



January Strategic Planning/ Finance Committee Meeting

January 21, 2024 - 12:30 PM – Board Room

Present: Chair, Wendi DiMatteo-Holsinger, Steve Tilley, Mike Swank, Tom Shenk, Sandra Pintarch, and residents Jim Lineweaver, Chet Rose.

Staff: Jennifer Ginder, Henry Brubaker, Francis Glynn, Alicia Titus, and Tyler Weaber.

Zoom: Sandy Pintarch, Mike Swank, Jenn Ginder, Ray Flagg

Absent: Mike Swank, Bob Fortna

Guest: Malcom Nimick

Order of the Day: Education on Fitch Rating influences, updates on current building projects, and future projects.

Welcome: Wendie Di Matteo-Holsinger, Chair

Malcom Nimick, Londonderry Village's Financial Advisor, discussed with Board about Fitch ratings.

"How Rating Interacts with Strategic Planning", Malcom discussed and provided an overview on Fitch ratings and the effects of strategic decisions, particularly those new projects that incur additional debt. This discussion focused on the possibility of LV's Fitch ratings to be downgraded in the short-term as new projects are pursued that may add new debt to LV. Therefore, decisions need to be made with a focus on the long-term strategic, financial and operational wellbeing of the organization, even though there could be temporary dips in Fitch's rating.

With Fitch's review in December 2024, LV's rating was affirmed at BBB status. The opinion of Fitch was that there was limited additional debt capacity at the current credit rating. A downgrade in the rating would cause LV to pay more interest in future transactions or require additional support to secure financing.

- Wendie asked Malcom for guidance on purchasing the Smith farm. Due to Malcom's limited information, he provided questions to consider: What does it cost to purchase the land? When do you need the land? When would you start to utilize the land? Malcom also noted that an advantage that Londonderry

Village has is that it is one of the only retirement facilities in this area. The closest one would be Masonic Village. The Lancaster area has many facilities.

- Wendie remarked that reviewing Fox Run's master plan would be beneficial to the committee(s).

Census

PC: 39 (Full operating)

Skilled: 69 (Full operating)

ILC: 497

Fox Run Update: Francis Glynn/Alicia Titus

a. Phase 1: Hybrid Villas

- Hybrid Villa 1: Francis announced that Villa 1 will have its occupancy inspection next week. Francis noted that the units will be cleaned in time for Tyler's move ins.
- Hybrid Villa 2: Francis announced that Villa 2 has completed all of its permitting. Once financing is finalized, Villa 2 will begin production.

b. Phase 2: Hybrid Villa

- Hybrid Villa 2 in phase two has everything completed but, still needs to submit FDDS permit.

Barteit Haven- Jen / Francis

- Barteit is fully staffed.
- Steve asked how many people are going to Barteit upon opening. Jenn thinks there are a handful (3-4) of residents to be placed upon opening. 2 possible IL residents could function in Barteit.
- A short and brief discussion about outside patients being admitted to Barteit: open to that possibility, loosely discussed an entry fee of \$10,000 as they would not have had to pay the initial entry fee residents had paid.
- The occupancy inspection will be happening soon in February. March is the expected move in time.

Marketing Report and Open House Details: Tyler Weaver

- Tyler noted that there is an influx of units becoming open and available. 7 open now, 4 additional units will soon be available.
- 20 people are under contract with units.

- Tyler noted that there was a potential villa commitment pulling out .
- Tyler announced that Marketing will be holding an open house on February 1st, 10-1 pm, to show all three floor models. Tyler noted that the team rented furniture for staging. Tyler said that a decent amount of people called and expressed interest in the open house.

Discussion:

- Alicia noted that the Villa buildings are not the best structure for what the committee goals are. She noted that there is a significant price increase/inflation between the 1st Hybrid and 2nd Hybrid.
- Alicia also noted that the Hybrid Buildings don't have much density as they only hold 12 units. Alicia talked about her experience at Messiah Lifeways and how they saved significant amounts of money by using home builders. Alicia also noted that she understood the long-standing relationship between Arthur Funk and the other contractors LV uses. Alicia said she will be meeting with SFCS and Arthur Sons to discuss options further.
- Tyler noted that prospective residents are very attached to the floor plans they were originally shown. It will be hard to approach them with new floor plans.
- It was noted that we should be doing everything we can as a committee to not elongate the timeline again like before.
- Francis noted that any site work should be completed before signing any contracts.
- The group discussed the ability to increase our entrance fees, and Alicia noted that she has done a little research and our entrance fees are comparable to other CRCCs and our local home values and that we don't have much room to increase fees.

No motions.

Plan of action: More discussion and meetings with contractors to revisit Hybrid Villas structure plans.

Meeting adjourned 2:43 p.m.

*Recording Secretary,
Olivia Harris*