

Kavod Senior Life
Board of Directors
Board Meeting
April 26, 2021

Due to the COVID-19 Pandemic, the board meeting was held electronically via ZOOM. Present: Brian Botnick, Rachel Cohen, Glenn Cooper, Rob Friedman, Sarah Golombek, Ondalee Kline, Perry Moss, Debbie Reinberg, Connell Saltzman, Gary Saltzman, Jamie Sarche, Jan Schorr, Melanie Siegel, Steven Summer, David Zaterman, and Molly Zwerdinger. Staff: Michael Klein, Michael Belieu, Tracy Kapaun, and Gaile Weisbly Waldinger. Guests: Ksenia Popke, Kevin Ross and Aaron Ness of Eide Bailly; Nita Mosby Tyler, Ph.D. of The Equity Project, LLC., and Renee Raabe of Prime Source Staffing Each person in attendance acknowledged the ability to hear and speak during the meeting.

A quorum being established, Mr. Steven Summer called the meeting to order.

Mr. Summer introduced Ms. Renee Raabe who was joining the meeting as a guest. Ms. Raabe is under consideration for a position on the Board of Directors and was observing the meeting.

The Consent Agenda: approval of the February 2021 Board minutes, Committee Reports: – January/February Financials, Fiscal Committee Minutes, Resident & Community Services Minutes, and Foundation Minutes (all items were distributed prior to the meeting were presented for approval.) Mr. Friedman moved to approve the Consent Agenda with a second from Ms. Kline. The motion passed.

Mr. Summer introduced Nita Mosby Tyler of The Equity Project. The Equity Project was engaged to help Kavod develop diversity, equity and inclusion strategies for the organization and residents. Ms. Mosby-Tyler reviewed the findings of the survey and interviews. The Equity Project conducted focus groups with Kavod residents, staff and Board members. She concentrated her remarks and findings on the Board results. The main takeaway from the report was when seeking to add board members and looking to expand the diversity of the Board, the relationship should be mutually meaningful for both the board members and the organization. She felt that at all levels of the organization, there had been solid steps in making people feel part of the community. Mr. Summer advised that the Board Development and Leadership Committee is adding the suggestions from the report in their search for new Board members.

Mr. Connell Saltzman introduced Ms. Ksenia Popke, Mr. Kevin Ross and Mr. Aaron Ness of Eide Bailly, our independent auditors to present the 2020 Consolidated Financial Audit of Allied Housing, Ms. Popke advised the Board that her group handled the consolidated audit of all three non-profit, and LLLP entities. She advised they will be issuing a clean audit opinion with one finding on the LLLP audits. Mr. Ness, whose group handled the HUD and REAC audits, indicated they would also be issuing a clean audit opinion. Both Ms. Popke and Mr. Ness as well as Mr. Ross shared how cooperative and responsive staff was to all requests made by the audits. The Board requested that staff and visitors, except for the recording secretary, leave the zoom meeting in order for the Board to speak to the auditors privately. All staff and visitors were placed in a waiting room. After a discussion with the auditors and the auditors had left the zoom room, Mr. C. Saltzman advised that the Fiscal Committee has reviewed the audit and recommended the acceptance of said item. Mr. C. Saltzman moved to accept the 2020 Consolidated Financial Audit as presented by the audits with a second by Ms. Sarche. The motion was approved.

Staff was readmitted to the zoom room and the meeting continue.

Mr. C. Saltzman advised the Board that the Mike Belieu worked with Midifirst Bank to modify Kavod Senior Life's current loan agreement. Mr. Belieu walked the board through the changes in the loan

agreement. He noted that the balloon payment remains the same as the original agreement. He also indicated that staff has and is continuing to put aside funds to pay the loan back. Mr. C. Saltzman made the following motion:

Based on the research of Kavod staff and discussions with MidFirst Bank, I request that the Board of Kavod Senior Life approve the recommendation of the staff, which has been discussed with the Fiscal Committee, to complete the loan modification terms proposed by MidFirst Bank to the current loan with MidFirst. The Modified Loan will continue to provide Kavod with a loan of up to 17 million dollars to update building systems and individual apartment units, with the following changes:

- (1) Extend maturity to 2033;
- (2) Allow draws for construction to be made up 18 months after loan closing;
- (3) Pay the fees and costs to MidFirst of approximately \$472,660 for the loan modification;
- (4) Reduce annual interest rate to 3.10% from 4%;
- (5) Allow for additional principal payments of up to \$350,000 to be made annually; and

Continue to authorize the staff and Fiscal Committee to:

- (1) utilize the funds based upon the construction budgets presented to the Board in the past and the Pinkard Construction contract.
- (2) complete final negotiations of the terms and conditions of the loan modification;
- (3) authorize Michael Klein as President/CEO and Steven Summer as Board Chair to sign final loan modification documents on behalf of Kavod Senior Life; and
- (4) authorize Michael Klein, President/CEO and Steven Summer, Board Chair, in conjunction with legal counsel, to create any formal Board Resolutions, if necessary.

The motion was seconded by Mr. Moss. The board discussed the motion and Mr. Botnick offered the following friendly amendment:

Under fees: Pay the fees and costs to MidFirst not to exceed \$500,000 for the loan modification;

Mr. Moss second the motion to the friendly amendment. The Board approved the amendment to the motion. The question was called and Mr. C. Saltzman restated his motion to include the amended which is as follows:

Based on the research of Kavod staff and discussions with MidFirst Bank, I request that the Board of Kavod Senior Life approve the recommendation of the staff, which has been discussed with the Fiscal Committee, to complete the loan modification terms proposed by MidFirst Bank to the current loan with MidFirst. The Modified Loan will continue to provide Kavod with a loan of up to 17 million dollars to update building systems and individual apartment units, with the following changes:

- (1) Extend maturity to 2033;
- (2) Allow draws for construction to be made up 18 months after loan closing;
- (3) Pay the fees and costs to MidFirst not to exceed \$500,000 for the loan modification;

- (4) Reduce annual interest rate to 3.10% from 4%;
- (5) Allow for additional principal payments of up to \$350,000 to be made annually; and

Continue to authorize the staff and Fiscal Committee to:

- (1) utilize the funds based upon the construction budgets presented to the Board in the past and the Pinkard Construction contract.
- (2) complete final negotiations of the terms and conditions of the loan modification;
- (3) authorize Michael Klein as President/CEO and Steven Summer as Board Chair to sign final loan modification documents on behalf of Kavod Senior Life; and
- (4) authorize Michael Klein, President/CEO and Steven Summer, Board Chair, in conjunction with legal counsel, to create any formal Board Resolutions, if necessary.

Mr. Moss seconded the revised motion. The amended motion was approved.

Mr. Rob Friedman provided the Board with an interim report from the Board Leadership and Development Committee on the status of filling the open board positions on all 3 boards. A final slate of candidates will be ready for the Board to recommend approval and send to the Annual Meeting at the next board meeting on June 28th. He advised besides the current open position on the KSL Board 3 members of the KSL Board have completed their full 3 terms and will be rolling off the main board. The Kavod Senior Housing and Service Board (small board) has 1 member who has completed his full term and will be rolling off the board. There are 3 members of the Foundation Board who have completed their full terms and will be rolling off the Kavod Foundation Board. The Foundation Board is requesting that Jay Mactas, who will be completing his full 3 terms, have his length of services extend for an additional 3-year term. Mr. Friedman noted since the KSL Board is the sole member of the Foundation Board a resolution from the KSL Board is needed in order to extend Mr. Mactas' term by an additional 3 years. He advised that once the KSL Board Resolution is approved then the Kavod Foundation will approve the same Resolution.

Mr. Friedman moved that the following resolution be adapted:

In accordance with the Bylaws of the Kavod Foundation Board of Director the Kavod Senior Life Board hereby extends Jay Mactas' term by an additional 3 years.

The Resolution and motion was seconded by Mr. Moss. The Resolution was adopted.

Mr. Klein, and Ms. Kapaun, provided the board with an updated report on the status of COVID-19 at the facility. Ms. Kapaun reported the senior living side of the facility has come out of outbreak, thus the staff and residents are no longer being testing for COVID-19. The Assisted Living side has reported no cases of COVID19 among staff or residents; however per state orders surveillance testing is continuing. As of the Board meeting 71% of staff are vaccinated with 81% of all residents having received the vaccine. Since the organization is out of outbreak and vaccination rates are up staff is slowing opening up the facility. This includes opening the beauty shop, the CU onsite medical clinic, the gardens and in-person dining (with appropriate social distancing in place). Construction is restarting with the vendor finishing the abatement in the West Building. Mr. Klein thanked the staff for all they have done through this difficult time and then provided the board with some examples of small acts of kindness that have happened during this time.

Ms. Zwerdinger and Ms. Siegel provided a short update on the 50th Anniversary Celebration that will take place virtually on August 26th. They asked all Board members to consider being a party host.

To kick off the a request to join Kavod Senior Life's Legacy Society a short video of past president Steven Siegel, whose mother was a resident at Kavod Senior Life, was shown to the Board. Ms.

Golombek and Ms. Sarche then informed the Board about the Legacy Society and requested any member who is in a position to or hasn't already done so to join the Kavod Senior Legacy.

In his CEO Report, Mr. Klein advised the board that staff is beginning to look beyond the pandemic. He noted that Kavod on the Road is doing very well virtually with over 5 programs a month. CU Medicine, as noted by Ms. Kapaun is back in the building seeing residents and hopefully in June outside community seniors will be coming to the clinic. He advised that the staff is looking at how we might make programmatic upgrades to the Assisted Living program.

Mr. Summer gave a brief report on his vision for the year ahead which included reinstating the Strategic Planning Committee under Rachel Cohen's leadership. She will be tasked to not only look at the business model but to do an environmental scan of the whole organization. Finally, Mr. Summer advised that the next Board meeting will take place June 28th via zoom at 5:30pm with the annual meeting at 6:30pm.

Meeting adjourned at 7:17pm.