

## **MINUTES**

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

**February 15<sup>th</sup>, 2025**

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 February 15<sup>th</sup>, 2025.

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

Mr. Gene Jernigan, Chairman; Mr. Steve Norris, DGM; Mr. Tommy Mills, Mr. Edward Johnson, II; Mr. Joey Transou, SGS; Mr. Bryant Webster, Mr. Rick Patton, Mr. David Sawyer, Mrs. Amy Jo Fischer Hoth, WGM; Mr. Dennis Edwards, WGP; Mrs. Norma Underwood, AGM; Mrs. Linda Burris, Mr. Allen Hughes, Mrs. Linda Bonner, PGM; and Mr. David Griffith, Mrs. Debbie Owen, PGM

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

Mr. Robert Rideout, GM; Mr. Gilbert Bailey, SGW; Mr. Randy Browning, III; 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; Mr. Josh Hillegass, Administrator; Mrs. Debi Bryant, Director of Sales and Marketing; Mrs. Gina Prevost, Director of Community Life Services; Mr. Robert Reese, Director of Environmental Services; Mrs. Misty McAden, Chaplain; Mrs. Jenna Grant, Director of Fraternal Friendship; Mr. Jacob Elliott, Life Care Services; Mrs. Marie Dunn, LCS Regional Sales and Marketing Director; Mr. Bob Dellorfano, Resident; Mrs. Jo Ann Cox, Resident; Mr. George Troxler, Resident; Mrs. Barbara Krueger, Resident; Mrs. Lori Adams, GC; Mrs. Cheryl Haynes, AGC; Mr. Alvin Billings, GRM; Mr. Philip Johnson, JGD; Mr. William "Billy" Ireland, AGP; Mr. Gary Handy, SGS; Mr. David Cashion, JGS; Mr. John Burns, NCMF Chair; Mr. David Wicker, PGM; Mr. George Marut, NCMF Director of Development; Mr. Steve Owen, Committee on WhiteStone; Mr. Jason Cauldwell, Committee on WhiteStone; Mr. Bobby Adams, Committee on WhiteStone; Mr. Clifford Shrewsberry, Committee on WhiteStone; Mr. Shawn

Bridges, Committee on WhiteStone; Mr. Rodney Madron, 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 November 9<sup>th</sup>, 2024.**

Mr. Gene Jernigan introduced the Conflict-of-Interest Policy and requested it to be reviewed and signed by the members of the Board.

### **COMMITTEE REPORTS**

**Motion: It was moved, seconded, and approved by a majority, to accept, in toto, the following slate of board officers and committee members:**

#### **Officers**

Gene Jernigan, Chairman; Amy Jo Fischer Hoth, Vice Chair; Dennis Edwards, Secretary; and Shaun Bradshaw, Treasurer

#### **Audit Committee**

Gilbert Bailey, Amy Jo Fischer Hoth, Allen Hughes, Dennis Edwards, Linda Bonner, William Ireland, and Michael Register

#### **Finance Committee**

Steve Norris, Robert Rideout, Amy Jo Fischer Hoth, Philip Johnson, David Cashion, Norma Underwood, Bryant Webster, Joey Transou, and Shaun Bradshaw

#### **Personnel Committee**

Linda Burris, Tommy Mills, Allen Hughes, Linda Bonner, Donna Newton, Resident Council President; Earl Wells, and Debbie Owen

### **Buildings & Grounds Committee**

Gene Lewellyn, Alvin Billings, Gary Handy, Julian Setzer, Cheryl Haynes, David Griffith, and Rick Patton

### **Executive Committee**

Gene Jernigan Chairman of the Board; Amy Jo Fischer Hoth, Vice Chair; Chairman of Audit Committee; Chairman of Finance Committee; Chairman of Personnel Committee; Norma Underwood (Ex Officio), and William Ireland (Ex Officio), Dennis Edwards, Robert Rideout, Bryant Webster (Of Council)

### **Long Range Planning Committee**

Joey Transou, Bryant Webster, Lori Adams, Gilbert Bailey, Randy Browning, Jr., Tommy Mills, William Ireland, Steve Norris, David Sawyer, and Earl Wells

### **Charity Committee**

Michael Register, Cheryl Haynes, Philip Johnson, Edward Johnson, II; Alvin Billings, Rick Patton, Debbie Owen, David Griffith, and Randy Browning

### **Long Range Planning Committee**

Mr. Gene Jernigan introduced Mr. Joey Transou, Chair of the Long-Range Planning Committee. Mr. Joey Transou announced there was a meeting held with the North Carolina Masonic Foundation to begin conversation about the transfer of the Spring Garden Property from the NCMF to WhiteStone. The NCMF has spent approximately 1.8M to acquire property on Spring Garden Street for the future growth of the WhiteStone campus. The Long Range Planning Committee will be meeting to draft a plan to present to the Foundation for this transfer of property.

Mrs. Debi Bryant, Director of Sales and Marketing, provided an update on sales and marketing. Mrs. Bryant reported that the Sales and Marketing Team has continued to strive to meet and exceed sales and occupancy goals. For 2024, there were sixty-six (66) closings on a budget of thirty-six (36). The team also achieved fifty-eight (58) gross sales in 2024 on a budget of twenty-four (24). With five (5) cancelations, the net sales totaled fifty-three (53) for the year, reaching ninety-eight percent (98%) sold for independent living residences. Lastly, Mrs. Bryant reported that there continues to be great interest in the community, with most sales events held on campus being at capacity. The community is currently ninety-seven percent (97%) sold with independent living residences.

Mrs. Marie Dunn, Regional Director of Marketing and Sales of LCS, reported that the Sales and

Marketing Team, along with Mr. Mark Lewis and Mrs. Josh Hillegass attended the LCS Sales Conference during the first quarter of 2025. During the conference, Mr. Mark Lewis was nominated for an award for community leaders that have been instrumental in leading sales and marketing in their communities.

Mrs. Debi Bryant announced that there are currently one hundred and thirty (130) seniors on the independent living waiting list for moving to WhiteStone. The villa homes have approximately fifty (50) depositors on the waiting list. Although the age requirement to move to WhiteStone is sixty years old, there are depositors on the wait list that are shy of that requirement.

Mr. Gene Jernigan credited the Sales Team for their resilience and continued enthusiasm to enhance the waiting list.

Mr. Gene Jernigan introduced Mr. Steve Norris, DGM, to provide remarks on behalf of the Grand Lodge. Mr. Norris announced eight years ago was the first opportunity he had to participate in the Board meetings at WhiteStone. During that eight-year journey, there have been several members attending and participating in the meetings, all with a common thread of faith, belief, and love for this institution and the difference it makes in the lives of many. He continued by thanking those individuals for their time and talent in support of the mission at WhiteStone.

### **Finance Committee**

Mr. Gene Jernigan introduced Mr. Steve Norris, Chair of the Finance Committee.

Mrs. Nikki Stafford, Director of Financial Services, was introduced to report on community finances through December 31, 2024, based on unaudited financials.

Net Operating Income (NOI):

Fiscal Year End 2024 closed with a NOI of 678k on a budgeted loss of (1.2M) for a positive variance YTD to date of 1.8M. The occupancy for independent living is a major contributing factor for the community to reach its net operating income.

Operating Revenues:

- Revenue ended the year over budget by 1.7M.
- IL revenue exceeded budget by 1.4M due to higher census numbers than budgeted.
- HC revenue exceeded budget by 884k due to higher census numbers than budget but also

higher payer rates.

- ALMC revenue was under budget by (645k). December ended with a positive NOI for MC and AL missed budget by 3k.
- Home Health revenue is under budget by (208k). A focal point in 2025 is to offer concierge and a la carte services for residents to improve revenue.
- Other revenue was over budget by 282k due to interest income and contributions.

#### Operating Expenses:

- Operating expenses were under budget by 127k.
- Additional expense control measures have been instituted for 2025.

#### Debt Covenants:

- Q4 covenants -- DCOH is 250 at year end (covenant is 150) and DSCR is 5.58 (covenant is 1.20).
- Please note that our DSCR Max Annual Debt Service requirement will increase from 1.4M to 5.1M the year following stabilization, which is at 90% occupancy. Currently WhiteStone would still pass the covenant under this requirement as well.

#### Accounts Receivable:

Days in AR started the year at 26.8, at June 30 was at 25.1, and at Sept 30<sup>th</sup> it was 26.1. At Dec 31<sup>st</sup> was 21.0, compared to LCS's goal of 18.

Over 90 days total AR for the community started at 33%, and was at 27% at June 30<sup>th</sup>, and at 35% as of Sept 30<sup>th</sup>. As of Dec 31<sup>st</sup> it was 43% on a goal of 15%.

As of 12/31, Private Pay over 90 days outstanding was 645k, of this 54% is related to Medicaid for a total of 349k, of which 307k is related to internal Medicaid applications for scholarship residents that transitioned to the CWC. Two Unmet Medical Needs Contracts have been completed, however one of these residents discharged home. If no payment is received for March as February has already been received, then the account will be turned over to collections.

In the month of February, we received a payment of 48k for a large private pay non-Medicaid related account that Nikki worked on for months. This resident will have an estate set up and the remaining balance will run through it.

Total write offs for 2024 were 111k. The majority of this was related to a Medicaid resident

write off after death.

Currently there are four pending Medicaid applications, of which only one is new. The other three keep having obstacles. We have one application that will be applied for in February.

We are utilizing a new collection company but to date no payments have been received.

Mr. Mark Lewis reported on the investment statements located behind tab three in the board packet. Allocations continue to be out of line with the investment policy statements. During the November Board meeting, upon guidance from the NCMF Board Chair, the Board chose not to make any adjustments until the volatility in the market slowed.

Mr. John Burns, Chair of the NC Masonic Foundation, reported that the NCMF Board chose not to adjust allocations, although some accounts were out of balance, given the conditions in the market.

**Motion: It was moved, seconded, and approved by the majority that the board does not take action to rebalance the investment accounts at this time, but that we stay the course and the Finance Committee continue to monitor these accounts until the May Board Meeting, and if necessary, meet and rebalance the allocations.**

Mr. George Marut remarked that if at any point in time, the Finance Committee, or the Board of WhiteStone, chooses to rebalance their investment accounts, it can be done by reaching out to him.

### **Charity Committee**

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

Through December, our charity has totaled 1,087,766, which is under budget for the year 124,063. Compared to this time last year, charity care is down 336,896. The Fraternal Friendship Program (formerly Masonic and Eastern Star Outreach Program) has accounted for approximately 102,918 in charity care through December, which is under budget by 40,082.

Mrs. Jenna Grant, Director of Fraternal Friendship, announced that at present we are providing long-term financial assistance to seven (7) fraternal members through the Fraternal Friendship

Program and nineteen (19) WhiteStone residents. This includes fifteen (15) members residing in our independent living, three (3) in assisted living, and one (1) in memory care. With support from the NCMF, two members recently moved into independent living that had been on the waiting list. There are additional applications being processed for assistance, which include three members looking for assistance to move to WhiteStone.

Mr. Gene Jernigan introduced Mr. Jon Canuup and Mr. Jack Walters, resident at WhiteStone, as members of the MESH LLC. Board of Managers. Mr. Jernigan thanked them for their service in support of the Fraternal Friendship Program.

Also contained in tab 4 is the summary of contributions through the December of 2024. Donations totaled 1,659,130, which was better than budget this year by 60,882, but down from this time last year by 595,291. Major contributions YTD are highlighted in yellow, including the 4th quarter hardship reimbursement for 2023, 1st, 2nd, and 3rd quarter hardship reimbursement for 2024, two gifts from the OES Foundation toward the capital campaign, and the RUCK fund.

Board member donations through years end (as reported in tab 4) totaled \$14,555, with sixty-three (63) donations received by twenty (20) board members. This time last year, donations totaled \$21,752 with sixty-four (64) contributions from sixteen (16) board members. As reported in the packet, board member donations to WhiteStone's general operating fund totaled \$14,056, and campaign for WhiteStone at \$500.

Mr. Gene Jernigan thanked the OES members for their generous donation through the RUCK fund and the OES Foundation.

Mr. Gene Jernigan thanked members of the Board for their contributions. Due to the timing of the transition in OES members on the board, annually the WhiteStone Board has twenty-two members. With our goal of 100% participation from Board members to donate to WhiteStone, we have fallen short of our goal in 2024.

### **North Carolina Masonic Foundation**

Mr. Gene Jernigan recognized Mr. John Burns, Chairman of the North Carolina Masonic Foundation Board, for remarks. Mr. John Burns remarked on the importance of accounts receivable and applauded Mrs. Nikki Stafford for her efforts. Due to an increase in funds brought in by the NCMF development team, and favorable market, there has been a \$4M increase in the

NCMF corpus. He then remarked on the responsibility we have to take care of one another and believes the new model they have used to support those impacted by the hurricane in western North Carolina, will provide an opportunity to support more of our members in need.

Mr. John Burns then introduced Mr. George Marut, Director of Development for the NCMF for remarks. The Capital Campaign for WhiteStone is wrapping up with two pledges remaining totaling roughly \$50K. Additionally, Mr. George Marut thanked Lindsay Billings for her efforts.

**Fraternal Friendship Program:** The Fraternal Friendship Program is an initiative by the North Carolina Masonic Foundation to support Masons, their families, and widows through proactive care and community engagement.

### **Initiative by the North Carolina Masonic Foundation**

The Fraternal Friendship Program is an initiative launched by the NCMF to support the Masonic community.

### **Supporting Masons, Families, and Widows**

The program aims to provide proactive care and support to Masons, their families, and widows within the Masonic community.

### **Promoting Community Involvement**

The program encourages Masons to engage in volunteer-driven outreach and community involvement initiatives.

By leveraging the collaborative efforts of Masons, their families, and the wider community, the Fraternal Friendship Program strives to strengthen the bonds within the Masonic fraternity and make a lasting impact on the lives of its members.

### **Strengthening the Partnership with WhiteStone**

The Fraternal Friendship Program seeks to strengthen the partnership with WhiteStone, a highly respected Masonic retirement community. By expanding collaboration beyond traditional boundaries, the program aims to create a pipeline of mutual support for Masons and their families. Through this partnership, the program will share resources and align with Masonic



values of care and fraternity, ensuring a holistic approach to supporting the needs of aging members.

### **Engaging Lodges to Broaden Support**

#### **Work with Lodge leadership**

Collaborate with Lodge Worshipful Masters, Secretaries, and other key officers to establish a dedicated Lodge representative for the Fraternal Friendship Program. This will ensure alignment with Lodge priorities and facilitate program integration.

#### **Promote financial support**

Encourage Lodges to provide annual financial contributions to sustain the Fraternal Friendship Program. Also, educate Masons on the benefits of planned giving to secure the program's long-term future.

#### **Expand outreach to widows and aging members**

Empower Lodges to identify and reach out to widows of deceased members, as well as aging or isolated Masons, to assess their needs and connect them with appropriate support services through the Fraternal Friendship Program.

#### **Build community trust through Lodge-based programs**

Leverage the existing community presence and goodwill of Masonic Lodges to organize events, volunteer initiatives, and other programs that engage the local population. This will help raise awareness of the Fraternal Friendship Program and its impact, fostering strong ties between Lodges and their communities.

Mr. Gene Jernigan expressed excitement for this initiative in raising awareness about the Fraternal Friendship Program and the need to support members both on the campus of WhiteStone and across the state.

### **Resident Communication**

Mr. Mark Lewis directed the board to tab 6 of the board packet for minutes from committee meetings during the 1<sup>st</sup> quarter. Resident Council President, Donna Newton, was unable to attend

the Board meeting today due to a scheduling conflict.

Mr. Walter Doughton, resident of WhiteStone, was introduced to provide an update on the WhiteStone Employee Gratitude Initiative (WEGI). The first annual campaign ran from November 4<sup>th</sup> through November 25<sup>th</sup>, raising \$64,562 with one hundred and forty-nine contributors. The contributors consisted of one hundred and thirty-eight residents, and eleven non-residents. The average contribution for residents totaled \$443.78. The average gross award provided to staff totaled \$226.48, with the largest award provided to an employee being \$486.73. Mr. Doughton continued by sharing one story of an employee that when receiving their reward, they had just \$12 in their checking account and no money available to provide gifts for their family. Staff recognized the resident's efforts by writing notes of appreciation on a bulletin board, in which over one hundred and fifty notes were written. There were a lot of valuable lessons learned in the first campaign that will be used to encourage giving for the 2025 campaign.

Mr. Gene Jernigan thanked the WEGI committee for their efforts to show appreciation to the great staff of WhiteStone.

Mr. Mark Lewis provided Mr. Walter Doughton and Mr. Jimmie Dowless with a plaque expressing appreciation to the residents and their support of WEGI.

### **Management Report**

Mr. Mark Lewis referred the board to tab 7 of the board packet for the management reports for the months of October, November, and December.

Mr. Josh Hillegass was introduced to provide a report on the Health Center and Assisted Living.

2024 Health Center Review:

- Census
  - Thanks to our success in both maintaining a stable census in our Care Center and growing a census in our Assisted Living and Memory Care, our community experienced a great year of growth. We're able to serve more seniors than ever before in levels of care that we've previously not had access to on our campus.
  - I want to thank our entire interdisciplinary team at WhiteStone as it was not one person that was to thank for this challenge. Our team has worked diligently to

make this a reality, and I know that they'll continue to work to uphold and further serve our mission at WhiteStone.

#### 2024 Care and Wellness Center Review:

- Census
  - We maintained a strong overall occupancy for the Care Center throughout this year, averaging just below 90% occupancy all year. In addition to this, our Center had a high focus on our Short-Term Rehabilitation Program which we averaged a daily census of approximately 25 Residents daily throughout the year.
- Revenue
  - In addition to the census numbers, our team put a heavy focus on our Medicare Rates which helped to supplement the great success that we've had with our occupancy. For 2024, our Care Center was able to both exceed budgeted revenue as well as be under budget with our expenses. Kudos to our team for their hard work in making this possible.

#### 2024 Assisted Living & Memory Care Review:

- Census
  - 2024 was a year of growth for our Assisted Living and Memory Care. As you can see from the graph, we've grown month-over-month to the point where we've finally reached a stabilized occupancy in our Assisted Living.
  - While we've seen attrition as to be expected, our team has done an excellent job of continuing to work with our Residents to identify Residents at need. This has allowed us to prepare and plan for level of care changes, and to be able to support our Residents when those needs arise.

#### Staffing Update:

- Assisted Living Manager
  - Rachel Atencio
    - She started with our team on Thursday. Rachel has previously worked with our community as a Nurse but has rejoined our team now with a greater background in management of Assisted Living and Memory Care. We look forward to bringing her into our team and helping to move our Assisted Living forward.
- Certified Dietary Manager:
  - Kristin Salkeld
    - Will start with us in March. She brings an extensive background in Dietary Management in Communities like ours. We look forward to the leadership and expertise she'll bring to our team.

#### Clinical Updates:

- Clinical Specialist Visit 12/19/2024
  - Our most recent visit from our Clinical Specialist with LCS occurred on 12/19/2024 in which he took an overall look at our community, performance, and readiness for our upcoming annual survey.

- As a result of this visit, our community scored an overall of 89% which is a continued improvement from our last visit in July with an overall score of 82%.
- We did identify a few areas of opportunity focused on event management, food/beverage and dining services, and infection prevention and control.
  - We have since adjusted our clinical process for event management to better support this area by better determining root cause and completing additional questionnaires with direct care staff to find applicable solutions.
  - We have engaged heavily with Jon Szarke to make changes to our Food & Beverage Operations in the CWC along with hiring an experienced CDM to support this community.
  - Our Staff Development Coordinator, Linda Shubert, has been actively engaged with our Infection Prevention & Control Program. Linda has become certified in Infection Prevention & Control, along with engaging both local and state resources to enhance our community's programming.
- Clinical Specialist:
  - Cindy Bennett
    - Due to restructuring within LCS, our Clinical Specialist has been reassigned. Thankfully, Cindy has worked with us as our Mock Surveyor previously. We look forward to continuing to work with Cindy, even in a new role, and we thank her for her support.

Mrs. Tracy Armwood, Director of Human Resources was introduced and presented the following update. Employee engagement and retention are top priorities for the Human Resources Team. The turnover rate for 2024 was up at 41.06%, up from 34% in 2023. Staff designated as PRN or as needed are significant contributors to the staff turnover. Also, 81% of the turnover came from employees that had been employed for less than a year. The first quarter of 2025 is off to a good start with a slight reduction in turnover compared to the previous year. Departmental onboarding and training are a key focus for improving staff retention. Overtime has trended up in 2024, with the Nursing Department being the primary contributor followed by Food and Beverage. In 2024, WhiteStone processed 4,726 applications, interviewed 639 candidates, and made offers to 288 candidates, which led to 215 staff being onboarded.

WhiteStone performed an employee engagement survey in the fall of 2024. The results of the survey showed some opportunity to make significant improvements with staff engagement. The overall engagement score for 2024 totaled 3.69, which is down from the 2022 survey at 4.06. Nationally, employee engagement is down across the industry, which indicates an impact on today's workforce needs and expectations and the need to adapt as employers. Some contributing factors of the decline in engagement at WhiteStone include staff turnover, turnover in leadership, as well as community growth. With the significant growth on campus, WhiteStone did experience some growing pains that impacted our staff. Since the survey, the Leadership Team

has met and developed some action steps to improve employee engagement. Retention and turnover will be a focal point as well as staff training and communication.

Mr. Jacob Elliott, LCS Director of Operations Management, was introduced for an update from Life Care Services. The National Investment Center for Seniors Housing and Care (NIC) reports positive momentum in the senior housing industry as far as growth. There has been a record high number of occupied senior housing inventory along with a limited number of new units coming into the market. Some markets have seen a negative inventory growth. Occupancy is reaching pre-pandemic highs across all levels of care. The report also indicates the gap narrowing between independent living and assisted living occupancy. Skilled nursing occupancy is also on the comeback and reaching those pre-pandemic highs, along with some negative growth in the number of skilled nursing beds. Industry average of skilled nursing beds is below 85%, which WhiteStone has surpassed. Lastly the relationship between monthly service fees and wages indicate the rise in wages has significantly outpaced the increase in monthly service fees. Some key takeaways, the report reinforces the independent living growth plan at WhiteStone. The consistent negative inventory growth among skilled nursing priorities the need for the Care and Wellness Center to focus on high-quality outcomes. Lastly, with wage increases outpacing industry monthly service fees, it is important for WhiteStone to continue its focus on identifying operational efficiencies and revenue growth opportunities.

Mr. Dennis Edwards, Worthy Grand Patron, applauded the staff for their remarkable work. Mr. Edwards also commented to every Mason in the room that everyone can be a member of the Order of the Eastern Star. As membership is declining there is an ongoing effort to right the ship.

Mrs. Amy Jo Fischer Hoth, Worthy Grand Matron, expressed appreciation to the staff and residents of WhiteStone and announced that her parents are now on the waiting list to move into the community.

Mr. Gene Jernigan thanked those in attendance before adjourning to Executive Session.