

Kavod Senior Life
Board of Directors
Board Meeting
December 12, 2022

The board meeting was a hybrid meeting (in person for those who wish to be and virtual for those who wished to be). Present: Brian Botnick, Sharon Caulfield, Joe Dubroff, Rob Friedman, Ondalee Kline, Alexandra Mannering, Connell Saltzman, Melanie Siegel, Joey Simon, Jamie Sarche, Jan Schorr, Steven Summer, Yolanda Webb, and Molly Zwerdlinger. Staff: Michael Klein, Michael Belieu, Tracy Kapaun, and Christine Dewhurst. Guest: Kyle Fritch of Eide Bailly. Each person in attendance acknowledged the ability to hear and speak during the meeting.

Ms. Molly Zwerdlinger ascertained that a quorum was established and called the meeting to order. With a quorum established, the consent agenda was presented for approval. It was noted that a change needed to be made to the KSL October board meeting minutes. Ms. Ondalee Kline was listed as not in attendance when she was present. Ms. Ours noted the changes would be made to the October minutes. Ms. Caulfield moved to approve the consent agenda with the change to the October Minutes with a second by Mr. Summer. Motion passed.

Mr. Rob Friedman advised that with the departure of Ms. Golombek there are now two openings on the KSL Board. The Board Leadership and Development Committee has reviewed several applicants for membership to the board and are recommending that Mr. Joseph Dubroff be added to the board. Mr. Friedman provided a brief background on Mr. Dubroff's qualifications and moved to approve Mr. Dubroff's membership to the board. Ms. Siegel seconded the motion. There being no objections the motion was passed.

Mr. Dubroff was admitted to the board meeting and once introductions were completed, Ms. Zwerdlinger turned the meeting over to Mr. C. Saltzman for presentation of the 990s and the budget.

Mr. C. Saltzman introduced Kyle Fritch of Eide Bailly, KSL current auditors, who presented the 990 tax returns. Mr. Fritch advised there were no major differences between the 2020 and 2021 990s. Mr. Fritch noted that the KSL CFO, Mr. Belieu had reviewed the 990s prior to submittal to the Fiscal Committee and board. Mr. C. Saltzman advised that the Fiscal Committee had also reviewed, accepted and recommended that the KSL Board approve the 990s. The Board reviewed the documents and by unanimous consent approved the 990s as presented.

Mr. C Saltzman and Mr. Belieu presented the 2023 KSL Budget for review and approval. Mr. Saltzman advised that the Fiscal Committee had done its due diligence and reviewed extensively the 2023 budget and recommended the budget for the board to approve. Mr. Belieu then presented the budget. He noted staff is projecting \$275K in net income with an increase of \$395K in revenue and an increase of 3% in operating expense. KSL is looking at an increase in capital expense of \$900k. Due to the nature of grant funding revenue from grants in 2023 is hard to anticipate. The merit salary pool was budgeted at 6% with a potential for an additional 2% to be added later in the year. Ms, Dewhurst, Chief People Officer, advised that health care costs increased by 2% and KSL will absorb this increase. She also noted that currently dining, maintenance and Assisted Living Departments have used temporary labor to help with current staffing shortages.

Mike noted that the once the construction has been completed the "hotel" apartments will be put back in service and there will be an increase in rent income. Rent income potentially will increase due to the rent study that is being done and submitted to HUD. It is anticipated that this rent

increases will take place in April. He also noted that dining and maintenance costs increase not only due to the inflation but also due to the tight labor market.

Mr. Uros Grasic, IT Systems Management was not able to join the meeting therefore, Mr. Mike Belieu provided the Board with an update on the enhancements in Kavod's cyber security as well as the building security. Mr. C. Saltzman moved to approve the budget as presented with a second from Mr. Friedman. The motion passed.

Ms. Zwerdinger then asked each committee of the board's chairperson to provide a year-end update on the issues discussed in their meetings.

Mr. Klein provided the board with the operations and administration report. He noted that KSL fared well through three years of Covid19 during which time we have had only one death related to virus. During this same time,, management was still able to move in new residents and now approximately one third of our residents are new to KSL. After nearly four years of construction, the process is slowly winding down and starting to do various final inspections with the Denver Fire Department. He noted that we are still working through the eviction process for one resident who refused to comply with construction upgrades in the resident's apartment. KSL's grant and fundraising was very success in 2022. KSL had the most successful annual summer event in 2022 and staff anticipates a very successful event in 2023. Kavod continues to receive a number of foundation grants to support our programming. Mr. Klein thanked the board, the committee chairs, the "C" suite and KSL leadership team for all their hard work in 2022.

Ms. Caulfield presented the 2022 compliance report to the board advised the compliance policy updated and adopted in the 1st quarter of 2022, which requires written report twice a year to the board as well as a tracking system on how each department handles all compliance requirements. Ms. Caulfield reminded the board that the Compliance Committee oversees operations compliance while the Fiscal Committee oversee fiscal compliance.

Ms. Schorr gave the Resident & Community Services review noting the committee receives updates on the progress regarding programming, events, dining, health & wellness and activities related to the residents. She noted that the committee reviewed the following surveys: community resident satisfaction as well as two specifically related to dining services and programming. She also reported the Resident & Community Services Committee reviewed the security efforts on campus.

Ms. Zwerdinger noted that Committee Chair Scott Fisher, who is leading the implementation of the newly adopted plan, was unavailable and Ms. Mannerings, vice-chair of the committee presented the report. Ms. Mannerings gave the background on the strategic planning process and reminded the board on the four areas of the plan approved by the board:

- Enhance outreach to the community
- Expand KSL footprint
- Preserve the current campus
- Explore additional housing

Concerning expanding the KSL footprint at our current location, the Committee, after due diligence decided to table this goal due to the small footprint available, and high construction and borrowing costs. She noted that staff has begun outreach to community organizations to ascertain the practicability of partnerships in various common areas of service.

Mr. C. Saltzman presented the year in review for the Fiscal Committee. He noted the Fiscal Committee has overseen the financial aspects of the loan from Mid-First Bank for the construction upgrades to the campus. He advised that the Mid-First loan will be closed out in 2023. He praised the efforts of Mandie Birchem, Director of Health & Wellness, Gordon Smith, Director of Facilities, Tracy Kapaun, COO, Mike Belieu, CFO and Michael Klein, CEO for their oversight of the construction process.

Ms. Zwerdinger presented her report and vision for Kavod in 2023. She indicated staff and board will concentrate on development and growth of Kavod, where possible; strengthening partnerships with community organizations such as Shalom Park, JFS and Christine Living Communities, among others. She indicated growth would be based on due diligence and with an eye towards enhancing our footprint in the community and strengthening Kavod's residents standard of living

The meeting was adjourned at 6:54pm.