



CEO Report to Board of Directors

May 25, 2022

It was good to see most of you at our meeting last month. I'm sorry for those of you on the phone who had difficulty. We have obtained bids to build a better Zoom capabilities so we have the ability to host a concurrent in-person meeting and a Zoom meeting to include those who cannot attend in person. This will take time, but our last meeting made it clear to me that we must make this happen.

Financial:

See report from Joe Conroy attached.

Morrison/CoreWorks Assessment: We continue to work with Morrison's parent company, Compass, to evaluate for efficiencies in the dining, laundry, housekeeping, security, grounds, transportation, and maintenance departments. I expect to have firm answers in the coming month.

Marketing/Occupancy:

We are currently 82% occupied; we had a couple move in in April and another person move in in May. We did have a recent death this month, and that apartment has not yet been returned to census. We currently have 4 move-ins in process.

Our Marketing Director, Janet Howell, has tendered her resignation. She will work through mid-June full time and then will work per diem until several projects she has started are completed, likely October. We are currently recruiting for a new Director of Sales & Marketing.

Aging in Place (AIP):

Michael Russell, RN, began in the role of Resident Health Services Director on April 11 and is getting oriented to the role. He has completed the RCFE Administrators training course and passed the exam.

Pine Park Health, a Primary Care Physician (PCP) group, continues to provide weekly onsite visits, serving our residents on campus and supporting our AIP model. To date, 17 residents have made Pine Park Health their PCP provider.

We have begun providing AL services (a la carte, visiting nurse-type services) in IL apartments. We have started to provide SNF level-of-care services to AL residents. Allowing restricted and prohibited conditions in RCFE (by obtaining waivers and exceptions) requires us to have a licensed nurse on duty in RCFE 24/7. We are working on that staffing model now (currently the SNF nursing staff covers for this).



The Cottage Memory Support Day Program is now operating with 4-6 residents from IL and AL attending daily, five days a week. On the weekend, those residents are served in Friendship Hall due to staffing constraints.

Strategic Plan:

We continue to work with Rockwood Pacific to develop the Concept Plan for the organization. This includes business and financial modeling, with projections ten years out.

We have completed the RFP for General Contractors and have chosen Pankow Builders to help us complete the Concept Plan. We continue our work with our land use attorneys, historical assessment experts, civil engineers, and our design team as we continue to develop plans for our future. The 10 year budget projections detail is being finalized. We had a preliminary introductory meeting with the office of Supervisor Catherine Stefani. They did not think anything we are projecting will raise red flags or is unusual. We plan a report to the Strategic Planning Committee on June 8th and then to the full BOD on June 22nd.

The due diligence on the two Octavia Street properties is moving slowly, as the Saveri family is often slow to respond due to other commitments.

Ongoing Issues:

HCSO: We submitted the final payment of \$119,711.28 on May 2nd in order to meet the payment deadline of May 6th. There are 68 recipients (our employees) with payments ranging from \$19.24 to \$16,834.44 with an average payment of \$1,760.46. The potential penalty of \$19,023.27 was waived by the city and we were not obliged to pay this as part of the settlement agreement.

CaMP: Under the advice of Counsel, we are moving forward with paying out the CaMP penalties. This will involve having to manually process CaMP in payroll until we have new payroll software in place. We've completed our payroll RFP and plan to switch to the ADP platform. This will be a cumbersome transition over 6-10 months. **We have had to move the CaMP payout date (due to COVID related illnesses of staff); our plan is to roll this out on June 9th.*

Capital Projects Update:

Year to date projects include:

- Fitness Room Refresh: completed; Grand Re-Opening was on Monday, May 16th.
- Beauty Shop Refresh: in process (awaiting shampoo chair and sink)
- Garden Room Refresh: in process (awaiting furniture arrival to complete)
- 1st Floor Campus Unification (paint, flooring, lighting): entered into design phase
- Porter Garden retaining wall: completed
- Kitchen Sandwich Refrigeration unit: completed
- Nursing Vital Signs Kiosks: completed
- VoIP phone system: underway; delayed pending network feasibility study; next meeting is 5/23.



Other projects:

- Adding an app feature to our TouchTown communication system, allowing residents to access information on their mobile devices. The launch is early June.
- Piloting an Alexa/TouchTown interface with a small group of residents. This will allow residents, primarily those with vision impairments, to use Amazon Alexa to learn about activities, menu offerings, etc. The launch is early June.
- All contracts being readied for review by DSS. The Type C (50 Month Amortization) was approved in April. The Type C (75% Repayable) is back under attorney review. Plan to submit to DSS by end of May. New arbitration clauses being added to contract, per DSS, and currently with attorney. Anticipate completion end of June.
- Adding an interactive communication feature to our website, benefitting prospects who inquire online after hours. This goes live 5/26/22.

On my radar:

- Considering leasing offsite (but close) parking for team members. Team Members have to move their cars 3 times during an eight-hour shift, costing 1-1.5 hours in lost productive time. **So far, we are on waiting lists, but there is no readily available parking within walking distance to HotM.*
- Vital Research Resident Satisfaction Survey is completed and we are awaiting the results. We had a 74% response rate overall. In IL we had a 76% response rate (44 of 58 residents), in AL we had an 80% response rate (12 of 15 residents), and in SNF we had a 55% response rate (6 of 11 residents).

The national staffing shortage continues to impact our day to day work lives. We are using nursing registry to fill positions that we are recruiting actively for. Dining has open server positions and a captain position that we are actively recruiting for.

Thank you for your continued support of our work and for your service to our residents, team members and the overall Heritage on the Marina community.