

ESC Board meeting 5/11/16

The meeting was held at Spring Lake Village in Santa Rosa. I attended via conference call/video

Minutes from the 2/11/16 meeting were approved

Financial performance

- A review of the last fiscal planning is that the overall targets were very close to being right on.

Reports

- Affiliation
 - There have been several “informal – information exchanges” meetings with the Bishop. There is hope that resolution can be found without having to go to court. If not the hearing date is scheduled for August 1.
 - Discussion – at meetings with several communities there has been concern raised by residents about the possible merger. Was a merger in the best interest of the corporation or residents? The Board felt they should treat this seriously and explore the reasons why. Is it a lack of information, mistrust, “keeping the things the way they have been-change is difficult”, lack of trust?
- Pending legislation
 - Senate Bill 939 is a reintroduction of the bill presented by Bill Monning regarding Continuing care contracts: cancellation: payments. Existing law requires a provider to pay, during the cancellation period, all refunds owed to a resident within 14 days after a resident makes possession of the living unit available to the provider. Existing law requires a provider to pay a lump-sum payment that is conditioned upon resale of a unit to a resident within 14 days after resale of the unit.

This bill would instead specify that a continuing care retirement facility pay the full lump-sum payment that is conditioned upon resale of a unit to a resident, including any interest accrued, within 14 days after resale of a unit. The bill would require a continuing care retirement facility, for contracts signed after January 1, 2017, to pay

a resident or his or her estate a specified portion of the full lump sum owed, notwithstanding a provider's documented good-faith effort to resell the unit, if the unit remains vacant 120 days after the resident's termination. The bill would require any amount owed that is not paid to a resident within 180 days to accrue simple interest at a rate of 4% until the full amount owed is paid. The bill would require any amount owed that is not paid to a resident within 240 days to accrue simple interest at a rate of 6% until the full amount owed is paid. The bill would require any amount owed that is not paid to a resident within one year after the 240-day period to accrue compound interest annually at a rate of 6% until the amount owed is paid. The bill would require a facility to pay the lump sum owed, including any interest accrued, to a resident's estate if the resident is deceased. The bill would provide that, until January 1, 2018, these provisions do not apply to specified projects that are in development prior to January 1, 2017, provided that the initial contract for the project is entered into on or before January 1, 2018. The bill would provide that the repayment by a provider of all or a portion of an entrance fee before the resale of a unit would not subject any other entrance fee to the refund reserve requirements, except as provided.

The possible effects of the bill if passed were discussed. It would make cash flow difficult. If passed should the option still be offered?

- **Resident Representative Reports.**
 - A couple of the representatives noted that the newer residents coming in were older and put a strain on the facility as they needed extra care sooner than the "younger" new residents. With the "long time" residents now needing more care there is a strain on the health care resources.
 - Some residents expressed a desire to have a better prediction of their increasing costs.
 - Webster House, though new to ESC, is an older facility and was disappointed that their approved request for air conditioning had to be put on hold as no bids came in near the projected \$5 million allocated but rather at \$7 million +.
- **Community Insights - Spring Lake Village – Sharon York, Executive Director**

- Thanked Board for all that went into the new units and upgrades.
- Challenges
 - There is an increasing rate of residents needing addition care level as the facility is now 30 years old.
 - Getting and keeping staff
- Moving forward with the East Grove project. Still years away before any ground breaking.

Strategic Financial Planning (Slide presentation)

- An overview of where we are and a new planning tool that can better predict the ever changing scene of senior communities and senior needs. Lets you look 10 years down the road and can project the results of changes such as elimination of entrance fees (ref: Monning's Bill)
- Investments that do well for the clients and coincide with values

Strategic Business Plan (Slide presentation)

- Affordable housing (all facilities must have a their own Board of Directors)
- Bills story <https://vimeo.com/162403308>
- Where are we on the 2013-2020
 - The 5 questions
 - 1. What are our broad aspirations for our organization & the concrete goals against which we can measure our progress?
 - 2. Across the potential field available to us, where will we choose to play and not play?
 - 3. In our chosen place to play, how will we choose to win against the competitors there?
 - 4. What capabilities are necessary to build and maintain to win in our chosen manner?
 - 5. What management systems are necessary to operate to build and maintain the key capabilities?

Nancy Frost, CW Resident Representative