

Rannie Webster Foundation  
Executive Committee Meeting  
January 20, 2022

Present: Becky Helm, Chair; David Timmerman, Vice Chair; Charles Riopel, Treasurer; Linda Toumpas, Secretary; Tom Argue, CEO and Todd Fernald, Nursing Home Administrator/Human Resources Director.

The minutes of the December Executive Committee meeting were approved as written.

The March board meeting will not be held due to board member travel plans.

By-Laws Committee: Tom reported that following the 30-day notice period all trustees voted to approve the By-Laws change reducing the minimum number of members of the Rannie Webster Foundation Board of Trustees from seven to five. He will provide a complete copy of the revised By-Laws to all trustees.

Nominating Committee: Chair Linda Toumpas will present a nominations procedure for a stream-lined approach for vetting potential board candidates at next week's board meeting. There is one pending potential nominee that Todd recommended at last month's meeting.

Strategic Planning: Dave Timmerman discussed the upcoming conference call with Thrive regarding their technological initiatives that might be of value for Webster at Rye. Becky, Allen and Linda will also participate on the call which is scheduled for January 25<sup>th</sup> at 1:00 pm. Becky will distribute a list of questions to all trustees as well as Tom and Todd, to be completed prior to holding a strategic planning session. Tom and Todd will also be conducting a strategic planning session with department heads which will provide additional input for the board's process.

Investment Committee: Tom reported the UPMIFA transfer from the Fiscal Prudence and Residents' Assistance funds to the Board Designated fund in the amount of \$185,662 has been completed. A summary of the 36-month rolling average market value used to calculate the transfer will be included in the board packet.

Fundraising: Total funds raised in 2021 include: Flatbread Pizza - \$679; Oceanfront Gaming - \$17,697; Fall Raffle - \$420; Online Fair/Auction - \$2,388; Annual Tree Lighting - \$3,310; Memorial Donations: \$6,550; Scholarship Fund - \$24,500; Staff Appreciation (Covid donations from families) - \$31,980.

Administrator's Report: Todd reported the New Hampshire positivity rate for tested individuals is now at 25%, a sharp increase over the past few weeks. Response testing at Webster is ongoing with targeted employee groups being tested as positive cases are identified. There have now been 54 positive employees with 62% of occurring just since November 8<sup>th</sup>. Test results are delayed due to the large number of tests the labs are dealing with. CMS has created new rules for positive employees in addition to the 10-day quarantine, including the contingency method which allows a return to work after five days, and a crisis category where positive staff work wearing double masks. Todd wrote a letter to LeadingAge Maine/NH which led to him be interviewed for articles in the Wall Street Journal and Associated Press regarding the crisis in the nation's nursing homes. There are still over 30 full-time openings at Webster, including 11 full-time openings on the assisted living second shift alone. This has led to limiting admissions of all but the lightest care. This has also impacted admissions to the nursing home. Area facilities are offering \$20 per hour starting rates to new LNA's with \$5,000 sign-on bonuses. Others are offering even higher starting rates. Agency costs are through the roof. Todd is calculating what the financial impact would be to target differential increases for the most critical positions. With the ongoing financial losses, low census and short-staffing, this is a no-win situation with no easy solutions.

CEO's report: The Phase 4 Provider Relief Fund application that Tom completed was approved and Webster received \$348,600. This offset losses for September through November and about \$9,000 for December. Tom submitted an application to the Governor's Office For Emergency Relief & Recovery (GOFERR) to apply for some of the \$11.5 million the Governor has made available to assist nursing homes during this financial and staffing crisis. Webster was approved for \$25,000. Payment is still pending.

Tax returns for the foundation and holding corporation have been completed and submitted to the IRS and NH Charitable Trusts.

Tom is preparing rate increase letters to families. Due to high operating costs and operational losses he is planning to inform families of a 10% rate increase. Locally, Cornerstone is also doing a 10% increase. Wentworth Senior Living in Portsmouth has announced an even higher increase.

The construction cost projections for a SNF addition have been completed and Tom has provided the data to Aaron Becker of Lument/Lancaster Pollard to get financing cost projections. Once he has received Aaron's feedback, he will complete the revenue & expense calculations for board review. Construction cost estimates including furnishings, equipment and soft costs incurred to date, come to approximately \$10.5 million. This information along with current financial projections will help direct decision-making regarding a potential affiliation with Silverstone Senior Living. Webster is on the agenda for the February 8<sup>th</sup> Rye Planning Board meeting. As Tom will be away, Becky will attend along with attorney Tim Phoenix and Eric Weinrieb.

There being no further business to come before the board, the meeting adjourned.

Meeting schedule:

Executive Committee: Tuesday, February 17<sup>th</sup> at 9:00

Board of Trustees: Thursday, February 24<sup>th</sup> at 9:00

Respectfully submitted,

Tom Argue CEO

Rannie Webster Foundation  
Executive Committee Meeting  
March 17, 2022

Present: Becky Helm, Chair; David Timmerman, Vice Chair; Charles Riopel, Treasurer; Linda Toumpas, Secretary; Tom Argue, CEO and Todd Fernald, Nursing Home Administrator/Human Resources Director.

The minutes of the January Executive Committee meeting were approved as written.

The March board meeting will not be held due to board member travel plans.

By-Laws: Tom contacted the Secretary of State to clarify when amended By-Laws should be submitted. This is only required when the By-Laws substantially change the governance of an organization. When asked if this would include such changes as amending the minimum or maximum number of board members or what constitutes a quorum, they said notifying them is not necessary.

Nominating Committee: Webster staff have compiled a list of four or five family members who previously had loved ones at Webster and whom they felt had a strong positive relationship with Webster at Rye. Tom and Todd will review this list with Chair Linda Toumpas for further consideration.

Investment Committee: Chair Charles Riopel said the committee will meet following the April Executive Committee meeting on April 21<sup>st</sup>. The meeting should start around 10:00 am.

Administrator's Report: Todd reported the New Hampshire positivity rate for tested individuals has dropped significantly to around 3%. At the same time, although counter-intuitive, Rockingham County is still classified as being in substantial transmission. Webster has no cases presently. CMS has created new categories for vaccination status; instead of 'vaccinated' and 'unvaccinated' the categories are now 'up to date' and 'not up to date', with the former being 2 vaccinations plus the booster shot and the latter being anything other than full vaccination. In addition, they have reverted to requiring weekly testing with the frequency determined by the transmission rate. Rockingham county is back to testing twice weekly, with the State paying for one test and the free BinaxNOW tests being done by Webster staff. They have also stated they 'prefer' the not up to date visitors meet outside with social distancing. This is a step backwards and again seems counter-intuitive to earlier directives. There has been some success in filling nurse aide positions in assisted living, but there are still a significant number of openings. Shea Ganem, the assisted living director of nursing has resigned due to the stress of her job responsibilities, and the search continues to find a replacement. So far there have been no responses to help wanted ads for this position. She is remaining with Webster on a per-diem on-call capacity through at least the end of April to help with the transition period. One of our long-term MNA's has completed their degree in health care administration and has had some assisted living administrative assistant responsibilities added to their role. These include

overseeing annual training and certification of LNA's and orientation of new hires. The private pay census in the nursing home has been increasing and admissions of light-care admissions to assisted living has helped the census there. Both are positive signs.

CEO's report: Tom has been working on the insurance renewal applications. A recent article in the NH Business Review indicated rates for most policies are increasing 10% and more. One exception may be workers compensation as Webster's experience modification factor has decreased over the past couple of years due to few if any serious workers comp cases. He has continued to investigate the possibility of qualifying Webster for the ERC (Employee Retention Tax Credit). Webster did not qualify under the 20% decline in revenue because the Provider Relief Fund payments are included in those calculations, however, there are other provisions that might allow Webster to qualify. Although there is probably only a thin chance, the funds are significant, and it is worth making sure every option is evaluated. Tom is reviewing this with Lance Turgeon. Tom met with Aaron Becker this past week to update him on the potential Silverstone affiliation and the infusion of funds that would be part of such an agreement. Aaron felt this would significantly improve the likelihood of obtaining financing for the nursing home addition but also emphasized the need to have an improved cash flow situation as well. Tom also spoke with Silverstone President Brian Newman about the new market challenge represented by Benchmark's planned addition of 91 new assisted living beds and how this should be viewed from a strategic perspective. They both agreed the overbuilding of assisted living beds in the seacoast further focuses Webster's competitive advantage for the future towards the creation of private nursing home units. They also discussed the creation of an adult daycare community and a transitional memory care unit as other sources of revenue, which would also serve as a source of referrals to other levels of care in the facility. The \$25,000 in GOFFER funds has been received. Tom has applied for an additional \$28,000 in employee Recruitment, Retention and Training funds from the State for the assisted living community. This has been approved and the funds are pending. Tom spoke with the Rye Zoning & Planning Administrator and learned Benchmark has put their application for the construction of the assisted living and condo expansion on hold. Apparently, a local realty company will purchase and hold the property for the time being. He will try to learn more by reviewing the minutes of the last Planning Board meeting where this was discussed, and now is part of the public record. Becky mentioned she has also spoken with Janet Brown recently about the potential advantages of the Silverstone affiliation. Janet is a member of The Huntington CCRC strategic planning committee.

The committee briefly discussed the responses to the strategic planning questionnaire that will be reviewed at a future board meeting. There was a lot of good feedback provided. It was however noted that there was concern expressed by one respondent indicating the board had failed to adequately plan for the CEO transition and this failure had made the board dependent and subordinate to the CEO's agenda. The executive committee reaffirmed its support for the executive succession plan that the full board unanimously approved and has overseen over the

past few years, as well as the collaborative working relationship between the board and administration, and gave Tom their full support.

Rate increase letters have gone out to families announcing a 7% increase effective May 1<sup>st</sup> with notice of a review in the fall to determine whether a second increase may be necessary.

There being no further business to come before the board, the meeting adjourned.

Meeting schedule:

Executive Committee: Tuesday, April 21<sup>st</sup> at 9:00

Investment Committee: Tuesday, April 21<sup>st</sup> following the Executive Committee meeting

Board of Trustees: Thursday, April 28<sup>th</sup> at 9:00

Respectfully submitted,

Tom Argue CEO

Rannie Webster Foundation  
Executive Committee Meeting  
April 21, 2022

Present: Becky Helm, Chair; David Timmerman, Vice Chair; Linda Toumpas, Secretary; Charles Riopel (by phone for part of meeting); Tom Argue, CEO and Todd Fernald, Nursing Home Administrator/Human Resources Director.

The minutes of the March Executive Committee meeting were approved as written.

Nominating Committee: Board Chair Becky Helm notified committee members that she will be relocating to the west coast this fall, and her final board meeting as Chair will be the September 2022 board meeting.

In addition to the potential nominee names put forward by Webster staff, Todd mentioned a nurse who works for a hospice that Webster contracts with, whose mother is currently a resident at Webster. Although the board's present position has been to avoid nominees with parents currently residing at Webster, this individual's interest and range of healthcare experience make him a compelling candidate. Although his name will be retained as a potential candidate, no final determination has been made.

Investment Committee: The committee will meet following next week's board meeting. A transfer of \$500,000 from the board designated fund to the operating account needs to be done this week in order to ensure adequate funds are available for payroll and accounts payable. Tom was authorized to complete the transaction. Prior to the transfer the board designated fund had a balance of \$980,000.

CEO/CFO Succession update: The committee sought clarification regarding Tom's timeline and if he would still be able to work beyond his original retirement date of June 30<sup>th</sup>. Tom reported that he was able to continue past the June date and that he had been working on a procedures manual that his successors could reference. He felt it was important to have Todd and Angel complete year-end budget and audit spreadsheets this year, in addition to monthly and quarterly reports. He also felt that the potential affiliation with Silverstone Senior Living would require his involvement with the Attorneys General Charitable Trusts Office, Probate Court and HUD. Becky will draft a revised employment agreement that reflects the mutual agreement for Tom's extended employment.

Silverstone Affiliation: Tom and Todd will be meeting with Brian Newman to discuss details of the administrative and operational interface between the Silverstone and Webster organizations in anticipation of the likelihood that the affiliation will move forward. The common culture and similarity of the two organizations' values and mission statements are an important consideration in assessing this affiliation. Based on Webster's financial challenges, it is clear the only way the nursing home addition can be completed would be if the affiliation agreement was to be completed and Webster could demonstrate greater financial backing. Other advantages would include sharing of some operational costs and the additional experience and support

Brian and his administrative team would bring during and after this transitional period. The Executive Committee agreed a decision needs to be made in the near future and that this should be presented to the full board for a final determination.

Administrator's Report: Todd reported Webster has fluctuated between having employees test positive for Covid and having no cases. This has resulted in on and off testing of specific employee sectors. 78% of all employees have had the first booster shot. Clinics for the second booster vaccine are being scheduled for all residents. There are numerous open Nurse Aide positions in assisted living (about 15 full-time positions) and nursing (about 10 full-time positions). Efforts to address the unfilled positions include aggressive advertising, hosting LNA classes and Todd making presentations to other graduating LNA classes. A virtual tour has been completed and uploaded to the home page of Webster's website. Shea Ganem, the assisted living director of nursing who had resigned has rejoined the staff after a brief absence. This has been a huge relief for Todd and was welcomed by the assisted living staff. The assisted living census has been slowly improving. Suzanne Nixon told Todd and Tom that since she took over assisted living and memory care admissions, she has had over forty admissions. This demonstrates the challenges with building and maintaining a full census. Food Service Director Dan Hartman will attend the April board meeting to discuss dietary department issues including staffing challenges and the impact inflation has had on dietary food and supplies.

CEO's report: Tom has submitted his analysis to Lance Turgeon at Wipfli as to how Webster might potentially qualify for the ERTC (Employee Retention Tax Credit). Lance has forwarded Tom's analysis to the Wipfli tax department to evaluate. If funds were received and a later federal audit determined Webster did not in fact qualify for the funds, Webster would have to repay the funds along with a 10% penalty, hence the importance of the Wipfli assessment of this approach. The \$28,000 in employee Recruitment, Retention and Training funds from the State for the assisted living community has been received. Using March's operating loss and occupancy as a base, it is possible to project a return to budget neutrality with increased assisted living census and agency cost reduction. Currently, one of the biggest challenges is the very high nurse and nurse aide agency expense. March had total agency charges of \$162,000. Filling open nursing positions is a crucial component of returning to financial stability.

There being no further business to come before the board, the meeting adjourned.

Meeting schedule:

Executive Committee: Tuesday, May 19th at 9:00

Board of Trustees: Thursday, May April 28<sup>th</sup> at 9:00

Respectfully submitted,

Tom Argue CEO

Rannie Webster Foundation  
Executive Committee Meeting  
May 19, 2022

Present: Becky Helm, Chair; David Timmerman, Vice Chair; Charles Riopel (by phone); Tom Argue, CEO and Todd Fernald, Nursing Home Administrator/Human Resources Director.

Absent: Linda Toumpas.

The minutes of the April 21<sup>st</sup> Executive Committee meeting were approved as written.

Nominating Committee: Tom and Todd will review the top candidates with Linda Toumpas prior to next week's board meeting.

CEO/CFO Succession update: Tom notified the committee that he was planning to fully retire as of the December board meeting. This should allow for all training to be complete and for the audit to have been completed and submitted to HUD. If the potential affiliation with Silverstone Senior Living goes forward, the necessary interaction with the Attorneys General Charitable Trusts Office, Probate Court and HUD should also be in place by then. Becky will draft a revised employment agreement that reflects the mutual agreement for Tom's extended employment.

Silverstone Affiliation: Tom and Todd met with Brian Newman to discuss details of the affiliation between Silverstone and Webster at Rye. Todd reported feeling reassured about the change. Now that the board has expressed its support for the affiliation, Tom has provided Brian Newman with additional financial and census data which he will review with the Silverstone board. Silverstone should decide whether to move forward with the affiliation at their next meeting and then provide Tom with a financial due diligence request.

Administrator's Report: Todd provided an update on efforts to address the staffing challenges. Ongoing LNA classes and an iHeart advertising campaign have resulted in a few new LNA job applicants. Two nurses and a new cook have also been hired. There have been a number of influenza cases among employees as well as the occasional Covid case. The second booster vaccine clinic for all residents has been completed.

There being no further business to come before the board, the meeting adjourned.

Meeting schedule:

Executive Committee: Thursday, June 16<sup>th</sup> at 9:00

Board of Trustees: Thursday, June 23<sup>rd</sup> at 9:00

Respectfully submitted,

Tom Argue CEO