

Rannie Webster Foundation
Board of Trustees Meeting
January 27, 2022

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

The minutes of the December Board of Trustees meeting were approved as written.

The board shared their regrets over the recent passing of board member Bob Preston. He was recognized for his many contributions as a state Senator and businessman who worked tirelessly on behalf of his hometown Hampton, and the entire state.

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

Becky commented on the letters of thanks from family members that were received this past month, and the articles included in the board packet addressing the topics of short-staffing, low census and financial concerns for nursing homes nationwide as a result of Covid.

Becky reviewed the fund-raising results for calendar year 2021. A total of \$36,110 was raised through fund-raising efforts, as well as an additional \$31,980 donated by families as employee appreciation and morale booster donations during the Covid crisis. The Scholarship fund has assisted Angel Blais in completing accounting courses towards her accounting degree.

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 reviewed a streamlined nominations procedure for vetting potential board candidates. A copy of the new process will be distributed to board members. Todd will reach out to Rick Hoesley whose mother was a resident of Webster at Rye to assess his interest in being nominated to the board of trustees.

Strategic Planning: Dave Timmerman discussed the conference call with Thrive regarding their technological initiatives that might be of value for Webster at Rye. Becky, Allan and Linda also participated on the call. Thrive brings value to members by sharing best practices and technological innovations. Membership is \$8,000; the board agreed this did have value but will revisit this again in the future. 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. She would like the responses to be in writing to help facilitate each individual's unique perspective. 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 is included in the board packet.

Administrator's Report: Todd reported the New Hampshire positivity rate for tested individuals is down a little bit from a high of 25% last week, to 22%. Response testing at Webster is ongoing with targeted employee groups being tested as positive cases are identified. There have now been 55 positive employees with 63% occurring over

the past eight weeks. Test results are delayed due to the large number of tests the labs are dealing with. In addition to the 10-day quarantine, CMS has created new rules for positive employees, including the contingency method which allows a return to work after five days, and a crisis category where positive staff are allowed to work while wearing double masks.

Todd wrote a letter to LeadingAge Maine/NH which led to him be interviewed for articles in the Wall Street Journal, Associated Press and USA Today 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. Some area facilities are offering \$20 per hour starting rates, or more, to LNA's, including some that are offering up to \$5,000 sign-on bonuses. Agency costs are through the roof. Todd is calculating what the financial impact would be to target differential increases for the most critical positions. In order to improve the financial situation it is necessary to hire additional nursing staff and increase the census in all areas; a challenging situation.

A new Assistant Director of Nursing has been hired; this position has been empty for several months. Her name is Jackie Berry and she lives next door on Mountainview Terrace.

CEO's report: The Phase 4 Provider Relief Fund application that Tom completed was approved and Webster received \$348,843. 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. The original plan was to come close to the rate increases of other area facilities with a 10% increase, however, Todd suggested an approach that would lessen the 'sticker shock' by implementing a 7% increase, along with telling families that a subsequent mid-year review might require an additional increase. Letters will be mailed during February with an effective date of May first. The State requires a 60-day minimum notice for rate increases for nursing homes.

Tom has shared construction cost estimates of approximately \$10.5 million, and reviewed Webster's recent financial performance with Aaron Becker of Lument/Lancaster Pollard. Aaron feels it will not be possible to obtain either HUD or bond financing for the SNF project based on the financial situation. The request to extend the Rye Planning Board approval through spring 2023 will still be heard on February 8th. As Tom will be away, Becky will join attorney Phoenix for the meeting. The outcome of this meeting will help direct decision-making regarding a potential affiliation with Silverstone Senior Living.

December's operating loss was approximately \$185,000. This has remained fairly constant since the start of the Covid pandemic. This is equivalent to 15 AL residents at \$140 per day and 7 semi-private private-pay nursing home residents at \$400 per day. That is an over-simplification but it demonstrates that it is not impossible to offset operating losses through census growth. Obviously census growth requires filling staff positions, which exacerbates the pressure on cash flow, but it also would lessen agency expenses. It will require addressing multiple challenges to get back on track.

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

Meeting schedule:

Executive Committee: Tuesday, February 17th at 9:00

Board of Trustees: Thursday, February 24th at 9:00

Respectfully submitted,

Tom Argue CEO

Rannie Webster Foundation
Board of Trustees Meeting
February 24, 2022

Present: Becky Helm, Chair; Charles Riopel, Treasurer; Marcia Menes, Bob Stomiosky, Allan Moses, Tom Argue, CEO and Todd Fernald, Nursing Home Administrator/Human Resources Director.

Absent: David Timmerman, Vice Chair; Linda Toumpas, Secretary.

The minutes of the January Board of Trustees meeting were approved as written.

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

Becky reported on the February 8th Rye Planning Board meeting. Becky attended along with attorney Tim Phoenix and Eric Weinrieb from Altus Engineering. Although there was one letter and two abutters who spoke against extending Webster's approval, the board agreed that the pandemic was valid grounds for requesting an extension. The board voted unanimously to grant the extension for one year from the date from which the chair signs the plans, from April 20, 2022 to April 20, 2023. The board also expressed the opinion that it would not be unreasonable for Webster to request an additional extension if the pandemic continued to delay progress on the project. Although this is not a guarantee, it is encouraging. There were numerous Conditions of Approval in the original planning board approval, and Webster at Rye has complied with a significant number of them. There are a few which were more costly that Altus recommended we hold off on, such as the septic permit from the NH Department of Environmental Services and the Alteration of Terrain Permit. Tom will provide the board of trustees with a summary including a timeline.

Nominating Committee: Todd Fernald reported that he had spoken with Rick Hoesley and he was honored to be considered for nomination to the board of trustees, but he will be relocating to Florida in the near future. Tom and Todd will talk with Patti, Melissa and Shea to see if they may have any additional recommendations.

Investment Committee: The committee will be meeting in April to review portfolio performance.

Administrator's Report: Todd reported the New Hampshire positivity rate for tested individuals is down significantly from a high of 25% a month ago to 6.8% this week. He noted this is the first week since November where we are not testing for Covid as there have been no recent positive results and we have had two weeks of all-negative tests. We have hired two activity aides which fills all open slots in that department, housekeeping has improved and now only has two open positions, dietary has hired staff but continued turnover in new hires continues to create staffing challenges. Todd met with the four graduates of the most recent LNA class and three have expressed plans to work for Webster in either full-time or part-time positions. There have also been additional applicants from the community. None-the-less, there are still 24 open LNA positions throughout the building. Unfortunately, Shea Ganem the new assisted living director has submitted her resignation as a result of the high stress level the numerous open positions places upon her. Todd has spoken with the State and they are willing to extend his waiver to hold the administrator's license for both sides of the building, and have told him if necessary the waiver can be renewed on an annual basis. On a brighter note, the recently hired Assistant Director of Nursing for the nursing home has been doing a great job.

CEO's report: Rate increase letters are being mailed this week to all private pay resident families. The increase will go into effect on May 1st. Families were informed that Webster will assess the financial situation again later this year to determine whether an additional increase may be necessary. Any increase requires a 60-day notice per State regulations. The payment in the amount of \$25,000 from the Governor's Office For Emergency Relief & Recovery (GOFERR) has been received.

Tom has spoken with Brian Newman, President of Silverstone Senior Living to update him on the decision of the planning board and to review Webster's financial performance. They also discussed the expansion of Benchmark Memory Care into assisted living and whether this reinforces the need for additional skilled and private pay nursing home rooms for Webster to remain competitive.

Becky Helm discussed the results of the strategic planning questionnaire she distributed to all trustees, Tom and Todd. She is compiling the responses and will distribute them when her summary is complete.

There will not be a March board meeting due to trustee schedules. The return to in-person board meetings may resume in April depending on any outbreak status at Webster at Rye.

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

Meeting schedule:

Executive Committee: Tuesday, March 17th at 9:00

Board of Trustees: Thursday, April 28th at 9:00

Respectfully submitted,

Tom Argue CEO

Rannie Webster Foundation
Board of Trustees Meeting
April 28, 2022

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

The minutes of the February Board of Trustees meeting were approved as written.

Becky announced that she would be relocating to the west coast sooner than she had originally planned. The September board meeting will be her last meeting. She has asked Dave Timmerman to complete her term as Chair. Becky discussed the timing of Tom's contract which is currently scheduled to end on June 30th. Several months ago the board discussed with Tom the possibility of extending the contract to provide time to work on the potential Silverstone affiliation, as well as work with Todd and Angel on year-end audit procedures. She felt a formal motion to approve the extension was in order. A motion was made by Allan Moses and seconded by Dave Timmerman and passed unanimously to amend the contract to extend Tom's tenure. Becky will work with Tom on revising the contract and will bring the revised contract to the board for their review and approval.

Nominating Committee: Several candidates for nomination to the board were discussed. The candidates have been prioritized and background information of the first three will be reviewed with the Nominating Committee Chair prior to being contacted by Tom and Todd to further explore their interest. If the Silverstone affiliation moves forward, two foundation trustees would sit on the Silverstone board. The board discussed whether to make exceptions to the current practice of excluding nominees who currently have family members as residents. One potential nominee is well qualified and has an interest in becoming a board member but has a parent at Webster. The board agreed that this candidate's qualifications warranted following up with him to discuss his interest. A motion was made by Charles Riopel and seconded by Dave Timmerman to evaluate each candidate based on the individual's merits regardless of family-facility relationships. The motion passed unanimously. There was discussion about including a resident on the board as is common practice with other non-profit senior health care organizations. The Nominating Committee will evaluate this and make a recommendation to the board.

Investment Committee: The committee will meet following this board meeting to review portfolio performance. The Executive Committee approved a transfer of \$500,000 from the board designated fund to the operating account in order to ensure adequate funds are available for payroll and accounts payable. Prior to the transfer the board designated fund had a balance of approximately \$900,000.

Department Head discussion: Dan Hartman, Director of Food Services, reviewed staffing shortages in his department and the steep increase in food and supply costs. Where there should be five dietary aides on certain shifts, there have recently only been two. Open cook positions have resulted in Dan covering multiple shifts and trying to balance other administrative responsibilities. He and Todd have worked to maintain morale among employees who are working overtime and trying to complete all of the daily tasks with insufficient staff. Every department is facing similar challenges with no easy solutions. Tom noted that according to AHCA there has been an exodus of 400,000 nursing home staff nationwide since the start of the pandemic.

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) as well as multiple openings in other departments. Efforts to address the unfilled positions include

aggressive advertising including a 4-week iHeart radio and digital media campaign, 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. Webster will host the Alzheimer's Association Bike-a-Thon rest stop on the front lawn. After discussion about reserving apartments for staff as a recruitment tool, there was general consensus this would hamper efforts to market and fill the remaining empty units. 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 reported that since she took over assisted living and memory care admissions about 18 months ago, she has had over forty admissions and yet there has been a net reduction of ten assisted living vacancies. This high turnover demonstrates the challenges with building and maintaining a full census.

CEO's report: Rate increases go into effect on May first. Tom submitted a Recruitment, Retention & Training Grant application to the State which was approved with a payment pending of \$28,315. 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 audit determined Webster did not in fact qualify for the funds, Webster would have to repay the funds with interest along with a 10% penalty, hence the importance of the Wipfli assessment of this approach. 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 financial challenges is the very high nurse and nurse aide agency expense. March had total agency charges of \$162,000. Filling open nursing positions and reducing agency utilization is a crucial component of returning to financial stability.

Tom has been working on a procedures manual that Todd and Angel can reference for the reports and analysis he completes throughout the year. He felt it was important to work with Todd and Angel to complete year-end budget and audit spreadsheets this year, in addition to monthly and quarterly reports.

Silverstone Affiliation: Tom and Todd will be meeting with Brian Newman next week to discuss details of the administrative and operational interface between the Silverstone and Webster organizations in the event that the affiliation moves forward. 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 is completed and Webster can demonstrate greater financial strength. Other advantages would include the additional experience and support Brian and his administrative team would bring during this transitional period. The board agreed it is time to make a decision about the affiliation. Becky polled the board to assess their thoughts at this time. She expressed her support for the affiliation, emphasizing the financial stability and greater opportunity for Webster's future development. Allan Moses: Unsure and needs more information; Marcia Menes: Feels both organizations would benefit but would like to see Silverstone's financial reports to assess their financial stability; Dave Timmerman: Strongly supports affiliation; Linda Toumpas: Feels in this economic environment an affiliation is inevitable, and with the organizations being a lot alike sharing corporate cultures and values, she supports the affiliation; Charles Riopel: Supports the affiliation, feels this will strengthen the foundation and provide greater opportunity for the future; Bob Stomierosky was unable to call-in to the meeting (he wasn't provided the call-in number by Tom – sorry!) but after the meeting expressed his support for the affiliation; Todd Fernald: Supports the affiliation but has concerns over the unknown operational changes that may occur. He noted that with Tom, Becky and others departing he doesn't want to see Webster lose its decision-making authority. He's looking forward to having questions answered at the upcoming meeting with Brian Newman; Tom Argue: Feels this is the best hope for Webster's future and the greatest opportunity to grow the mission of the foundation and enhance the quality of care that Webster provides. Silverstone's support for Webster will provide the best opportunity to get past the present economic challenges and regain financial stability.

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

Meeting schedule:

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

Board of Trustees: Thursday, May 26th at 9:00

Respectfully submitted,

Tom Argue CEO

Rannie Webster Foundation
Board of Trustees Meeting
May 26, 2022

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

The minutes of the April 28th Board of Trustees meeting were approved as written.

Becky reviewed the revised employment agreement for Tom. There are no changes to the contract signed when Tom when to half time with the exception of the end date which has been extended to December 15th. A motion was made by Charles Riopel and seconded by Marcia Menes to approve the agreement. The motion passed unanimously.

Nominating Committee: Linda Toumpas reviewed the background of the top two candidates for nomination to the board. She will contact both Jeff Mitchell and Nancy Clayburg to discuss their interest in becoming board members. The board will evaluate meeting later in the afternoon or evening to accommodate Trustee schedules.

Budget Committee: The budget committee will meet for the initial review of the FY '23 budget on July 21st following the executive committee meeting.

Tom and Todd met with Brian Newman to discuss the Webster board's decision to move forward with affiliation discussions. Subsequently, Brian relayed this to his board and they also voted to move forward with affiliation discussions. They agreed the next steps should be for the Webster board to meet with Louise Trottier, Silverstone Chairperson and Rob Prunier Vice-Chairperson, as well as Keith Robertson from Ziegler. The June board meeting date will need to be changed to accommodate this meeting. Trustees will be notified of the revised date once Silverstone's availability is confirmed (now confirmed as Tuesday, June 21st at 9:00 am). Additionally, Silverstone's accountants Clifton-Larson will forward a list of documents to Tom to provide as part of the financial due diligence process. Silverstone will be using Bill Tucker of Wadleigh Law in Manchester to represent them during the affiliation process.

Tom and Lance Turgeon from Wipfli will be meeting with the Tom Donovan Director of Charitable Trusts and Assistant Director Diane Quinlan to update them on Webster's financial situation, discuss what funds are available for operations, an update on the affiliation discussion with Silverstone and any recommendations for legal counsel to represent Webster in the process. This meeting will be a follow-up discussion on this topic. Tom and Director Donovan first spoke about a possible merger with Silverstone and the need for legal counsel when talks with Silverstone were just starting a few years ago.

Becky asked Dave Timmerman to chair a due diligence committee and assigned Allan Moses to the committee. Tom will also share the due diligence request from Silverstone. Discussion followed regarding what resources Charitable Trusts might have to offer, how to inform families and staff, and formulating a list of questions and concerns.

Investment Committee: Charles Riopel recommended reallocating some of the fiscal prudence and residents assistance funds to cash in the event they are needed for operations. A motion was made by Charles Riopel and seconded by Allan Moses and passed unanimously.

Administrator's Report: Todd reported Webster has had some limited success hiring staff, 2 nurses, a cook, an activities aide, an MNA and efforts are being made to reduce agency costs which have grown dramatically. Todd

has spoken at several LNA classes about working at Webster. Webster ran a 4-week radio and social media campaign and will renew the social media campaign as it resulted in 534 people that went to Webster's website and 460 'likes' where people shared the information with their friends. The next campaign will also include Dietary openings since that department has the second highest number of job vacancies. Three more apartments will be filled this coming week. Covid testing continues twice weekly for non-boosted employees. Occasional positive results continue to appear in staff. Todd reported that Food Service Director Dan Hartman is interested in getting his nursing home administrator's license as a career track advancement. This would provide support and backup for Todd. Dan would continue to fulfill his Food Service responsibilities. The board expressed their support for Dan pursuing licensure. Dietary Aide Christina King requested \$500 financial assistance for the LNA class she is going to take. The board approved the payment from the scholarship fund. Nurse agency charges continue to have a strong negative impact on the finances. Total charges in April increased to \$172,000. Every effort is being made to reduce agency use.

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

Meeting schedule:

Executive Committee: Thursday, June 16th at 9:00

Board of Trustees: Tuesday, June 21st at 9:00

Respectfully submitted,

Tom Argue CEO

Rannie Webster Foundation
Board of Trustees Meeting
June 16, 2022

Present: Becky Helm, Chair; David Timmerman, Vice Chair; Linda Toumpas, Secretary; Marcia Menes, Allan Moses, Tom Argue, CEO and Todd Fernald, Nursing Home Administrator/Human Resources Director.

The minutes of the May 26th Board of Trustees meeting were approved as written.

Becky reported the monthly Board of Trustees meeting time would be changing to 4:00 pm on the 4th Thursday of the month to better accommodate the work schedules of some trustees. This will commence at the July 28th board meeting.

The next meeting with representatives of the Silverstone Senior Living board will be Tuesday, June 21st at 9:00 am.

Budget Committee: The budget committee will meet for the initial review of the FY '23 budget on July 21st following the executive committee meeting.

Nominating Committee: Linda Toumpas reported on the meeting she and Tom had with Jeff Mitchell. She reviewed his qualifications and said he was an impressive candidate. The meeting with Nancy Clayburgh is scheduled for later this afternoon. She also comes highly recommended and is very involved in other civic organizations. Both individuals have had family members at Webster at Rye. A vote on the candidates is scheduled for the next board meeting.

Tom and Lance Turgeon from Wipfli met with the Tom Donovan Director of Charitable Trusts and Assistant Director Diane Quinlan to update them on Webster's financial situation, discuss what funds are available for operations, an update on the affiliation discussion with Silverstone and any recommendations for legal counsel to represent Webster in the process.

Tom was authorized to contact attorney Andrew Eills who was recommended by the Director of Charitable Trusts, to represent the Foundation in discussions with Silverstone. Attorney Eills completed a conflict of interest review and agreed to represent the Foundation.

Dave Timmerman and Tom reported on progress with the due-diligence process with Silverstone. Dave compiled a due diligence list as did attorney Eills. Tom is working on consolidating into one list for board review. Tom has completed and submitted almost all of the due diligence items that Silverstone has requested.

The board discussed next steps, including signing a letter of intent. This would be produced by Silverstone. Attorney Eills will provide a summary of the steps the board can anticipate completing as it progresses through this process.

A motion was made by Linda Toumpas and seconded by Allan Moses as follows: 'After full consideration and due deliberation, the Rannie Webster Foundation Board of Trustees hereby approves moving forward to perform the necessary due diligence with the goal of moving us toward a final decision to affiliate with Silverstone Senior Living'. The motion passed unanimously.

Administrator's report: Todd reported 8 to 9 new LNA's are in the hiring process, there are currently 9 staff who have tested positive for Covid and Todd had to terminate the Human Resources Assistant due to personal issues.

Tom reported on the doubling or tripling of electricity rates that are being reported for the coming year in New Hampshire. It is certain that a second rate increase will need to be implemented this fall. Costs are well above the 7% rate increase that went into effect in May. Families have been advised of the possibility for this additional increase.

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

Meeting schedule:

Board of Trustees with Silverstone:	Tuesday, June 21 st at 9:00
Executive Committee:	Tuesday, July 21 st at 9:00
Budget Committee:	Tuesday, July 21 st following Exec Committee
Board of Trustees:	Thursday, July 28 th at 4:00 pm

Respectfully submitted,

Tom Argue CEO

Rannie Webster Foundation
Board of Trustees Meeting
June 21, 2022

Present: Becky Helm, Chair; David Timmerman, Vice Chair; Charles Riopel, Treasurer; Linda Toumpas, Secretary; Marcia Menes, Allan Moses, Tom Argue, CEO and Todd Fernald, Nursing Home Administrator/Human Resources Director and Angel Blais, Business Office Manager.

Guests: Louise Trotter, Chairperson, Silverstone Living; Rob Prunier, Vice Chairperson, Silverstone Living, Brian Newman, President-CEO and Keith Robertson, Managing Director with Ziegler Investment Banking.

The minutes of the June 16th Board of Trustees meeting were approved as written.

Keith Robertson reviewed the affiliation (Sponsorship Transition) process, emphasizing this is an opportunity not a threat, with both organizations entering into an intentional strategic partnership with the goal of preservation of both organizations' mission and culture. Opportunities to expand a common mission are greater together and result in a stronger mission future for both organizations. He has been involved in numerous affiliations and without exception they have had positive outcomes where the residents were the ultimate winners. He noted the cultural similarity results in everybody benefiting and quality of care being sustained. He advised the boards to remain focused on the end goal of long-term viability and getting the agreement to the finish line as expediently as possible. He noted that more than half of the non-profit mergers that have taken place recently have been acquisitions by for-profit organizations, which has led to the loss of organizations' culture and mission. He talked about next steps. Tom has completed the financial due diligence list for Silverstone and is working with attorney Eills and Webster board members to finalize Webster's due diligence list. This will ensure the Webster Foundation has exercised its fiduciary duty to ensure Silverstone is financially strong enough to fulfill its promises in an affiliation. Silverstone should now begin the process of preparing a Letter of Intent for the Webster board to review and comment on. Once the Letter of Intent is executed legal counsel will begin to draft an Affiliation Agreement. A communication plan with a selected PR firm is highly advisable with listening sessions with residents, families, staff, and key members of the community such as the local planning and zoning boards and town officials. HUD will need to approve the affiliation agreement and Charitable Trusts will need to be notified and a Notice of Change-in-Control filed. A public hearing conducted by the Charitable Trust Unit will then be scheduled. Keith discussed the need for a non-disclosure agreement to protect the confidentiality of the process until it is the right time to announce the affiliation. This is important to avoid a negative reaction due to inadequate information and the rumor mill. He summed up by emphasizing the importance of staying focused on the end goal and avoiding hurt feelings or letting pride of ownership stand in the way of a positive outcome.

The boards discussed timelines; it is likely the affiliation can be finalized by the first quarter of 2023 if everyone stays on task. Initial discussion regarding how the financial details would be determined was broached. Silverstone emphasized the funds would be made available to ensure Webster successfully rebuilds its financial independence and also emphasized their strong interest in completing the nursing home addition.

Becky reminded members the monthly Board of Trustees meeting time would be changing to 4:00 pm on the 4th Thursday of the month to better accommodate the work schedules of some trustees. This will commence at the July 28th board meeting.

Budget Committee: The budget committee will meet for the initial review of the FY '23 budget on July 21st following the executive committee meeting.

Nominating Committee: Linda Toumpas again reviewed the qualifications of Jeff Mitchell and made a motion to elect Jeff to the Rannie Webster Foundation Board of Trustees. The motion passed unanimously. Linda will contact Jeff and invite him to the July meeting. The meeting with Nancy Clayburgh has been rescheduled for June 22nd due to a schedule conflict.

Becky has distributed the Roles and Responsibilities of Board Members and asked Trustees to review and prioritize what they feel the most important expectations are in preparation for a discussion at the July board meeting.

Webster at Rye Business Office Manager Angel Blais attended this part of the meeting to discuss her involvement in compiling the financial data in this month's board packet, observe the presentation of the financial report by Tom and discuss the accounting courses she has completed as part of the succession plan. Angel completed the majority of the financial spreadsheets in this month's board packet, has reviewed additional financial procedures with Tom such as updating the depreciation ledger and preparing bed assessment fee spreadsheets, and will be working with Tom on the quarterly HUD financial statement over the next week as well as working with Tom and Todd in preparing the FY '23 operating budget. The board had an opportunity to talk with Angel about some of her current responsibilities such as Medicare, third-party, private pay and Medicaid billing, accounts payable, accounts receivable, tracking AP and AR Aging, assisting families with Medicaid applications, and ensuring payments are kept timely and Accounts Receivable Aging is kept at a minimum. The board thanked Angel and invited her to return for additional financial reviews.

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

Meeting schedule:

Executive Committee:	Tuesday, July 21 st at 9:00
Budget Committee:	Tuesday, July 21 st following Exec Committee
Board of Trustees:	Thursday, July 28 th at 4:00 pm

Respectfully submitted,

Tom Argue CEO

Rannie Webster Foundation
Board of Trustees Meeting
July 28, 2022

Present: Becky Helm, Chair; David Timmerman, Vice Chair; Charles Riopel, Treasurer; Linda Toumpas, Secretary; Allan Moses, Jeff Mitchell, Tom Argue, CEO and Todd Fernald, Nursing Home Administrator/Human Resources Director and Angel Blais, Business Office Manager. Absent: Nancy Clayburgh.

Guests: Sheila McNeil of Wipfli and Attorney Andrew Eills.

The minutes of the June 21st Board of Trustees meeting were approved as written.

Board Chair Becky Helm welcomed Jeff Mitchell to the Board of Trustees. His extensive background in senior healthcare will be a welcome addition to the board's experience and insight.

Marcia Menes submitted her resignation to Becky this past month. She has served on the Webster board since March 2005 and has been a generous contributor to Webster at Rye.

Becky highlighted the articles by NHHCA President Brendan Williams that were included in the board packet addressing the nurse and nurse aide agency financial impact. She recommended them to everyone.

Tom gave Jeff a Conflict-of-Interest form to review and return. All other board members signed forms in April 2022.

Sheila McNeil, Wipfli's lead accountant for Webster at Rye reviewed the Audit Governance Letter for this year's audit. The fiscal year ends on 8/31/22 and pre-audit work is just getting underway. She discussed Wipfli's risk-based approach and emphasis on materiality in their review. They look at internal controls but primarily limit testing to cash disbursements and Medicare Part A. They test for compliance with Medicare, HUD and Covid fund use and reporting. New in 2022 is the identification of risks which are summarized in the governance letter. Typically, there is a 'clean' opinion although they always report on any weaknesses they have identified. These are all summarized in the financials that are submitted to HUD. Tom, Todd, and Angel were excused while the board discussed potential fraud and other management-related topics.

Silverstone Affiliation. Becky welcomed attorney Eills to the meeting and asked Tom to provide a brief history of the affiliation discussions the board has had with Silverstone. Tom reviewed earlier attempts by Webster to develop a CCRC, the formation of the Rannie Webster Holding Corporation and affiliation discussions the board had at that time.

- Began affiliation discussions with Silverstone Living about year before pandemic.
 - Both not-for-profit senior healthcare providers. Share common culture, mission
 - Cost saving opportunities, great efficiencies, long-term financial security
 - Getting harder for stand-alone organizations to survive

- Pandemic created new pressures:
 - declining census, revenue & staff
 - increased wages, operating costs, nurse agency (>\$200 k) \$2.5 MM
- Executive Committee meetings with Silverstone Exec Committee
 - Shared values, culture, mission
- This spring Webster board voted to move forward with affiliation discussions
- Met with Director of Charitable Trusts
- Due Diligence, both facilities
- Hired Attorney Eills – recommended by Charitable Trusts
- Signed a Letter of Intent – agree not to negotiate with other organizations
- Met last week to review a draft Affiliation Agreement
 - Further discussion re management fees and terms of line of credit
 - Clarifications to ensure Webster is protected financially
 - Timeline: Complete by August 8th
 - On-site inspection: Silverstone Plant Manager reviews with Webster staff
- Application to Charitable Trusts (6 month review process)
 - Local Listening session, Zoom with 3rd party Moderator
 - Timeline: Late August Listening Session to allow for proper communication with staff
 - After Listening Session, final review, and then signing of Affiliation Agreement by Board
 - Submission to NH Charitable Trust Unit of Notice of Change in Control (early September)
- Transfer of Physical Asset application to HUD
 - Timeline: September 1st (3-4 month review process)
 - HUD approval 12/31
- RWHC (Sole Member - parent company) and RWF merge
 - RWF remains
 - 2 dba's: W@R & WAR-AL
 - Silverstone Living replaces RWHC as Sole Member

Tom also reviewed some changes Silverstone agreed to incorporate into the affiliation agreement:

- Cash on Hand would include unrestricted cash and unrestricted investments but excludes capital improvement fund.
- If Webster reaches 30-days cash-on-hand and starts making payments, and then cash-on-hand drops below 30 days again, payments would be suspended. That is a big deal, it provides significant protection indefinitely.
- The line of credit is not capped at \$2 million; there is no cap. I asked to have that clarified, they agreed. Again, this is a significant protection for Webster, it leaves the financial assistance open-ended.
- They acknowledged that the subordination to the HUD loan means the agreement may have to be amended to comply with HUD requirements. Tom will discuss this with Silverstone President Brian Newman to confirm Webster would be able to remain in compliance with all HUD financial covenants.

Next steps involve attorney Eills communicating with their attorney over cleaning up the affiliation agreement and management and loan fee language to ensure the agreed upon changes have been

incorporated, and following up with the board with a red-line version within a week or two prior to finalization of the document. A listening session has to be held prior to submission of the affiliation application to Charitable Trusts. This will involve coordination of simultaneously informing staff, families and local officials. Silverstone has recommended the use of Montagne Powers PR firm. Tom will let Brian know the Webster board concurs.

After further discussion a motion was made by Linda Toumpas and seconded by Dave Timmerman to accept the Silverstone management fee and line of credit payment plan with the clarifications noted by Tom to be incorporated in the affiliation agreement. The motion passed with one vote against by Allan Moses.

Becky has distributed the Roles and Responsibilities of Board Members and asked Trustees to review and prioritize what they feel the most important expectations are in preparation for a discussion at the August board meeting.

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

Meeting schedule:

Executive Committee:	Thursday, August 18 st at 9:00
Budget Committee:	Thursday, August 18 th following Exec Committee
Board of Trustees:	Thursday, August 25 th at 4:00 pm

Respectfully submitted,

Tom Argue CEO

Rannie Webster Foundation
Board of Trustees Meeting
August 25, 2022

Present: Becky Helm, Chair; David Timmerman, Vice Chair; Linda Toumpas, Secretary; Allan Moses, Jeff Mitchell, Nancy Clayburgh, Tom Argue, CEO, Todd Fernald, Nursing Home Administrator/Human Resources Director (by phone) and Angel Blais, Business Office Manager.

Absent: Charles Riopel, Treasurer.

The minutes of the July 28th Board of Trustees meeting were approved as written.

Board Chair Becky Helm welcomed Nancy Clayburgh to the Board of Trustees. Nancy has been active as a member of various seacoast area boards, and currently sits as Chair of the Portsmouth School Board. Todd Fernald asked Nancy and Jeff to submit a brief bio for the website and a photo session will be scheduled as well. Tom will give Nancy a Conflict-of-Interest form to review and return.

This is Becky's final meeting as board Chair for the Rannie Webster Foundation. She first served on the Webster Continuing Care board before joining the Rannie Webster Foundation board. In all she has volunteered her time and energy for over sixteen years and has led the board through several important transitions, including most recently the affiliation discussions with Silverstone at Hunt (previously Silverstone Living). Becky thanked board members for their support and friendship and said her years living in Rye and the seacoast will always be remembered fondly. The board presented her with a gift in appreciation of her years of dedicated service to Webster at Rye.

Becky reviewed the Board Member Roles and Responsibilities document which was adopted by the board in 2018. The document reflects the board responsibilities that are prioritized by New Hampshire Charitable Trusts in their Guidebook for NH Charitable Non-Profit Organizations. Trustees shared their thoughts on those areas of the document they felt were most important, including the need for the board to be strategic in its thinking, looking to the future of the organization and avoid getting bogged down in operational details while maintaining an understanding of key operational issues, actively participating in efforts to ensure the financial sustainability of the organization and enrichment of the lives of the residents, speaking with residents to get to know them and understand things from their viewpoint, serving as ambassadors for the organization in the greater community, the importance of expressing disagreement when required and avoiding rubber stamping decisions. A motion was made by Linda Toumpas and seconded by Allan Moses to renew the board's adoption of the document with the one change that the minimum number of Trustees on the board is now five with a maximum of fifteen as reflected in the recent By-Laws change. The motion passed unanimously.

Nominating Committee: Committee Chair Linda Toumpas reviewed the recent nomination and elections of Jeff Mitchell and Nancy Clayburgh, and the recent losses to the board of Bob Preston, Nancy Stiles, Bob Stomieroski, Marcia Menes, and now Becky Helm. Becky Helm and Dave Timmerman both recommended Ann Signoli, and Jeff Mitchell recommended a long-time associate Anthony Lee Hoginski

as future board candidates. Linda asked Becky to follow up with Ann initially, and she will get Lee's number from Jeff and contact him. *(Note: I think I got this right, please let me know if I'm incorrect. Tom)*

The board discussed the article in the packet regarding the recent sale of The Edgewood Centre in Portsmouth, and Colonial Poplin in Fremont. Additionally, four more Genesis nursing homes were sold this past month, on top of the five or six additional Genesis homes that were sold last year. There have been other sales, and there are reports of still other sales pending as well. The New Hampshire nursing home landscape is changing rapidly.

Silverstone affiliation: This past month the board has continued to work with attorney Eills and Silverstone representatives on the wording of the Management Agreement, the Affiliation Agreement, the public relations plan for informing residents, families, staff and the public about the affiliation, the holding of a listening session, discussions with HUD officials about the Transfer of Physical Asset application and additional Due-Diligence documents that Silverstone requested. It is clear from discussions with HUD and the PR firm that the process will probably extend beyond the anticipated February closing date due to the time the review process takes for the HUD and Charitable Trust applications and the public relations process.

Budget: Tom presented the FY '23 budget which he explained is not a balanced budget but does identify several strategies for achieving a balanced budget over time, including payment of the Silverstone management fee. He noted a rate increase for this fall was announced to families last spring and notices will be going out prior to the end of August with an effective date of November 1st. The usual May 1st rate increase is also incorporated into the budget. The budget reflects 100% increases for electricity, LP gas and oil as well as wage increases for staff due to the extreme staffing shortage. The largest challenge to achieving a balance budget is the extremely high cost of nurse and nurse aide agency fees. If all agency fees were eliminated and all open positions filled, there would still be an operating deficit, but minor census increases in several scenarios presented could offset remaining operational losses as well as pay for the Silverstone management fee. Tom emphasized this budget is designed to reflect the possible, not necessarily the probable, recognizing the staffing challenge and inflationary pressure isn't going away any time soon. He is also working on the Employee Retention Tax Credit (ERTC) application which can result in a reduced payroll tax of up to \$26,000 per employee. This could generate significant funds to help the organization's cash flow as Webster administration continues to work on the staffing challenges. The ERTC is not guaranteed and is subject to audit. If it is determined that an organization should not have been awarded the funds, full repayment plus a 10% penalty would be required. For that reason, some organizations are banking the funds until the audit time period has passed. Dave Timmerman asked Tom to prepare a consolidated summary of the budget, including the scenarios that would include the management fees while achieving a balanced budget. Tom said he could also incorporate the approximate cash flow summary that currently is shown on the monthly budget analysis. After further discussion a motion was made by Linda Toumpas and seconded by Nancy Clayburgh to approve the budget as presented, to include the summary discussed. The motion passed unanimously.

Todd provided a brief summary of recent events, including himself contracting Covid, which is why he is calling in rather than attending in person. There have been two positive cases in the nursing home and testing is underway until there are two consecutive tests with no positive cases. We continue to advertise for staff using social media and are considering a billboard on Rte 1 to advertise our levels of care and job opportunities. The nursing home just completed a deficiency-free survey. The surveyors said they love to come to Webster because the residents, families and staff all express how positive they feel about the organization.

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

Meeting schedule:

Board of Trustees:

Thursday, September 22nd at 4:00 pm

Respectfully submitted,

Tom Argue CEO