



Board of Directors' Meeting Minutes August 28, 2019

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, August 28, 2019 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Paul Cesari, David Gruber, Molly Hauser, David Hines, Andy Gridley, Margaret Jacobs, Dennis Mooradian, Trish Otstott, Laura Pilz, Connie Tiret and Leslie Van Houten

Directors Absent: Deborah Avakian, Jane Hickerson and Jeanie Kayser-Jones

Staff Present: Ken Donnelly, Chief Executive Officer, and Joe Conroy, Chief Financial Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order at 4:03 p.m. He and the Board members welcomed new Board member, Dennis Mooradian.

II. Consent Agenda

The Board approved the Consent Agenda: the July minutes, the Committee and Task Team Reports, the Marketing Report, the June 2019 Financial Packet, the June 2019 Clinical Snapshot and the CEO's report.

III. Chair's Report

Chair Hines deferred his report given the heavy agenda.

IV. CEO's Report

CEO Donnelly's report was placed in the consent agenda due to time constraints.

V. Resident Communications and Relations

Residents' Council President Hanley reported that, for the first time, a pet bird has been approved for a resident. He also extended an invitation to all Board members to come to "Open Doors," a fund raiser, which will feature the Francisco Street properties. This event is scheduled on Friday, September 20th in the afternoon. The Residents' Annual Board Appreciation Dinner will take place on Wednesday, September 25th immediately following the Board meeting.

VI. CFO's Report

CFO Conroy reported that the revenues for Heritage on the Marina are not meeting the budgeted expectations. He noted that there were a variety of reasons. For example, in June there were 11 vacant units, more than had been forecasted. Additionally, the number of private pay patients in the SNF averaged 9 when the number budgeted for was 10, and there were a number of the private pay patients' deaths. On the positive side, the number of Medicare patients is better than planned; however, due to the renovation of Friendship Hall we suspended SNF admissions for two weeks, which will have a substantial effect on the July numbers.

VII. The Bylaw Review

Laura Pilz, who together with Paul Cesari is leading the review of the Bylaws, commented that one of the motivations of the review was to look at the operational functionality of the Board. As it turned out, the Bylaws are more streamlined than the way the Board operates. As an example, she noted that many of the committees that do much of the work are not listed in the Bylaws. She suggested that the Board should consider focusing on the form of the organization which in turn could affect the operations of the Board.

Paul Cesari drafted the proposed changes to the Bylaws that had been provided to the Board in advance of the meeting. Paul lead the discussion taking the Board through each proposed change and giving the Board an opportunity to comment on each. Based on the comments and discussion, Paul will produce a final set of Bylaws to be voted on at the September meeting.

VIII. Strategic Planning Update

David Gruber announced that the Board's Strategic Planning Retreat is scheduled for October 23, 2019 at the Inn of the Presidio. As a result, there will be no Board meeting that evening. Among the topics to be discussed are partnering, entering into a joint venture and fundraising. The Board will be provided materials to study in advance of the meeting.

The Board was provided with a copy of a Letter of Agreement to contract with Joanne Handy to lead the Board in its Strategic Planning Retreat. After review and discussion, the Board approved the Agreement.

IX. Nominating Committee Report

Trish Otstott reported on the work of the nominating committee and potential new Board members. The Board also discussed whether and how to add another resident to the Board as voting member.

X. CEO Transition

Leslie Van Houten gave a brief overview of the work of the Executive Compensation Committee to date, related to the transition of the CEO. Chair Hines has charged this committee with overseeing this work. Laura Pilz updated the Board on two potential candidates, one internal and one external, who have expressed an interest in the leadership position at Heritage on the Marina.

The Board agreed that the next step was to engage a search firm to help the Board select the next leader of Heritage on the Marina and charged the Executive Compensation committee with selecting that firm.

XI. Adjournment

The meeting was adjourned at 6:12 p.m. The next scheduled Board meeting is to be held on September 25, 2019.

XII. Executive Session

The Board met in Executive Session from 6:13 p.m. to 6:21 p.m. at which time the Executive Session was adjourned.

Respectfully submitted,

Leslie L. Van Houten