



Board of Directors' Meeting Minutes August 26, 2020

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday August 26, 2020, via Zoom Conference.

Directors Present: Deborah Avakian, Charles Dicke, Susan Gearey, Randy Gridley, David Gruber, Tony Hanley, Scott Hindes, Margaret Jacobs, Dennis Mooradian, Connie Tiret, Trish Otstott, Laura Pilz, Leslie Van Houten and Laura Wagner.

Staff Present: Mel Matsumoto, Interim CEO; Ken Donnelly, Chief Strategy Officer; Joe Conroy, Controller

Residents' Representative: Bernie Burke, Residents' Council President

- 1. Call to Order:** Chair Gruber called the meeting to order at 4:05PM
- 2. Consent Agenda:** Motion by Laura Pilz, second by Scott Hindes, to approve the minutes of the July 22, 2020 meeting and the Unaudited Monthly Financials. The Motion was approved.
- 3. Residents' Council Report:** Bernie Burke, Residents' Council President, reported that we appreciate the work of the staff during this pandemic. Residents are socializing in the Porter Garden and the Morgan Parlor, keeping distance. Thanks to the Garden Committee. Eating in rooms has caused some problems keeping rugs clean. We intend to assist residents getting their ballots to the polling station.

- 4. Affiliation Update:** Chair Randy Gridley reported that we are in the process of completing an appraisal of the property. A feasibility study (marketing) should be completed by the end of September. We would like to reconvene the full Strategic Planning Committee to review all elements of the confidential opportunity.
- 5. Actuarial Study-Summary (Information):** Joe Conroy provided a summary of the Actuarial Study, required to be completed every 5 years by DSS. Our reserves are adequate and our health care capacity meets current residents' requirements. It was noted that one and two bedroom units generate better surplus than studios. The full report is available on the Board Portal under Orientation.
- 6. Facilities-Governing Policies (Action):** David Gruber noted that this policy came out of a Facility Committee meeting and made a motion which was seconded. The Board approved the motion. This policy is attached. In addition Operating (Staff) Policy and Guidelines for Interior Design is attached for review.
- 7. Financial Projection for the Year (If no Pandemic):** Joe Conroy updated the financial projection for the year. Based on the initial budget, we look to have an income vs expense loss of \$4.5M for the year. Revenues are short of budget due to the lack of new entrants during the pandemic.
- 8. Verbal Update to Written Staff Report:** Mel Matsumoto reported that we have tested 167 of 182 identified employees, vendors and both IL and AL residents. Follow up testing on the 15 not tested. We had a payroll audit of Health Center and our nursing hours-per-resident exceeds what is required.

9. Board Education Session: Mel Matsumoto reported that looking at his syllabus, he has covered all subjects concerning a Governing Board. Mel included in the meeting packet some recommendations on Board Committees. He invited the Board to read the relationship between the Board Chair and the CEO/Executive Director. Mel did acknowledge that the staff is expected to report to the Board from time to time regarding Facilities and Health.

10. Adjournment: The meeting was adjourned at 5:11PM

Respectively submitted,

Tony Hanley



Governing Policies Regarding Facilities (For Action August 26, 2020)

1. Repair Standards:
 - a. Maintenance and repairs will be made in accordance with normal and customary quality standards recommended by reputable trade or other organizations involved in building maintenance and repairs. Parts for repair will be to original equipment standards. If maintenance or repairs in accordance with normal quality standards or parts are not feasible (for example, in the case of previous generation equipment), then repair will be documented with sufficient detail so that future maintenance departments will understand the nature of the repair.
 - b. The Facilities Department will develop and maintain a list of all warranties of equipment as well as all monthly, quarterly, and annual contracted repair and maintenance services.
2. Preventive Maintenance: HOTM will have a preventive maintenance program, whether in-house or contracted, consisting of (a) inspection and preventive services of equipment at prescribed intervals and (b) servicing of equipment which is operating sub-optimally.
3. 3-bid Requirements for Major Expenditures:
 - a. For non-routine capital replacement or new equipment expenditures over \$20,000, staff will solicit bids from at least three vendors. Staff will document this process and their final choice of vendor.
 - b. For ongoing large expenditures, such as unit renovations, staff will solicit bids for planned expenditures in excess of \$150,000 on a biennial basis. Staff will document this process and their final choice of vendor.
 - c. Exceptions to this policy will be if the replacement or repair is an emergency and delaying would impact the health and welfare of residents and/or staff or result in significant additional costs. In this case, staff will proceed with the replacement or repair, document the process, and report to the Board of Directors as provided in these governing policies.
4. Maximum Unbudgeted Expenditure: "Only the Board may approve an unbudgeted expenditure in excess of \$10,000 or any different amount set from time to time by resolution of the Board." (Bylaws 6.1.2(j)). Staff will recommend a change in maximum unbudgeted expenditure as appropriate as part of the annual budget preparation process for review and recommendation by the Finance Committee to the Board of Directors.
5. Emergency Repairs: Notwithstanding governing policy on Maximum Unbudgeted Expenditure and in accordance with governing policy on 3-bid Requirements for Major Expenditures, staff may exceed the limit when immediate repair is needed in an emergency. An emergency is any situation that is an imminent threat to the health and welfare of residents and/or staff or would result in additional serious cost to HOTM without immediate repair. The CEO/Executive Director or her/his designee will advise the President of the Board of Directors immediately but no later than 24 hours of such expenditure and the full Board within 1 week of the expenditure.

6. Long Range Capital Replacement Plan: HOTM will have a long range (20+ years) capital replacement plan (LRCRP) for replacement of major equipment and components of the physical plant. The plan will have at least the following:
 - a. An assessment of current condition of equipment or building component and projected life expectancy;
 - b. A reasonable estimate of current replacement cost, with reasonable inflation factor to predict cost when replacement is needed;
 - c. If deemed appropriate, an additional escalation factor to account for upgrades to replacement cost as projected by building code changes or owner preferences;
 - d. Annual adjustments to the long range capital replacement plan by staff;
 - e. Independent, third-party assessments by a qualified person or firm of major equipment and building components at least every 5 years;
 - f. Annual reporting of the updated LRCRP to the Finance Committee and Board of Directors during budget preparation.
7. Capital Budgets: Staff will submit a capital budget for review and approval by the Finance Committee and Board of Directors as part of budget preparation. Upon approval of the capital budget by the Board of Directors, staff may proceed without further authorization by the Board unless the cost of any capital project exceeds 10% of the budgeted cost projection or the aggregate of capital projects exceeds 5% of the total approved budget. The CEO/Executive Director is authorized to re-prioritize or defer capital projects due to costs, timing, regulations, or other reasons. The CEO/Executive Director will report re-prioritizations or deferrals, the reasons for the action, and an estimated new timeline to the Board of Directors.
8. Interior Design: Interior design, including décor, furnishings and lighting, will be the responsibility of staff and will balance the following considerations: marketing appeal to present and future cohorts of older persons; comfort and usability for residents and visitors; compatibility with the architecture of HOTM, particularly in the Julia Morgan building; suitability and accessibility in care settings; cost/benefit of interior design upgrades. Staff will create an ad hoc advisory group composed of the important constituencies of HOTM for any major interior design project.

Note: see page 3 for staff operating policy for interior design.

[Note: operating policies and guidelines are normally the responsibility of staff, but because interior design projects are usually flashpoints of controversy in any retirement community and because of the historical involvement of board members in interior design, the working draft of the operating policy is being shared. Feedback is welcome.]

Operating (Staff) Policy and Guidelines for Interior Design DRAFT #1

Periodic replacement and refreshing of décor and furnishings in public areas will be part of the long range capital replacement plan of HOTM. (See governing policy regarding the long range capital replacement plan.) All areas will not be on the same replacement cycle; frequency will depend on degree of traffic and importance to maintaining marketing appeal. The key areas will be the main entryway, Morgan Parlor, front office, dining room, and health center. Secondary areas will be hallways (all floors), McGinley Room, and common sitting rooms.

The CEO/Executive Director will name a staff Project Manager (PM) for any major interior design project. The PM will be responsible for shepherding the project from beginning to end, and her/his duties will include the following. Depending on the scope of the project, the CEO/ED and PM may modify the duties. The PM will:

1. Define the scope of work (SOW) with the CEO/ED and develop a project timeline.
2. For a major project, hire an interior designer specializing in senior communities with a history of successful completion of projects; research non-senior communities to broaden perspective; and adjust SOW as desired based on discussions with the interior designer.
3. Create and manage an ad hoc advisory committee reflective of the major constituencies of HOTM, including residents, Board members and staff, which will provide feedback to the PM.
4. Identify with the interior designer the theme or optional themes for the project; ensure its compatibility with building architecture; ensure its compatibility with adjacent areas if they are not part of the project; and get feedback from the ad hoc committee.
5. Develop preliminary project budget for review and approval, normally in the context of regular annual capital budget development. (Depending on scope and budgeted cost, approval may be at CEO/ED level or Board level.)
6. Oversee creation of optional vision boards based on the design theme by the interior designer and get feedback from the ad hoc committee. (Normally the number of optional vision boards would not exceed two, but the PM may vary this depending on the circumstances, keeping in mind the timeline and budget.)
7. Oversee creation of final vision board by the interior designer and develop final budget for approval if it deviates from preliminary budget by greater than 10%.
8. Review ergonomic design of furnishings and décor to ensure it meets the needs of older adults, including seating comfort and accessibility, ease of use of fixtures and handles, height and weight, lighting, and other relevant considerations; and get feedback from ad hoc committee and larger resident population as needed.
9. Present the design plan to residents and other constituencies with assistance as needed from the ad hoc committee.
10. Coordinate activities with the controller to ensure timely progress payments when due.
11. Coordinate activities with all residents and staff to minimize disruption to daily activity.
12. When appropriate, work with administrator-of-record to advise regulatory agencies.

Additional Guidelines

- Assess existing furnishings to determine what can be incorporated into the new design.
- Be aware of donated furnishings in public areas and work with donors for disposition if they cannot be incorporated into the new design. Accept future donations of furnishings only if they can be incorporated into the new design.