

## **MINUTES**

### **MASONIC AND EASTERN STAR HOME OF NORTH CAROLINA INC**

**August 10<sup>th</sup>, 2024**

The Board of Directors of the Masonic and Eastern Star Home of North Carolina Inc. convened its regular session at 9:00 am on Saturday August 10<sup>th</sup> 2024.

#### **MESH BOARD MEMBERS PRESENT**

Mr. Gene Jernigan, Chairman; Mr. Don Kehler, GM; Mr. Steve Norris, SGW; Mr. Tommy Mills, Mr. Edward Johnson, II; Mr. David Sawyer, Mr. Joey Transou, SGS; Mr. Randy Browning, III; Mr. Bryant Webster, Mr. Rick Patton, Mrs. Amy Jo Fischer Hoth, WGM; Mr. Dennis Edwards, WGP; Mrs. Norma Underwood, AGM; Mrs. Linda Burris, Mr. Allen Hughes, Mrs. Linda Bonner, and Mr. David Griffith

#### **MESH BOARD MEMBERS ABSENT**

Mr. Robert Rideout, DGM; Mrs. Debbie Owen; Mr. Edward Earl Wells

#### **ALSO PRESENT**

Mr. Mark Lewis, Executive Director; Mrs. Archana Patel, Executive Assistant; Mrs. Tracy Armwood, Director of Human Resources; Mrs. Nikki Stafford, Director of Financial Services; Mrs. Marie Dunn, Director of Sales and Marketing; Mrs. Debi Bryant, Residency Counselor; Mrs. Gina Prevost, Director of Community Life Services; Mrs. Crystal Condy, Director of Nursing; Mr. Ray Robinson, AL Manager; Mrs. Misty McAden, Chaplain; Mr. Jacob Elliott, Life Care Services; Mr. Jack Walters, Resident; Mr. Tommy Yarbrough, Resident; Mr. Ted Dresie, Resident; Mr. Robert Vinroot, Resident; Mr. Bob Dellorfano, Resident; Mrs. Barbara Krueger, Resident; Mrs. Donna Newton, Resident Council President; Mrs. Jo Ann Cox, Resident; Mrs. Lori Adams, GC; Mr. Alvin Billings, GRM; Mr. Philip Johnson, JGD; Mr. John Burns, NCMF Chair; Mrs. Susan Matney, OES Foundation Chair; Mr. Tim Merritt, MHCO Board Member; Mrs. Linda Hyatt, Mr. Norman Goering, Committee on WhiteStone; Mr. Michael Harrelson, Committee on WhiteStone; Mr. Andy Wood, Committee on WhiteStone; Mr. Steve Owen, Committee on WhiteStone; Mr. Ray Kivett, Committee on WhiteStone

## INVOCATION

Mrs. Misty McAden, Chaplain, led the invocation.

## CALL TO ORDER

Chairman, Mr. Gene Jernigan called the meeting to order at 9:00 am. A quorum was present.

## MEETING MINUTES / BOARD COMMUNICATION

**Motion: It was moved, seconded, and approved by majority to accept the minutes for the Regular Board Meeting May 11<sup>th</sup>, 2024.**

## COMMITTEE REPORTS

### Long Range Planning Committee

Mr. Gene Jernigan introduced Mr. Joey Transou, Chair of the Long-Range Planning Committee. Mrs. Marie Dunn, Director of Sales and Marketing was called upon for an update on sales.

Mrs. Marie Dunn provided the board with an update using the Insight Advantage platform, showing budgeted occupancy for independent living was 82% but the community has surpassed that, and is at 91% occupied and 96% sold. The campus occupancy for assisted living and independent living combined has surpassed the Department of Insurance requirement of 90%, which allows WhiteStone to maintain a 25% reserve on annual operating expenses. Sales and closing YTD have surpassed the budget of 36 and are currently at 46 closings.

Mrs. Marie Dunn announced that she will be stepping into the role of Regional Sales and Marketing Director for Life Care Services. With Marie's promotion, Mrs. Debi Bryant has been promoted to the Director of Sales and Marketing at WhiteStone. Mrs. Bryant expressed excitement about her new role.

Mr. Gene Jernigan expressed appreciation and excitement for both Mrs. Dunn and Mrs. Bryant in their new roles.

Mr. Joey Transou remarked about the efforts of the Sales and Marketing Team, of which initially sales were sluggish as they started to sell this project from renderings, but following construction the sales have taken off and we are achieving our goals. He also thanked Mrs. Dunn and the Sales and Marketing Team. Mr. Joey Transou announced that efforts to review the master plan will be initiated sooner than expected.

Mr. Mark Lewis reported that the community continues to work through warranty items remaining from the project. These efforts will be led by Mr. Joel King, Director of Plant Operations.

### **Finance Committee**

Mr. Gene Jernigan introduced Mrs. Nikki Stafford, Director of Financial Services, to report on community finances through June 30, 2024, based on unaudited financials.

Net Operating Income (NOI):

The 2<sup>nd</sup> quarter closed with a NOI of 427k on a budgeted loss of (50k) for a positive variance YTD of 478k.

Operating Revenues:

- Revenue is over budget by 977k
- IL revenue is exceeding budget by 547k
- HC revenue is exceeding budget by 636k
- ALMC revenue is under budget by (477k)
- Home Health revenue is under budget by (100k)
- Other operating revenue is over budget by 372k largely due to contributions and the donation from the Grand Chapter of NC, which we are appreciative of their continued support.

Operating Expenses:

- Operating expenses were over budget by (180k)
- GA and Plant Ops are over budget for quarter
- While assisted living was under budget on revenue, the department was also under budget on expenses. However, the department has a net combined loss of (307k)

Debt Covenants:

- Q2 covenants – Days Cash on Hand (DCOH) is 221 at year end (covenant is 150), and Debt Service Coverage Ratio (DSCR) is 2.55 (covenant is 1.20).

As a reminder the 2020B2 Bonds of approximately 9M were paid off in November 2023 and the 2020B1 Bonds for 4M were paid off in March 2024. This means that the entrance fees for any apartments in the Expansion IL building are no longer restricted. While from a cash point of view the funds are allowed for operations they are NOT allowed to be used in the covenant calculation.

#### Accounts Receivable (AR):

- Days in AR started the year at 26.8 and on June 30, was at 25.1 – LCS’s goal is 18
- Over 90 in the HC is Private Pay and Medicaid.
- Over 90 total AR for the community started at 33% and is at 27% on June 30th on a goal of 15%

A large part of the AR is Medicaid and the Medicaid Pending applications we are having difficulty getting approved. We have tried utilizing a law office and did get some guidance. I have reached out to a company that specializes in Medicaid filing and is used by another LCS community and has been used by our current social worker in the HC. I am also trying to work closely with Guilford Co. DSS. At this point they have asked that we file them by paper since there seems to be a disconnect from filing them online. As of July 31st, we had 9 Medicaid Pending applications. These will be filed with the paper application as noted above.

Health center Private Pay has three delinquent accounts that are to note. One account is related to patient monthly liability (PML) that we are working with the family and hope to have resolved within 30 days. Another account is a resident with no family or POA that we are drafting a payment each month and have a plan in place to pay the balance off should he expire. The other account is receiving a 30-day notice of discharge if no payment is collected.

In assisted living, a delinquent account, which had a balance of 31k, was collected in July and put on auto draft moving forward. I have also spoken with the resident about when finances will run out and stocks will need to be sold etc.

Mr. Mark Lewis referred to the investment statements contained in tab 3. Additionally, the Investment Policy Statements are contained in the board packet, which are reviewed and approved by the Board of Directors annually.

Following a review of the investment statements through July, there are two accounts that are currently out of balance with the strategic allocations.

Mr. Don Kehler recommended that the Finance Committee review the investment accounts and provide a recommendation to the Executive Committee within the next fourteen days, adjustments to be made to rebalance the allocations of the investment accounts.

**Motion: It was moved, seconded, and approved by the majority to convene the Finance Committee within the next fourteen days to review the allocations of the investment accounts and to provide a recommendation to the Executive Committee, any readjustments to be made regarding their allocations.**

**Motion: It was moved, seconded, and approved by the majority to retain the investment policy statements as written.**

Mr. Gene Jernigan thanked Mr. John Burns, Chairman of the Board of Directors of the North Carolina Masonic Foundation, for the Foundations continued support of WhiteStone.

### **Charity Committee**

Mr. Gene Jernigan recognized Mr. Mark Lewis to provide an update on charity.

Through June, our charity has totaled \$631,634, which is over budget for the year by \$6,091. Compared to this time last year, charity care is down \$111,415. The Fraternal Friendship Program (formerly Masonic and Eastern Star Outreach Program) has accounted for approximately \$57,737 in charity care through June, which is under budget by \$20,263.

At present we are providing long-term financial assistance to seven (7) fraternal members through the Fraternal Friendship Program and fourteen (14) WhiteStone residents. This includes eleven (11) members residing in our independent living and three (3) in assisted living. There are currently four (4) applications being processed for assistance.

Also contained in tab 4 is the summary of contributions through the 2nd quarter of 2024. Donations totaled \$1,000,205, which was better than budget this year by \$201,081, and up from this time last year by \$126,248. Major contributions YTD are highlighted in yellow, including the fourth quarter hardship reimbursement for 2023, 1st quarter hardship reimbursement for

2024, a gift from the OES Foundation toward the capital campaign, and the RUCK fund.

Board member donations through June (as reported in tab 4) totaled \$5,896, with thirty-seven (37) donations received by seventeen (17) board members. This time last year, donations totaled \$3,460 with twenty-seven (27) contributions from nine (9) board members. As reported in the packet, board member donations to WhiteStone's general operating fund totaled \$5,547, and campaign for WhiteStone at \$350.

Mr. Gene Jernigan thanked the members of the Board for their contributions and encouraged those that have yet to donate to the general operating fund in 2024, to do so, in order to reach the board goal of 100% participation.

### **North Carolina Masonic Foundation**

Mr. Gene Jernigan recognized Mr. John Burns, Chairman of the North Carolina Masonic Foundation Board, for remarks.

The North Carolina Masonic Foundation is pleased to announce the upcoming celebration of our successful capital campaign, scheduled for October 5<sup>th</sup>, 2024. This event will honor the generosity of our major donors and the collective effort that made this campaign a success. The celebration will include a luncheon, leadership interactions, tours of the newly renovated areas, and a special unveiling ceremony recognizing our supporters.

The NCMF is actively engaged in educating lodges about the MESH LLC. In this process, we are confirming their desired area of support with their charitable contributions. If they are aligned with the mission of the MESH LLC., we are working with them to ensure those donations are correctly credited. Regional Ambassadors have also been identified to help deliver the message to the craft, the importance of supporting the MESH LLC. and the Fraternal Friendship Program.

Mr. Gene Jernigan expressed gratitude for the ongoing support from the NCMF and OES Foundations.

### **Resident Communication**

Mr. Mark Lewis directed the board to tab 6 of the board packet for minutes from committee

meetings during the 2<sup>nd</sup> quarter.

Mrs. Donna Newton, Resident Council President, provided remarks to the Board of Directors. Mrs. Newton expressed gratitude to the Masons and Stars of North Carolina, as well as the WhiteStone Board of Directors for establishing and preserving such a wonderful community for seniors to live a fulfilling and comfortable retirement.

Mrs. Newton introduced Mr. Ted Dresie, resident of WhiteStone, to present a new initiative to express appreciation to WhiteStone employees. Mr. Dresie first echoed the remarks from Mrs. Newton, expressing gratitude for WhiteStone, a place he enjoys and now calls home. Mr. Dresie expressed love for the staff who provide such a valuable service day in and day out. This led to a proposal to the Resident Council to find a better, more meaningful way, for residents to thank these staff members. Working closely with WhiteStone Leadership, a committee of residents were assembled, who sought ideas to provide employees with a meaningful expression of gratitude for their service. This included reaching out to both local and other Life Care Services communities to identify existing programs that might be helpful in the development of one at WhiteStone. The program that was established at Well Spring was identified as the one that the committee felt it could model for WhiteStone. This program raised money through donations from residents and family members throughout the year, which was provided to employees at the end of the year. Management personnel were not included in the program. The committee has worked to craft a set of bylaws, based on the Well Spring program, but fit to meet the needs of WhiteStone. Employees will receive a non-merit based monetary gift, based on the hours worked during the year, providing a more heartfelt way for residents to express their appreciation. The Resident Council voted unanimously to approve the program as written and is now being presented to the WhiteStone Board of Directors for review and approval to initiate the program.

Mr. Gene Jernigan expressed excitement with the residents recognizing the value of WhiteStone employees and their desire to show appreciation. Mr. Jernigan tasked the Board of Directors to closely review the program, and forward comments or questions, with the goal of approving the program prior to the end of the month of August. Communication will be delivered to board members via email in the coming week.

Mr. Gene Jernigan thanked the ten board members and observers that were present at the Resident Advisory Committee meeting.

## Management Report

Mr. Mark Lewis referred the board to tab 7 of the board packet for the management reports for the months of April, May, and June. The management reports will also be uploaded to the board portal moving forward.

Mr. Ray Robinson, Assisted Living Manager and Mrs. Crystal Condy, Director of Nursing, were introduced and provided the board with an update from the Care and Wellness Center & Assisted Living.

- Overall Census
  - Continue to see CWC Census maintaining at or above the 90% mark.
    - The end of July was particularly strong for the Census with an end to the last week of Month averaging 95% occupancy.
    - I want to thank our Admissions Coordinator, Brittany Brown, for her dedication to sharing our mission with those that we impact.
    - I'd also like to thank our whole team at the Care and Wellness Center that continues to create experiences that draw people to our community and makes our job that much easier.
- Payor Breakdown
  - Month over Month our Skilled Census (Medicare and Managed Care) continues to grow in volume.
  - As our reputation continues to grow for successful short-term rehabilitation, we've seen the direct correlation between our increase in Skilled Census.
    - We continue to look for opportunities to improve our Clinical Skillset and improve our Resident and Family experience to better serve our community and our mission.

### Staffing Update

- CWC and AL/MC Staffing
  - Open Positions
    - 1<sup>st</sup> Shift
      - Nurses: None
      - C.N.A.s: 2 PT
    - 2<sup>nd</sup> Shift
      - Nurses: 2 PT
      - C.N.A.s: 1 PT
    - 3<sup>rd</sup> Shift
      - Nurses: 1 PT
      - C.N.A.s: None



- Recruitment Focus
  - Backfill of Open Positions
    - We've made great progress in filling our open positions over the past quarter, and we're thankful for the partnership we've experienced with the Human Resources Team.
    - We continue to recruit to grow our PRN (As needed) Staff moving forward, and we've garnered a lot of interest in our Full-Time and Part-Time roles through individuals who currently work for us on an as needed basis.
  - Preparation for Census growth in AL/MC
    - Continuing to build a strong pipeline of Staff Members who would excel in the Assisted Living and Memory Care environment.
    - Starting conversations early and developing skillsets that are needed to provide top-notch care to our Residents.
- Staff Success Strategies
  - Staffing Efficiencies
    - Our Teams in CWC and AL/MC reviewed our Current Staffing Patterns and made adjustments that allowed us greater flexibility in how we Staff, while still providing the quality of service that we expect.
    - These adjustments have been in place for several weeks, and we've seen great success as this has allowed us to continue our excellence in Resident Care and Service, while at the same time addressing challenges that are posed by staffing issues.
  - Retention Plan
    - Providing Staff avenues to speak and be heard.
    - Continued follow through with issues/actions/decisions that are made to engage Staff in the process moving forward.
    - Human Resources continues to conduct ongoing "Stay Interviews" to determine Staff experience and make any adjustments if necessary.

#### Clinical Updates

- Clinical Specialist Review
  - During the week of July 8<sup>th</sup>, we had our Clinical Specialist Review.
    - Our Clinical Specialist, Jon Back, arrived at our community to provide his review as well as to provide education to our Clinical Leadership Team.
  - As a result of Jon's visit, our team has implemented an ongoing plan of correction to address any identified areas of opportunity.
    - In addition to these plans of correction, our Nursing Leadership Team has taken on the task of revamping our Daily Clinical Meeting to be more comprehensive and inclusive of all needed agenda items to ensure follow-through, accountability, and sound Resident care.
  - Areas of Focus:

- Incidents and Accidents
      - Ensuring proper and thorough follow-through on each incident and/or accident that may take place (i.e., fall) to promote Resident safety and decrease incidence.
    - Documentation and Follow-Through
      - Continued education and auditing by the Clinical Leadership Team to create consistency in process and procedures.
- Myers and Stauffer Audit
  - On July 25<sup>th</sup>, the Care and Wellness Center underwent an audit by Myers and Stauffer.
  - This audit, which is conducted on behalf of North Carolina Medicaid, Division of Health Benefits, focuses on a Minimum Data Set (MDS) Validation Review.
    - Our MDS is composed of all aspects of a Residents care during their time at the Care and Wellness Center to include their activities of daily living, nursing services provided, and several other factors.
    - Ultimately, based upon our documentation in the MDS, we can set our reimbursement rate for that Resident to make the applicable rate for their needs.
  - During the audit, the auditors are focused on validating the supporting documentation that we have within our Electronic Medical Record (EMR) to support the rates that we are assigning during the completion of our MDS.
    - Our two items that were unsupported during their review related to the date of completion of two assessments that were completed by a prior Team Member.
    - As of today, we have corrected these issues, and I do not foresee any further issues related to the timeliness of completion.
  - I'm pleased to report that our audit went successfully with us falling below the threshold for unsupported documentation with those two items in consideration.
- COVID-19
  - New Variant of Omicron
    - Leading to rise in cases across North Carolina and the United States.
    - Symptoms trending to be none and/or mild.
    - Hospitalizations, ER Visits, and Deaths remain very low with new cases.
  - Vaccination
    - Less than 23% of individuals have had an updated COVID-19 Vaccine.
    - Updated COVID-19 Vaccine to be distributed this Fall.
      - WhiteStone working with Neil Pharmacy to deliver and host Vaccination Clinics for Residents and Staff this Fall.
  - WhiteStone
    - We've seen an increase of COVID-19 Cases across all levels of care.
    - We continue to follow the guidance of local Health Department, Centers for Disease Control, and Centers for Medicare and Medicaid to guide our

infection control practices across all levels of care to ensure Resident Safety.

Mr. Ray Robinson, Assisted Living Manager, was introduced for an update on Assisted Living and Memory Care.

- Overall Census
  - Month over Month growth in Assisted Living and Memory Care.
  - As of today, occupied to 67%
  - Close Rate of 84.2% for all Formal Asks of Move Ins.
- Assisted Living and Memory Care Experience
  - Our focus in Assisted Living and Memory Care has been based on creating a holistic experience for our Residents.
    - This includes the development of activities that cater to their individual needs, promoting socialization, and building a community within itself.
  - Please see the attached photos for a small glimpse of the day-to-day life of our Assisted Living and Memory Care Residents.
- Forward Focus
  - Growing Census
    - Currently at 24 Residents and our next goal is to reach 30.
      - 2 Residents booked so far for August.
  - Closing Backdoor
    - Focus on Resident Centered Care and Staff Education to catch concerns before they grow to a level that could lead to a change in level of care.
      - Do our best to be aware, even though we cannot prevent all changes that may occur.
  - Building a Waitlist
    - Engaging WhiteStone Residents and Families throughout the continuum of care.
    - Creating a platform for education by developing ongoing education series, engaging Residents who can be ambassadors for our Assisted Living and Memory Care and sharing stories of the successes.

#### LCS Internship Overview

- Jade King, Senior at Winston-Salem State University in Healthcare Administration
- Internship Projects
  - Host Program
    - Jade spent extensive time auditing and observing our Host Program to provide feedback and insight on changes that would positively impact the program to drive better outcomes for our Residents.
    - This feedback will be taken and implemented both in our Care Center where it currently exists, but to also be implemented in our Assisted Living and Memory Care.
  - Post-Discharge Program

- Jade was passionate about the continuum of care that we provide our Residents, even after they left our community. She worked to develop a comprehensive post-discharge program that follows up with Residents after their stay in the Care Center to ensure that all their post-discharge needs are met.
      - This includes home health, follow-up appointments, prescriptions, and anything else they may need upon return home.
      - In addition, it provides us an opportunity to speak with the Resident regarding their stay at WhiteStone and determine if there are any opportunities for improvement.
  - Departmental Rotations
    - Following an Administrator in Training template, Jade spent extensive time this summer shadowing and learning from different departments across the WhiteStone Campus. The experiences that she was able to garner will only help her as she furthers her education and professional development.

Mr. Gene Jernigan thanked Mrs. Crystal Condy and Mr. Ray Robinson for their thorough report and everything they do to provide great care for our residents.

Mrs. Tracy Armwood, Director of Human Resources was introduced and presented the following update:

The HR department has a new recruiter!!! Meghane Langlois joined our team June 20<sup>th</sup>. She is doing an amazing job!

For 2024 the HR department processed 3,295 new candidate applications. Scheduled 452 interviews; made 189 offers; which transitioned to 150 hires.

For July alone: 441 New Candidates; 51 Scheduled interviews; 25 offers with 21 hires  
 Another great accomplishment is for the month of July, we did not spend any recruiting dollars on Indeed. That is a minimum of \$2,000 we were able to reduce

We are preparing for our next onsite job fair, a Career Brunch, where we will be “flippin opportunities your way,” with fresh hot pancakes and brunch items.

Guess What? Whitestone has a Tik Tok account! Meghane is credited with getting WhiteStone on Tik Tok and it has been a hit. She has begun to post the many employee events we have had since she has been here. The last event for employee appreciation, an Ice Cream Sundae bar was a big hit with over 22,000 views in less than 23 hours and 118 new followers!

We had a new Meet our Team/Testimonial Tuesday video posted on Facebook as well as LinkedIn and Instagram. We are looking forward to creating more video content to grow our social media presence.

#### Job Openings Report:

- At our last board meeting in May we reported 25 open positions. I am happy to say today we have 11. With the exception of two nurse supervisor roles that just opened earlier this week, we have filled all FT nurse positions leaving only 3 PT nurses to fill and 3 PT CNAs. We have a great opportunity to build a strong PRN pool to fill in for days off, callouts, and unexpected vacancies.

#### Turnover:

- 2023 Overall Turnover 34.64%
- 22.21% turnover YTD 2024. Compared to 19.15% through July 2023.

#### Retention:

We continue to focus our attention on retaining staff. As you can see, our applicant flow is strong, we can get the applicants, we just need to keep them. Our primary focus is retention at the department level to assure a great department training experience. The HR department is conducting a check in/Stay Interview within the first week/ week and half for all new hires to gauge their experience so far, assure training expectations are being met and have the ability to address any concerns they may have. We want them to know they are important to us.

We have a full calendar for employee appreciation this year.

#### August

- National Potato Day; Baked Potato Bar - 8/19

#### September

- Food Truck
- Fall Onsite Job Fair – Wednesday, September 26th

#### October

- National Taco Day – 10/4
- PNC Emp Financial Wellness Class – 10/9 Ed Center
- Employee Benefits Fair – 10/15; Fellowship Hall
- Costume Contest – 10/31

We are getting ready to set up our computer lab in the Education Center. This will provide a venue for ongoing training and education for all staff.

2025 Budget Focus – As we enter budget season, we are conducting wage analysis of all positions to prepare for the 2025 budget. We are happy to say our minimum at Whitestone is \$15.08/hr. We must continue to push our minimum to stay competitive in the market. We will need to make wage scale adjustments for maintenance department for the 2025 budget year and

continue to raise the minimum for CNAs to close to \$20/hr. Currently CNA minimum is \$17.14/hr.

Mr. Mark Lewis reported that the communities online reputation has shown significant improvement. The current reputation score for the community is 831, compared to an industry average of 580. This notable improvement has been the result of 67 online reviews so far this year, compared to 18 for 2023.

Mr. Jacob Elliott, Director of Operations Management, was introduced for an update from Life Care Services. Mr. Elliott acknowledges that the month of August marks 18 years of partnership between Life Care Services and WhiteStone. Mr. Elliott began his report with an update of the Blueprint / strategic goals for WhiteStone. The focus is on identifying strategies and priorities that will lead to financial improvement for the community.

WhiteStone Blueprint Review – Road to 95:

- LCS and WhiteStone leaders continuing to meet monthly to collaborate on primary initiatives identified in strategic planning
- WhiteStone champions continue to provide updates on progress related to their assigned initiatives and sub-initiatives

Occupancy Development:

- Progress continues on the “Road to 95”
  - Whole House Occupancy goal of 95% by 12/31/24
- Averaging almost 90% occupied, not including several sold apartments with pending move-ins
- AL Occupancy up to 71% (8/2/24)
- HC Occupancy
  - July average occupancy: 93%
  - Great payer mix - 33% Med A/HMO

Key Priority Progress

- Competitive Analysis/Rate Review
  - Identified opportunity to establish more appropriate 2nd person fees
    - 2nd person fees currently range from \$630 - \$1,000
    - \$1,289 is the appropriate 2nd person fee to cover food costs, free day usage (assumed at 10%), and 10% margin
    - 2nd person fees will need to increase alongside 1st person fees in future years
    - Developing a plan to close the gap for current residents within two years

- Increasing 2nd person fees to an appropriate rate will significantly impact revenue
- CWC Margin Growth
  - CWC team focusing on training for clinical leadership and MDS Coordinators to capture increased Medicare/Managed Care rates
- Employee Retention and Recruitment
  - Frequency of employee appreciation events increased
  - Significant increase in positive employee reviews

Mr. Gene Jernigan thanked Mr. Elliott for his support and the support of Life Care Services over the past 18 years.

Mr. Phil Johnson recognized the members of the Grand Lodge Committee on WhiteStone for their time and attention to the home.

Mr. Mark Lewis expressed an early Happy Birthday to the Chairman, Mr. Gene Jernigan, who is celebrating his birthday on August 16<sup>th</sup>.

Mrs. Amy Jo Fischer Hoth, Worthy Grand Matron, expressed appreciation for representing the North Carolina Order of the Eastern Star and this beautiful home, WhiteStone.

Mr. Dennis Edwards, Worthy Grand Patron, remarked on being impressed with the positive reports and financials and thanked the staff of WhiteStone for their service.

Mr. Jack Walters, member of the Board of Managers for the MESH LLC, was recognized by Mr. Gene Jernigan and thanked for being in attendance.

Mr. Don Kehler, Grand Master, expressed appreciation to the residents who are active members of the community, participating in resident committees, and supporting the home. He also remarked on the pride we all share about our home, WhiteStone.

Mr. Gene Jernigan shared appreciation for all those in attendance today and asked members of the Board and Grand Line Officers to remain for Executive Session.