think about the current Mission, Vision, and Values statements. Later in the meeting, the group will come back to these statements to ensure that they are still relevant.

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STRATEGY AND INITIATIVES

The Strategic Plan that was developed in 2024 was reviewed. Recruiting talent is a large concentration for HR. The WeConnect employee surveys have helped with retention. The Lourdes brand, with an emphasis on getting the brand known to the outside community, has had a huge push. A commercial about Lourdes has run on WDIV, and advertising is being done in partnership with the Archdiocese of Detroit. A YouTube ad is running based on geographical location searches. The senior magazine has been revamped. This magazine is paid for by our advertisers. A philanthropy assessment will be presented by Plante Moran later in the afternoon to help assess the direction Lourdes' development and fundraising should take. A 5-year financial outlook will take a look at the financial strategy of LSC in the next agenda item. On the technology side, the Ziegler Linkage Fund that LSC has committed to invest \$300K in, provides information and opportunities for new senior living technologies. Our usage of Tovertofel and SafelyYou within Clausen Manor was made known to us through the Linkage Fund. The referral source process is changing. Hospitals are now requiring SNFs to be on their preferred post-acute care network to receive referrals. SNFs will be rated using a points method, with 7 out of 10 points required to be a preferred provider. Our partnership with Angela Hospice has proven to be a successful part of our business line offerings. Our service alignment has taken us from 108 beds down to 80. This will drop to 77 beds in September. The Villa project will need the Board's final approval of the budget later this meeting. A town hall meeting was held with the Scott Lake residents to inform them of Lourdes' intent to build an independent living apartment building on the lake. The feedback was negative from the neighbors, which is typical as the loudest individuals were represented at this meeting.

LOURDES 5-YEAR FINANCIAL OUTLOOK

The 5-year financial outlook was reviewed. Included in this outlook was the inclusion of the Villas and eventually the apartment building. The outlook was based on conservative forecasts so as to not produce stress on the organization that may or may not be validated. The unit offering is gradually being changed to more independent living than SNF. The suggested ratio is 2-3 independent living apartments to every SNF bed. Lourdes' cash on hand is 700 days, compared to the bank minimum of 120 days. The conclusion of this outlook shows Lourdes Senior Community is positioned to grow responsibly and to serve its mission with financial confidence given the current climate.

PHILANTHROPY ASSESSMENT

Ms. Sara Montgomery of Plante Moran presented the current trends that they are seeing in philanthropy. Economic uncertainty is affecting the way people make their giving decisions. Donor-advised funds continue to grow exponentially. Organizations are seeing a high turnover in development directors. Inheritance tax exemptions have increased the amounts that families can pass on with no tax implications. Religious organizations continue to be the highest area for giving, although smaller than it used to be. Shifts in giving are being seen where individuals want to make an impact with their giving, rather than being concerned about the tax deduction. For Lourdes, expenses associated with giving have consistently affected the bottom line. Historically, the amount of donations received each year has been relatively stable. The amount of salaries deducted from those deductions has ultimately affected the bottom line. Most planned giving comes from the loyal annual donor, not the largest donor. A large focus for Lourdes will be on donor advised funds and estate giving.

VILLA PROJECT BUDGET

Mr. Joe Hammond was selected to build the Villa project. Last year the Board approved \$3.3M for the Villa project. The actual project cost at the time of the contract execution is \$3.8M plus \$50K for contingencies. Mr. Acho is asking the Board to approve \$3.85M to begin construction of the Villas.

LOURDES SENIOR COMMUNITY BOARDS - RETREAT

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MOTION: A MOTION WAS MADE BY SR. JANICE BACHMAN, OP, TO APPROVE THE VILLA PROJECT GUARANTEED MAXIMUM PRICE OF \$3.85 MILLION. SECONDED BY SR. PEGGY MARTIN, OP. ALL IN FAVOR. MOTION CARRIED.

SENIOR LIVING TRENDS/PHILANTHROPY GROUP DISCUSSION

Mr. Acho began the discussion on the philanthropy department. He reiterated the fact that although the department has only one full-time staff person, the net income is up due to expenses being significantly lower. It was suggested that we display the new things we are doing, such as the Villa project, in each building for visitors to see and offer ways that they can be a part of it. Advertise how donation dollars are being put to work around the campus. Hiring a grant writer part-time could be beneficial to both research grants, write the grants and follow-up. The Board supports hiring a Development Associate to help with grant writing and making donor connections to meet with the CEO. In addition, to assisting with special events.


The Board agreed to keep an open mind to mergers and acquisitions in the future. Attending industry meetings to hear what others are doing can be beneficial to Lourdes.

CONCLUSION

Mr. Noone asked each member to review the mission and value statements to ensure that they are still relevant to what Lourdes is doing. Any suggestions are welcome.

ADJOURNMENT

The meeting adjourned at 4:50 p.m.



John Noone, Board Chair



Debi Batchelder, Recorder

