



Heritage

ON THE MARINA

San Francisco Ladies' Protection and Relief Society Board of Directors' Meeting Minutes December 11, 2013

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "Heritage on the Marina" or "The Heritage") was held on Wednesday, December 11, 2013, at Heritage on the Marina, 3400 Laguna Street, San Francisco, California, 94123

Directors Present: Carolyn Barber, Andy Carlson, Randy Gridley, David Gruber, Molly Hauser, David Hines, Patricia Oststott, Laura Pilz, Connie Tiret, Pamela Tudor, Leslie Van Houten

Directors Excused: Jane Hickerson, Jeanie Kayser-Jones, George Morris

Staff Present: Ken Donnelly, Chief Executive Officer; Marla Hastings, Executive Director; Joe Conroy, Controller; Janet Howell, Director of Marketing

Residents' Representative: Margaret Jacobs

I. Call to Order

Chair L. Pilz called the meeting to order at 4:06 PM.

II. Approval of Consent Agenda

The Consent Agenda (November 20, 2013 Board Minutes, Committee Reports, October Financial Report and Governance Motions submitted by the Governance Committee) was approved by the Board on a motion from D. Gruber and second by C. Barber.

The Governance Motions included:

- a. The 2014 Slate of Officers:
Officers: Chair, Laura Pilz; Vice Chair, Randy Gridley; Treasurer, Connie Tiret; Secretary, Pam Tudor.
- b. Board members elected to a three-year term:
David Gruber, Molly Hauser, Jane Hickerson, Laura Pilz.
- c. The Society Bylaws, Section 6.2, Number of Directors, amended:
~~Strike out: The authorized number of Directors shall be at least sixteen (16) but not more than twenty-four (24).~~
Change to: The authorized number of Directors shall be at least eleven (11) but no more than sixteen (16).

- d. The Society Bylaws, Section 1, Name of Corporation
Strike out: The Corporation is also commonly known as "The Heritage."
Change to: The Corporation is also commonly known as "Heritage on the Marina" or "The Heritage."

L. Pilz commented that the best governance practices are moving to smaller Boards, and a more comprehensive Bylaws review will be done in 2014. She noted that George Morris, formerly Chief Financial Officer, is leaving the Board but has agreed to continue to serve on the Investment Committee, so his valued expertise will be available to the Society.

III. Resident Communications and Relations

M. Jacobs reported on the success of the project to give hats and scarves, knitted by residents, and stockings to a 29 children in a Hunters Point Head Start Program. David Costello was welcomed as Santa Claus.

IV. Finance Committee Report

The Society's 2014 Budget was presented by C. Tiret on behalf of the Finance Committee. On a motion from C. Tiret and second by D. Gruber the Board approved the 2014 Budget, which has a projected operating loss of \$2.6M compared to a \$3.5M projected loss in 2013.

J. Conroy reviewed Budget highlights: The budgeted revenue is \$7.8M in 2014, increasing from \$6.1M in 2013. The increase is primarily due to Medicare revenue, based on a conservative number, as 2014 will be considered a trial year. Budgeted Operating Expenses are \$9.1M in 2014, increasing from \$8.2M in 2013. The primary increase is due to the expansion of services at the Francisco property and expenses associated with Medicare. Staff salaries will increase 3% and resident fees 4% in July.

L. Pilz spoke to the past deficits over \$3.5 million, which are not sustainable for the long term, and she noted that the 6% income historically anticipated from the endowment, has more realistically been only 5%. Although the deficit has been reduced in 2014, she commented that the Board needs to challenge itself to identify a realistic deficit and determine a guideline that will assure that the endowment lasts into perpetuity. What will be needed—more expense containment or revenue? R. Gridley will expand on this subject at the April Board meeting. Also, she raised the issue of how much needs to be given away to meet the Society's non-profit status. Two accountants from the Society's accounting firm, DZH Phillips, will speak to the Board on the requirements to maintain the Society's private operating foundation status.

V. Facilities Committee Report

A. Carlson reported that the Francisco Properties renovation is done—a beautiful, dignified resident offering that speaks well to the values represented by the Society. A final detail of pipe relocation, requested by the City, was done at the contractor's expense. He noted that the Facilities Committee is creating a standard template for the update of units, up to \$75,000, so renovation can begin when a vacancy occurs rather than coming back to the Committee each time. He complimented the work of architect Jim Malott and contractor Tom Hildebrand who work well together.

L. Pilz expressed appreciation to the Facilities Committee and other Board members who worked to make the Francisco Street Properties an integral part of the Heritage on the Marina community.

VI. Other Business - Medicare Compliance

As required by federally funded Medicare, a resolution to adopt a Corporate Compliance Plan was approved by the Board of Directors on a motion from D. Gruber and second from A. Carlson. The manual sets forth a code of conduct, ethics, policies and procedures, education, training, compliance regulations among other guidelines.

VII. Chair's Report

L. Pilz reviewed the year's accomplishments:

- Medicare Certification in the Health Center
- Renovation of the Francisco Street Properties
- Stucky Library remodel
- New Director of Nursing
- New choice of Contract Options
- Refreshed visual appearance with a new logo, marketing presence and web site
- New Marketing Director
- "New" Morgan elevator
- Revitalized basement with a remodeled Fitness Center and Arts & Crafts Room
- and a new Physical Therapy Room
- Update of the Employee Pension Plan
- Continuing upgrading of resident units in Morgan and Perry buildings
- Celebration of the Society's 160th Anniversary
- Honorariums presented by the City, County, State Senate and House of Representatives, and U.S. Senate for the service provided by the San Francisco Ladies' Protection and Relief Society in its 160 years

She commended the Board, as this was a considerable achievement for a small organization and lean staff.

VIII. Other

L.Pilz called attention to the importance of 100% of the Board gifting in 2013 to reflect their support for the organization, and a gift envelope was conveniently located at their place. K. Donnelly called attention to the Annual Resident Meeting and welcomed the Board to attend. He also expressed thanks to the residents for their generosity and their significant contribution of \$48,000 to the Employee Appreciation Fund. He called attention to the Board Packet enclosure that explained, simply, the difference between Type A and Type C Contracts.

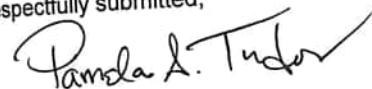
T. Ostott, Governance Chair, expressed appreciation to the Officers for serving in 2014 and the four Directors who agreed to serve another three-year term.

The Board expressed appreciation to L. Pilz for her skilled leadership and for guiding the Board to such a productive year and long list of accomplishments.

IX. Adjournment

The meeting was adjourned at 5:21 PM to attend the annual Holiday Party.

Respectfully submitted,



Pamela A. Tudor, Secretary



San Francisco Ladies' Protection and Relief Society Board of Directors' Meeting Minutes November 20, 2013

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "Heritage on the Marina" or "The Heritage") was held on Wednesday, November 20, 2013, at Heritage on the Marina, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andy Carlson, David Gruber, David Hines, Jeanie Kayser-Jones, Patricia Ostott, Laura Pilz, Pamela Tudor

Directors Excused: Molly Hauser, Jane Hickerson, Randy Gridley, George Morris, Connie Tiret, Leslie Van Houten

Staff Present: Ken Donnelly, Chief Executive Officer; Marla Hastings, Executive Director; Joe Conroy, Controller

Residents' Representative: Margaret Jacobs

I. Call to Order

Chair L. Pilz called the meeting to order at 4:00 PM.

II. Approval of Consent Agenda

The October 23, 2013, minutes were approved by the Board on a motion from D. Gruber and second by C. Barber. No questions were raised in regard to the other items on the Consent Agenda (Committee Reports, September Financial Reports, Executive Director's Report).

III. Chief Executive Officer's Report

Francisco Properties: K. Donnelly provided an update on the Francisco Properties and anticipates a final sign off in December. Regarding marketing, two parties have submitted applications, one a former board member. He reiterated that although licensed to offer both a Type A and Type C Contracts, a Type C would be more strongly marketed, as a Type C is more advantageous to the Society's long-term finances in minimizing risk of health care expenditures.

A Residential Care Facility for the Elderly (RCFE) resolution was approved by the Board on a motion by D. Hines and seconded by D. Gruber. The RCFE Resolution reads: In recognition that the organization is wanting to add the seven units known as the Francisco Properties to our current RCFE licensed capacity.

The Board of Directors of San Francisco Ladies' Protection and Relief Society d/b/a The Heritage authorize Ken D. Donnelly, CEO, or his designee, Marla Hastings, Executive Director, to sign on behalf of the organization in completing and submitting an *Application For A Community Care Facility or Residential Care Facility For The Elderly License* to the State of California Health and Human Services Agency, California Department of Social Services.

Medicare Certification: He reported that the Health Center should be ready for Medicare approval, which involves an on site survey, in January. The two projects that need to be completed for Medicare Certification and approval by OSHPD are the sprinkler project and two new bathrooms, one in a patient room another unisex, public restroom.

Continuing Care @ Home: He called attention to the timeline to move Continuing Care @ Home forward in 2014. Phase I, Research, January-April 2014. Phase II, Program Development, May-August 2014. Phase III, Implementation, September 2014. He will be reporting back to the Board on a periodic basis.

IV. Resident Communications and Relations

M. Jacobs reported that the residents raised \$4,275 for Philippine Tsunami relief efforts, which was sent to Salvation Army for disbursement. For the resident supported Head Start program in Hunters Point, hats and scarves are being knitted for 29 children. Children will also receive a stocking with their name on it. A copy of the impressive Timeline displayed in the Art Gallery, created by Jean Fowler for the 160th celebration, with histories of the Society, Marina and City, and resident biographies, has been preserved in three volumes. The volumes will be placed in the Stucky Library Archives.

L. Pilz called attention to the well-done "Special 160th Anniversary Edition of The Heritage Happenings," which was also created by J. Fowler. The detailed, color, photo-filled, 14-page edition chronicles the 160th events. She expressed appreciation to J. Fowler for the considerable time and attention that she gave these two ambitious projects for the 160th anniversary.

V. Chair's Report

L. Pilz spoke to the observations compiled by the Board who attended the 2013 Leading Age Conference in October (L. Pilz, P. Otstott, R. Gridley, P. Tudor).

The Key Trends as the Society plans for the future:

- Expect increasing need for Memory and Dementia Care and more chronic illness as seniors live longer.
- Home and Community Based Services (supporting aging in place) are becoming expected direction for the future as organizations seek to expand their reach into the community and diversity revenue sources.
- Partnership and Collaboration are acceptable key strategies for the future. The Affordable Care Act will create new partnering opportunities—specifically with hospitals and other health care providers.

- Plan for what residents want five-ten years from now. We need to think bigger about our physical plant beyond a fresh coat of paint. Socialization is a vital piece of aging well. Create environments where residents are proud to bring friends and family, and they will want to come.
- Focus on wants as well as needs—provide choices such as alternative dining venues, multiple contracts and meal plans.
- Bringing the neighborhood community into the senior community builds vitality.

She also called attention to the article in the October Board packet on "Rethinking Senior Living Models: Boomers seek diversity, innovation" as good background information as the Board considers its future.

VI. Nominating and Governance

Governance Chair T. Otstott submitted the proposed slate of 2014 officers for the Board's consideration, which will be voted on at the December meeting.

Chair, Laura Pilz
Vice Chair, Randy Gridley
Treasurer (formerly Chief Financial Officer), Connie Tiret
Secretary, Pamela Tudor
George Morris, Ex-Officio

In addition the Governance Committee recommends to the Board that the following directors be elected to another three-year term:

David Gruber Jane Hickerson
Molly Hauser Laura Pilz

VII. Other Business

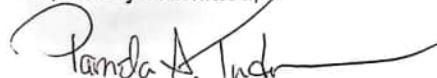
L. Pilz announced that George Morris and Henry Safrit would be retiring from the Board at the end of the year. As the best governance practices are moving towards smaller boards, the intention is not to replace these retiring Board members. A more thoughtful evaluation of expertise needed as the Society moves forward and a Board self-assessment will be done early next year. The Society Bylaws will also need to be reviewed and updated. She also noted that renewed priority would be given by the Master Plan Task Team to prioritizing Master Plan projects.

She reminded everyone of the upcoming Holiday Party, December 11.

VIII. Adjournment

The meeting was adjourned at 5:21 PM.

Respectfully submitted,



Pamela A. Tudor, Secretary

**San Francisco Ladies' Protection and Relief Society
Board of Directors' Meeting Minutes
October 23, 2013**

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "Heritage on the Marina") was held on Wednesday, October 23, 2013, at Heritage on the Marina, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Randy Gridley, David Gruber, David Hines, Jeanie Kayser-Jones, George Morris, Patricia Oststott, Laura Pilz, Henry Safrit, Pamela Tudor, Leslie Van Houten

Directors Excused: Andrew Carlson, Molly Hauser, Jane Hickerson, Connie Tiret

Staff Present: Ken Donnelly, Chief Executive Officer; Marla Hastings, Executive Director; Joe Conroy, Controller; Janet Howell, Director of Marketing

Residents' Representative Excused: Margaret Jacobs

I. Call to Order

Chair L. Pilz called the meeting to order at 4:00 PM.

II. Approval of Consent Agenda

The August 28, 2013, minutes were approved by the Board on a motion from C. Barber and second by R. Gridley. No questions were raised in regard to the items on the Consent Agenda (Development/Marketing Committee Minutes, August Financial Snapshot, Executive Director's Report). P. Tudor drew the Board's attention to the Development/ Marketing Committee Minutes and mention of a Case Statement for a Multi-functional/Garden Room/ Solarium prepared by the Committee with staff input that was sent to the Master Plan Task Team September 14. The Committee's Case Statement requested that the Task Team consider placing the Multi-functional Garden Room/ Solarium on the priority list of master plan projects to be addressed in early 2014.

III. Chair's Report

a. Francisco Properties Construction

A construction payment summary was distributed to all members. This summary outlined all of the uses of the budget contingency and those change orders and soft costs not covered by the contingency. A total of \$300,000 of expenses beyond the original construction budget was required of which the contingency of \$138,000 covered some of the work. The additional expenses included: a new boiler (\$40,300), Nurses' Call System (\$20,383), more extensive Bathroom Remodels in 1536/38 (\$42,750), an unbudgeted utility permit fee (\$27,050), and a Fire Alarm System Certification charge from the San Francisco Fire Department (\$29,000).

L. Pilz requested and the Board approved an additional \$170,000 to complete the Francisco Street Properties on a motion from D. Gruber and second from R. Gridley.

b. Master Plan Task Team

L. Pilz reported that the Master Plan Task Team would be reconvened now that the Francisco Street Properties and Medicare Certification are close to completion. The Task Team will be determining how to prioritize future projects. K. Donnelly related that the staff will be bringing forward a draft of the 2014 budget and additional capital expenditures, recommended by the Task Team, would be brought to the Board separately.

c. Contract Development

L. Pilz spoke to the Type C Contract (Fee-for-service and 30-meals per month plan), approved by the Board, for the Francisco Street Properties. Although final approval from the licensing agency, Department of Social Services (DSS), has not been received, marketing of the new units (anticipated to take 45-60 days) will go forward with the sample contract.

d. Pricing Review

L. Pilz called attention to the Pricing of the units in the Francisco Street Properties under a Type A Life Care Contract and Type C Contract. If the market does not respond to a Type C Contract, the Board will consider offering both a Type A and Type C Contract.

The Board approved on a motion from L. Van Houten and second from G. Morris that a Type C Contract be offered, in addition to our current Life Care Type A Contract, to new residents of the Morgan and Perry Buildings as soon as approval is received from the DSS.

IV. Update on Medicare Certification

K. Donnelly spoke to the latest challenge in working with the Office of Statewide Health Planning and Development (OSHPD) and changes that necessitated the relocation of the Director of Nursing's office pursuant to drawings approved in 1986. He noted that some \$200,000 has been spent on Medicare Certification (construction costs, bathroom upgrades, relocating offices, sprinkler system, consultants, architect), which should be recovered within a year. The projection for revenue generated by offering five Medicare beds in 2014 is \$750,000-\$1,000,000. He noted that five Medicare beds per day was an achievable goal, and On Lok may be interested in a pay-to-hold of several beds for their constituents. He also reported that he arranged for a visit from a Medical Director, Dr. Eva Balint, from Brown and Toland Medical Group. Dr. Balint was very pleased and is looking forward to referring Medicare eligible clients to us.

M. Hastings reported that every department is working hard to comply with the 600 pages of regulations. J. Kayser-Jones expressed how fortunate we are to have such an experienced Director of Nursing, Jonathan Sadorra, who is bringing about an even higher level of service. L. Pilz expressed gratitude to the staff for all their hard work involved in becoming Medicare Certified.

V. Other Business

L. Pilz expressed appreciation to Co-Chairs T. Otstott and P. Tudor, and Staff J. Howell and P. Gallagher for the successful events celebrating the Society's 160th Anniversary in September. She also drew attention to the remarkable Resident Time Line reflecting the history of San Francisco, the Marina District and the Society created by residents Jean Fowler, Margaret Jacobs and Doris Howard, with a request that it be preserved for the future. J. Kayser-Jones praised Chair L. Pilz for representing the Society so well at the 160th Anniversary events.

R. Gridley extended an invitation, November 6, noon, to the offices of Bernstein Global Wealth Management for the annual review of the Society's portfolio.

VI. Adjournment

The meeting was adjourned at 5:44 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary

**San Francisco Ladies' Protection and Relief Society
Board of Directors' Meeting Minutes
August 28, 2013**

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "Heritage on the Marina") was held on Wednesday, August 28 2013, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, David Hines, Jeanie Kayser-Jones, George Morris, Patricia Oststott, Laura Pilz, Henry Safrit, Connie Tiret, Pamela Tudor, Leslie Van Houten

Directors Excused: Jane Hickerson

Staff Present: Ken Donnelly, Chief Executive Officer; Marla Hastings, Executive Director; Joe Conroy, Controller;

Residents' Representative Present: Margaret Jacobs

I. Call to Order

Chair L. Pilz called the meeting to order at 4:05 PM.

II. Approval of Consent Agenda

The June 26, 2013, minutes were approved by the Board on a motion from M. Hauser and second by R. Gridley. No comments or questions were raised in regard to any items on the Consent Agenda (June Monthly Snapshot, Construction Report, Executive Director's Report, Development/Marketing Meeting Minutes, Facilities Meeting Minutes and Contract Recommendations)

III. Chair's Report

L. Pilz expressed appreciation to Pamela De Martini, who will be leaving The Heritage at the end of the month after serving seven years as Director of Marketing and Development, for her contributions to expanding the organization's marketing efforts. She also expressed appreciation to Patti Gallagher, Marketing and Development Coordinator, for her continuing contributions and representing us so well.

IV. Stucky Library

The Board ratified an Executive Committee approval of \$25,000 for additional funding needed to complete the Stucky Library project on a motion from A. Carlson and second from M. Hauser.

L. Pilz expressed appreciation to P. Oststott for taking the lead to initiate the refurbishment of the library and her committee of: J. Hickerson (Board); M. Hastings, P. Gallagher (staff); Margaret Jacobs, Jane Lewis, Lois Grant (residents).

V. Resident Communications and Relations

M. Jacobs spoke to the excitement generated by the Resident Time Line completed for the 160th events and displayed in the Art Gallery. She thanked Jean Fowler who did the research and graphics for the time line and Doris Howard for curating the exhibit of the time line and resident stories.

She expressed to the Board that the residents realize changes are coming. The current residents are getting older and do not have the energy that they had in the past. The majority of new residents are assisted living residents. Leaving out professional men and women who want to use their skill in retirement is changing the complexion of the community. She asked that our Marketing Department consider a new emphasis to reach out to these retired professionals. She suggested a possible place to reach this market is at conventions and seminars that speak to the many retirement options.

VI. Other Business

L. Pilz reminded the Board of the upcoming Leading Age Convention in Dallas, October 27-30, and asked Board members who have not attended to consider.

VII. Adjournment

The meeting was adjourned at 4:45 to go into Executive Session.

VIII. Executive Session

The Board unanimously approved to go forward with a Type C alternative contract on a motion from C. Tiret and second from R. Gridley. An attorney will draft the document and State Licensing will be obtained.

IX. Executive Session Adjournment

The session adjourned at 5:10 PM for the Board to attend the dedication of the Stucky Library, and view the History Time Line and resident stories on display in the Art Gallery. The evening concluded with a resident-hosted dinner in the honor of the Society's Board of Directors, the first of events celebrating the Society's 160 anniversary.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage
Board of Directors Meeting Minutes
June 26, 2013

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, June 26, 2013, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, Jeanie Kayser-Jones, Patricia Otstott, Laura Pilz, Pamela Tudor, Leslie Van Houten

Director Excused: George Morris, Henry Safrit, Connie Tiret

Staff Present: Ken Donnelly, Chief Executive Officer; Marla Hastings, Executive Director; Joe Conroy, Controller; Pamela DeMartini, Director Marketing and Development

Residents' Representative Present: Margaret Jacobs

Guests: David Gauger and Lisa Severe, Gauger + Associates

I. Call to Order

Chair L. Pilz called the meeting to order at 4:04 PM.

II. Marketing Branding Follow Up - Gauger & Associates

The Board approved a new logo with marketing descriptor—Heritage on the Marina, on a motion from R. Gridley and second from A. Carlson with 11 votes in the affirmative and one in the negative. D. Gauger presented the refined version of the graphics, based on Board input at the last meeting. The new branding is part of an effort to refresh The Heritage brand, differentiate from other many named Heritage organizations and communicate a sense of place--the neighborhood. He also presented a portion of the new web site that will be ready for testing in August.

III. Approval of Consent Agenda

The Minutes of May 22, 2013, were approved by the Board on a motion from M. Hauser and second by R. Gridley. No comments or questions were raised in regard to other items on the Consent Agenda (Committee Reports, April Financial Reports, Executive Director's Report, Notes from the Master Plan Task Team).

IV. Pension Committee Decisions

Pension Committee Chair R. Gridley reported the committee had voted to eliminate a grandfathered contribution class of company employees and make all company employee contributions conform to the same percentage amount of 4%. This change was made after meeting with the pension consultant Leif Carlson (Carlson, Quinn) and J. Conroy's analysis of the costs of

the plan provision over the last five years. Appropriate communications were made to the 24 affected employees and the plan will be amended as needed. The plan change will take effect with the company's contribution based on 2014 earnings, which will be made in 2015. The Pension Committee members include C. Tiret, G. Morris, K. Donnelly, J. Conroy. L. Pilz expressed appreciation to K. Donnelly and J. Conroy on their thorough research and smooth implementation.

V. Resident Communications and Relations

M. Jacobs spoke to the 160th plans. Residents are excited about hosting the Board at dinner and the Art Gallery Time Line with Marina history, SFLPRS history and information on every resident. Each resident decided how to present himself or herself. She commended the staff on doing an excellent job in keeping the residents informed of the construction activity.

VI. Construction Project Update

The Board ratified an Executive Committee approval of a one-time 10% discount to the monthly care fee for the month of July, and \$2,500 for extra planned activities on a motion from M. Hauser and second by J. Kayser-Jones. The discount and activity appropriation is to help compensate for the numerous construction projects taking place that have resulted in many common areas unavailable to residents.

L. Pilz spoke to the:

- *Library update.* When the existing ceiling was removed, sewer pipes were exposed, resulting in extra cost to drop the new coffered ceiling. Details will be brought to the Board at the August meeting.

K. Donnelly spoke to the:

- *Francisco project.* The two flats are on time and budget. Completion of the other units is delayed due to a broiler problem but due to be completed at the end of August.
- *New Physical therapy space.* Required for Medicare Certification, physical therapy space is being created in the current Arts and Crafts Room. The Arts and Craft Room will move across the hall and share space with the Fitness Room. This is a four-week project.
- *Health Center (HC).* The plans for sprinkling fully the HC have been submitted to the Office of Statewide Health Planning and Development (OSHPD). Concurrently, two bathrooms will be converted—one as unisex, the other in a resident room. This work is a five-week project.

VII. 160th Celebration

P. DeMartini reviewed the events:

- August 28, the residents host the Board for dinner following the Board meeting, also dedication of the new Stucky Library and preview of the Resident Art Gallery Time Line. P. Otstott stressed the importance of Board attendance at the dinner.

- September 23, the San Francisco Historical Society honors the San Francisco Ladies' Protection and Relief Society at its annual awards luncheon for contributions to the fabric of San Francisco.
- September 24, the Open House with tours of the Morgan and Perry residences.
- September 26, the Board hosts a reception for donors, past Managers/Directors/Trustee/Board Members and special guests with tours of the newly completed Francisco Street properties.

VIII. Executive Session

The Board adjourned at 5:14 PM to go into Executive Session. A report was presented by K. Donnelly on the preference of Types of Contracts--the results from Focus Groups held earlier in the year.

IX. Adjournment

Adjournment was at 6:00 PM.

Submitted,



Pamela A. Tudor
Secretary

**The Heritage
Board of Directors' Meeting Minutes
May 22, 2013**

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, May 22, 2013, at The Heritage, 3400 Laguna Street, San Francisco, California.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, Jeanie Kayser-Jones, George Morris, Patricia Otstott, Laura Pilz, Connie Tiret, Pamela Tudor

Directors Excused: Henry Safrit, Leslie Van Houten

Staff Present: Ken Donnelly, Chief Executive Officer; Marla Hastings, Executive Director; Joe Conroy, Controller; Pamela De Martini, Director Marketing and Development

Resident Representative Present: Margaret Jacobs

Guests: Jonathan Sadorra, The Heritage Director of Nursing; David Gauger and Lisa Severe, Gauger + Associates

I. Call to Order

Chair L. Pilz called the meeting to order at 4:06 PM.

II. Approval of Consent Agenda

The April 24, 2013, minutes were approved by the Board on a motion from M. Hauser and second by R. Gridley. No comments or questions were raised in regard to other items on the Consent Agenda (the Committee Reports, March Financial Reports, Executive Director Report, LeadingAge California conference report or Report from CEO: Board/Staff Action Items).

III. Introduction of Jonathan Sadorra

M. Hastings introduced The Heritage's new Director of Nursing Jonathan Sadorra. K. Donnelly noted his considerable nursing background, experience in managing Medicare certified health facilities and team building skills. L. Pilz expressed appreciation to J. Kayser-Jones for her key role in identifying this highly qualified candidate and bringing him to The Heritage.

IV. Chair Report

L. Pilz announced two new task teams: a Library Refurbishment Task Team of two Board members (P. Otstott, J. Hickerson), two residents (M. Jacobs, J. Lewis) and two staff members (M. Hastings, P. Gallagher), who will lead the library's upgrade; and a Master Plan Task Team (R. Gridley, D. Gruber, C. Tiret, K. Donnelly and L. Pilz), who will review the staff Master Plan recommendations within the context of the Board's strategic goals and report back to the Board.

L. Pilz also reminded the members that there will be no Board meeting in July 2013. The Board is set to meet on June 26 and again on August 28. A dinner with residents will follow the meeting on August 28. She also informed the members of the next LeadingAge conference to be held October 27-30 in Dallas, Texas.

V. Resident Communications and Relations

M. Jacobs expressed that the residents were greatly pleased with the direction of the library upgrades and the new chef, Marc Martinez. She spoke to the resident Time Line project for the DeBatz Gallery that will debut for the 160th Celebration and expressed appreciation to J. Conroy and R. Gridley for their concise, easy-to-understand presentation of the Society's financials presented at the Resident Annual Meeting.

VI. Marketing Presentation - Gauger + Associates

L. Pilz welcomed D. Gauger and L. Severe who presented background on the need to clarify The Heritage brand so it better differentiates us and provides a sense of place. Several different options for a marketing descriptor and new logotype were viewed with the Board providing comment and input. Gauger will return to the June Board meeting with a presentation reflecting the Board's input.

VII. Adjournment

The meeting was adjourned at 5:45 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage
Board of Directors' Meeting Minutes
April 24, 2013

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, April 24, 2013, at The Heritage, 3400 Laguna Street, San Francisco, California.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, Jeanie Kayser-Jones, Trish Otstott, Laura Pilz, Henry Safrit, Connie Tiret, Pamela Tudor

Directors Excused: G. Morris, L. Van Houten

Staff Present: Ken Donnelly, Chief Executive Officer; Marla Hastings, Executive Director; Joe Conroy, Controller

Residents' Representative: Margaret Jacobs

I. Call to Order

Chair L. Pilz called the meeting to order at 4:05 PM.

II. Consent Agenda

The minutes of the January 2013 Board of Directors' meeting were approved by the Board on a motion from M. Hauser and second by C. Barber. No questions were raised on the Committee Reports, February Financial Snapshot or CEO/ED Report.

III. Audit Report

The 2012 Audit Report prepared by DZH Phillips was approved by the Board on a motion from D. Hines and second by D. Gruber. L. Pilz commended D. Hines, Audit Committee, Chair, the Audit Committee and J. Conroy for the preparation and work required for this yearly audit.

IV. Chair's Report

a. L. Pilz advised the Board of the resignations of Bruce Scollin, who had served some two decades on the Board of Trustees and Board of Directors, and George Ivelich, who had served three terms (nine years) on the Board of Directors. She expressed appreciation for the considerable contributions they had made to the Society. A dinner will be held later in the year to thank them for their years of service.

b. An Executive Committee appropriation to proceed with a contract with Third Age for Focus Groups for a fee of \$12,500 was approved by the Board on a motion from M. Hauser and second from C. Tiret. The Focus Group objectives are two-fold: to test new contract options, specifically whether prospective residents might prefer a Type B (modified Life Care) or Type C (Fee for Service) contract; and to test consumer

preferences for apartment styles features, amenities and services for the Francisco Street properties.

c. L. Pilz announced that the San Francisco Historical Society (SFHS) will be honoring the Society at its annual award ceremony on September 23 at the Mark Hopkins Hotel for having made a significant contribution to the historic fabric of San Francisco. She expressed appreciation to Lorraine Baxter, resident, for bringing the Society's 160th anniversary to the attention of SFHS founder Charles Fracchia. When invitations are received for the awards luncheon, she hoped the Board would respond generously so the Society would be well represented by at least one table.

d. The Board approved \$50,000 to be designated from the Helen and Suzanne Stucky estate for a library refurbishment on a motion from J. Kayser-Jones and second from J. Hickerson. The total Stucky bequest was \$91,408. A Task Team will be appointed to finalize a plan. The plan is to include decorative improvements, updated furnishing to make space more functional and incorporate the latest uses of technology. Target date for completion is August 1, 2013.

e. L. Pilz related that one of the suggestions of the Resident 160th Committee was that a reception and dinner with resident and board members be held. The purpose would be to get to know each other better. A reception/dinner will be held following the August 28 Board meeting. If well received, this will become an annual/periodic event.

V. Resident Communication and Relations

M. Jacobs expressed when the Board considers updating public spaces to consider functional use, which will result in more use of the spaces. The visual will follow, she said. Residents were pleased to sense a stronger partnership with the Board. She reminded the Board of the importance of purposeful action and vocational well-being as well as health well-being for residents.

VI. Other Business

L. Pilz passed to the Board members a thank you note from Flora Zagorites, resident, for the upgrades to the basement space.

VII. Executive Session

The Board entered Executive Session at 4:45 PM. Master Plan Recommendations from the Staff and Marketing Branding issues were discussed.

VIII. Adjournment

The meeting was adjourned at 6:00 PM

Respectfully submitted,

Pamela A. Tudor
Pamela A. Tudor
Secretary

**The Heritage
Executive Session Board of Directors
February 23, 2013**

An Executive Session of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Saturday, February 23, 2013, at the offices of Calegari & Morris, 123 Mission Street, San Francisco, California.

Directors Present: Carolyn Barber, Andrew Carlson, David Gruber, David Hines, Molly Hauser, Jeanie Kayser-Jones, George Morris, Patricia Otstott, Laura Pilz, Henry Safrit, Connie Tiret, Pamela Tudor, Leslie Van Houten

Directors Excused: Randy Gridley, Jane Hickerson

Staff Present: Ken Donnelly, Chief Executive Officer; Marla Hastings, Executive Director; Joe Conroy, Controller

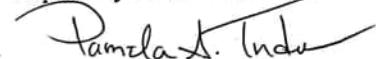
Guest: Tom Brutting, HKIT Architects

The Executive Session commenced at 8:00 AM.

The Heritage Master Plan was presented by T. Brutting. Residential Contract Options were reviewed. Marketing and branding issues were discussed.

The Executive Session was adjourned at 12:45 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage
Board of Directors' Meeting Minutes
January 23, 2013

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, January 23, 2013, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, David Hines, George Ivelich, Jeanie Kayser-Jones, Laura Pilz, Connie Tiret, Pamela Tudor

Directors Absent: Carolyn Barber, Jane Hickerson, George Morris, Trish Oststott, Henry Safrit, Leslie Van Houten

Staff Present: Ken Donnelly, Chief Executive Officer; Marla Hastings, Executive Director; Pamela DeMartini, Director Marketing and Development; Joe Conroy, Controller

Resident Representative: Margaret Jacobs

I. Call to Order

Chair L. Pilz called the meeting to order at 4:07 PM. She welcomed Margaret Jacobs, President of the Residents' Council, as the new resident representative to the Board. She also expressed thank you to Jane and Glenn Hickerson for the individual Christmas trees that they give every year to each resident in the Health Center. This gift is so appreciated by the recipients.

II. Consent Agenda

The minutes of the December 2012 Board of Directors' meeting were approved by the Board on a motion from M. Hauser and second by R. Gridley. No questions were raised on Committee Reports, the October Financial Snapshot or Staff Summary of the Leading Age Conference.

III. Chair's Report to Approve Committee Assignments

The Board's 2013 Committee Assignments were approved by the Board on a motion from A. Carlson and second by M. Hauser.

IV. Resident Communication and Relations

M. Jacobs explained the importance of vocational well-being as well as health well-being and how vocational well-being may relate to The Heritage future plan. She requested that the Board consider purposeful, meaningful work, such as space for gardening, and arts and crafts in the architectural plans. Residents were eagerly anticipating the Master Plan report.

V. 2013 Operating Budget

The Fiscal Year 2013 Operating Budget of \$3,270,138 was approved by the Board on a motion from R. Gridley and second by D. Gruber. This compares with an Operating Budget for 2012 of \$2,809,754. J. Conroy reported on Medicare Certification and the positive revenue impact in 2013 and 2014 (\$82,233 in 2013, minimal due to start up

cost in 2013, and, if projections are met, \$1 million in 2014). R. Gridley invited Board members to the Investment Committee meeting on February 7, noon, at Bernstein Global Wealth Management offices to review 2013 financials markets and asset allocations.

VI. Facilities Committee Update

The Fiscal Year 2013 Capital Budget of \$325,000 was approved by the Board on a motion from D. Gruber and second by G. Ivelich. G. Ivelich noted that the budget includes the renovation of one unit and, if other units became available, they could be approved as they came up. He reported that the Morgan elevator project is postponed until April due to unavailability of parts and the Health Center sprinkler system package is awaiting approval from Office of Statewide Health Planning and Development (OSHPD). K. Donnelly commented that basement utilization could be improved, and it has become a marketing issue. The basement floor is being replaced along with other upgrades that will brighten the space.

VII. Medicare Certification

The Board approved HFS Consultants to proceed with Phase IV (Implementation Phase) of Medicare Certification at a cost of \$64,000 to \$69,000 on a motion from C. Tiret and second by M. Hauser. Phase IV includes leading the certification process, plant operation changes, a staff development plan, and marketing strategy and action plan.

VIII. Francisco Properties

The Board approved \$350,000 for the Francisco Properties, above the original \$1,305,000 approved in March 2012, on a motion from D. Gruber and second by C. Tiret. The amount includes \$100,000 of additional changes to the construction requested by the city, "soft" costs (architect fees, landscaping, window treatments, carpet) and contingencies. Late July or August is the projected completion date. A. Carlson reported the demolition is proceeding well.

IX. Other Business

L. Pilz announced that a celebration of the Society's 160th year will take place in the fall. The 160th provides an opportunity to communicate our new services and increase visibility in the community.

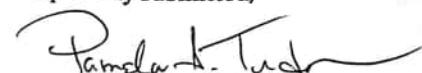
X. Executive Session

The Board went into Executive Session to discuss the Master Plan and new contracts.

XI. Adjournment

The meeting was adjourned at 5:51 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage

Board of Directors' Meeting Minutes

December 12, 2012

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, December 12, 2012, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Laura Pilz, Henry Safrit, Connie Tiret, Pamela Tudor, Leslie Van Houten

Director Excused: Bruce Scollin

Staff Present: Ken Donnelly, Chief Executive Officer; Marla Hastings, Executive Director; Pamela De Martini, Director Marketing and Development; Joe Conroy, Controller

Residents' Representative Present: Doris Howard

I. Call to Order

Vice Chair C. Tiret called the meeting to order at 4:05 PM and officiated until Chair L. Pilz arrived, delayed by an earlier meeting.

II. Consent Agenda

The minutes of the October Board of Directors meeting were approved by the Board on a motion from M. Hauser and second by G. Ivelich. No further questions or comments were raised on the Committee Reports (Facilities, Health, Nominating and Education), October Financial Snapshot and Staff Summary of the Leading Age Conference.

III. Nominating and Education Committee

The Board of Directors approved the election of the following directors for a three-year term beginning January 2013, on a motion from C. Barber and second from M. Hauser: A. Carlson, G. Ivelich, J. Kayser-Jones, P. Ostott, H. Safrit, P. Tudor, and L. Van Houten. It was noted smaller Boards are a growing trend (the current Heritage Board is 17) and seven Board members are serving their third three-year term or more. To identify new Board candidates needs to be a priority in 2013 to keep the Board vital. The Heritage officers—Chair L. Pilz, Vice Chair C. Tiret, Chief Financial Officer G. Morris, Secretary P. Tudor—will be entering their second year of a three-year term. The committee has changed its name to Governance Committee to more accurately reflect the responsibilities of the committee and work it performs for the Board.

IV. Resident Communications and Relations

D. Howard thanked the Board for all the improvements done during the year on behalf of the residents. She is resigning as President of the Residents' Council and a new President will be representing the residents in 2013. She was thanked for her service to the Board and good input on behalf of the residents.

V. Discussion of 2013 Budget

J. Conroy reported that 2013 budget deliberations are still underway. The Board approved on a motion from G. Morris and second from R. Gridley to extend spending authority until the completed 2013 budget was reviewed and approved at the January meeting. He noted major increases could be expected in operating expenses (over \$500,000), primarily due to mid-year salary increases of 3%, and a 30% premium increase in workers' compensation of \$50,000. Cost of Medicare Certification has not yet been determined and will be presented in a supplemental budget at the January Board of Directors' meeting. C. Johnson, retired controller, will be coming back on a project basis the first part of 2013. Jim Wheary has resigned as Chair of the Audit Committee and D. Hines has agreed to act as Audit Committee Chair.

VI. Francisco Properties Update

A. Carlson reported on the Francisco properties, which will include: four, one-bedroom units; two, two-bedroom units; a garden studio unit; and a meeting room, plus parking for four cars. He reported the City Planning Department had no problems with The Heritage integrating these units into the CCRC. Approval from the State is needed to include the units into the Society's current license. Additional changes to the construction were requested by the City at an additional cost of approximately \$100,000. This is above the estimated project cost of \$1,305,000 approved by the Board at their March 2012 meeting.

VII. Master Plan Proposal

At the request of K. Donnelly and L. Pilz, the Board approved on a motion from C. Tiret and second from M. Hauser to engage Thomas Brutting of HKIT Architects to conduct a Master Plan evaluation of The Heritage for a fee of \$17,000. Two Board members abstained. Recommendations, actionable outcomes, and concept diagrams will be presented at the Board's February 2013 meeting. The scope of work will include feasibility of expanding Assisted Living and creating a Memory Care unit, repositioning common areas, adding alternative dining options, and creating outdoor space options, among other identified enhancements. A Master Plan is essential to determine the existing building's capability and provide a road map to position The Heritage for the future.

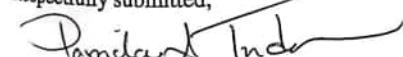
VIII. Other Business

L. Pilz expressed appreciation to the Board for the progress they made in 2012, their dedication to the organization and the residents it serves, and for bringing on K. Donnelly as Chief Executive Officer, to help lead us forward. K. Donnelly expressed his appreciation for the welcome he received and Board engagement. The Board expressed its appreciation to L. Pilz for her commitment and strong leadership during the year.

IX. Adjournment

The meeting was adjourned at 5:20 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage
Board of Directors' Meeting Minutes
October 30, 2012

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Tuesday, October 30, 2012, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andy Carlson, Randy Gridley, David Gruber, Molly Hauser, Dave Hines, George Ivelich, George Morris, Trish Ostott, Laura Pilz, Henry Safrit, Connie Tiret

Directors Present by Phone: Leslie Van Houten

Directors Excused: Jane Hickerson, Jeanie Kayser-Jones, Bruce Scollin, Pamela Tudor

Staff Present: Ken Donnelly, Chief Executive Officer; Marla Hastings, Executive Director; Joseph Conroy, Controller; Pamela De Martini, Director Development and Marketing

Residents' Representative: Doris Howard

I. Call to Order

L. Pilz, Chair, called the meeting to order at 4:05 PM.

II. Consent Agenda (September Minutes, August and September Financial Snapshot and September Financial Statements, Executive Director's Report and 2013 Budget presentation schedule)

The Board approved the Consent Agenda on a motion by M. Hauser and second by R Gridley.

III. CEO Report on Leading Age Annual Meeting

K. Donnelly shared highlights of the Leading Age conference in Denver, attended by staff members: K. Donnelly, M. Hastings, J. Conroy and P. De Martini and Board members: L. Pilz, P. Tudor, J. Kayser-Jones and P. Ostott.

The group attended over 40 workshops including *Planning for a Robust Future: An Entrepreneurial Approach* presented by Scott Townsley of Third Age and The Heritage Board Chair, Laura Pilz. K. Donnelly will provide the Board with a summary of key sessions in an email and a short presentation at a future Board meeting.

Board members were encouraged to attend the 2013 Leading Age conference in Dallas, October 27-30, 2013.

IV. Resident Communications Relations

D. Howard thanked the Board members who attended the October Birthday dinner. She shared the residents' concerns about changes in the kitchen staff and requested the Board and staff remain committed to quality food and presentation. She also requested that the residents be consulted in the selection of new chairs for the McGinley room, ideally chairs with wheels.

VII. Medicare Certification Presentation

K. Donnelly presented financial projections and the estimated cost of modifying the physical space to accommodate Medicare requirements. On a motion by M. Hauser, seconded by B. Barber, the Board voted unanimously to obtain Medicare Certification of the Health Center. At the next meeting, K. Donnelly will present a timeline and budget for the Board's approval.

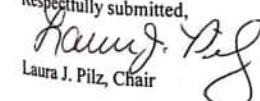
VIII. Executive Session

The Board met in Executive Session

IX. Adjournment

L. Pilz adjourned the meeting at 5:45 PM.

Respectfully submitted,


Laura J. Pilz, Chair

The Heritage Board of Directors' Meeting Minutes September 26, 2012

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, September 26, 2012, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andy Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, Dave Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Trish Otstott, Laura Pilz, Henry Safrit, Connie Tiret, Pamela Tudor

Directors Excused: Bruce Scollin, Leslie Van Houten

Staff Present: Ken Donnelly, Chief Executive Officer; Marla Hastings, Executive Director; Joseph Conroy, Controller; Cindy Johnson (retiring Controller); Pamela De Martini, Director Development and Marketing

Residents' Representative: Doris Howard

Guests: Althea Kippes, The Heritage Wellness Coordinator; Larry Blitz, principal, HFS Consultants

I. Call to Order

L. Pilz, Chair, called the meeting to order at 4:06 PM

II. Consent Agenda (August Minutes, Executive Director's Report)

The Board approved the Consent Agenda on a motion by C. Tiret and second by C. Barber.

III. Wellness Program Update

A. Kippes, The Heritage Wellness Coordinator, provided the Board an overview of the new wellness program begun in May—its goals, programs, participation, and wellness benchmarks to measure outcomes.

IV. Financials

Financial Snapshot Report. K. Donnelly spoke to a new format for reporting financials to the Board, which condenses the key financial drivers of the organization in a one-page, Month-at-a-Glance. The Chair, CEO and CFO will receive the full financial statements monthly and the full Board will receive full financials quarterly.

Budget Revision. G. Morris spoke to corrections on the 2012 budget.

Executive Committee Approvals. The Board ratified approval of two expenditures approved by the Executive Committee on September 6, 2012: 1) an expenditure of \$115,000 to upgrade Unit 244 M and combine two Units, 304P and 305P into one, on a motion by D. Gruber and second by G. Ivelich; and 2) an authorization to sign a Letter of Engagement with HFS

Consultants not to exceed \$9,100 for Phase I of an updated Medicare Certification analysis on a motion by M. Hauser and second by C. Barber.

V. Conflict of Interest

K. Donnelly reviewed a letter from the Society's lawyers Hanson Bridgett that outlined procedures for The Heritage to follow when there is a possible conflict of interest situation. A worksheet was included to help the Board do its due diligence when determining if a conflict of interest existed.

Additionally, he also reported that he will be presenting a vision and plans for the future of the organization at upcoming Board meetings.

VI. Resident Communications Relations

D. Howard reported that the resident art show/sale in the DeBatz Gallery was successful with several paintings sold with proceeds going towards the DeBatz Fund. An anonymous donation of \$3000 was also received for the fund. K. Donnelly and M. Hastings are holding "fireside chats" to hear resident comments and concerns.

VII. Medicare Certification Presentation

HFS Consultant L. Blitz reviewed the issues regarding Medicare Certification of the Health Center. The Board approved an additional \$20,000 to proceed with Phase II on a motion from C. Tiret and second from G. Morris. Phase II will refine the costs and time frame, assess staff training, detail billing procedures, and identify regulatory issues of OSHPD (Office of Statewide Health Planning and Development). After presentation of Phase II results at the October meeting, the Board will decide to proceed or not with Medicare Certification.

VIII. Adjournment

L. Pilz adjourned the meeting at 6:06 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage
Executive Committee Meeting
(via telephone)
September 6, 2012

Board of Directors Participating: D. Gruber, L. Pilz, C. Tiret, P. Tudor

Staff Participating: K. Donnelly, M. Hastings

At the request of CEO K. Donnelly, the Executive Committee approved two expenditures:

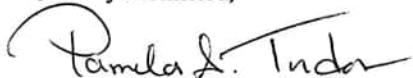
1. An expenditure of \$115,000 to upgrade Unit 244 M and combine two Units, 304 P and 305 P into one.

Background: The 2012 budget included updating 7-8 units on an average per year. The goal has been met and funds spent. Another unit has become available. The upgrade is estimated at \$21,000, less than the usual cost of \$45,000 as the previous occupant made upgrades at her own expense. The unit has already been reserved and a resident is due to move in October 1. Another unit, which had been unmarketable due to its size, location and view, is now available to be combined with a unit next door. The estimated cost is \$90,000.

2. Authorization to sign a Letter of Engagement with HFS Consultants at an expenditure not to exceed \$9,100 for the first phase of an updated Medicare Certification analysis.

Background: In order for the Board to make a yes or no decision on Medicare Certification, an analysis will be done by HFS Consultants and presented at the September Board meeting. The scope of work will include 35 hours for research on the current operation, meetings, physical plant, compliance and a marketing review to determine the market for Medicare payees. Without Medicare Certification, The Heritage access to outside/private patients is restricted, making the Health Center unsustainable. HFS Consultants did a Medicare Certification analysis in August 2006, which needs updating due to the changes in the Health Center.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage

Board of Directors' Meeting Minutes

August 22, 2012

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, August 22, 2012, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andy Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, Dave Hines, George Ivelich, George Morris, Trish Ostott, Laura Pilz, Henry Safrit, Bruce Scollin, Pamela Tudor, Leslie Van Houten

Directors Excused: Jeanie Kayser-Jones George Morris, Connie Tiret

Staff Present: Ken Donnelly, Chief Executive Officer; Marla Hastings, Executive Director; Joseph Conroy, Controller; Cindy Johnson (retiring Controller); Pamela De Martini, Director of Development and Marketing

Residents' Representative: Doris Howard

I. Call to Order

L. Pilz, Chair, called the meeting to order at 4:05 PM

II. Consent Agenda (June Minutes, May/June Financials, Executive Director's Report)
The Board approved the Consent Agenda on a motion by M. Hauser and second by C. Barber.

III. CEO'S 60-Day Report

K. Donnelly provided an assessment of his observations and interpretations: staff competent and dedicated; internal reporting lines changed per function of the entire organization or for a specific site or program (Accounting and Human Resources will report to him as well as Executive Director); a meeting with residents emphasized distinction between CEO and Executive Director roles; meetings with the Health Committee and M. Hastings will define "Culture of Excellence" in order to develop the most scalable staffing model and understand functional capacity to keep costs at \$350 per patient per day; Medicare Certification is being reviewed, which could add significant revenue; the goal of contract negotiations with Self-Help Meal program will be to cover current expenses and provide more transparency; the reports/analysis/focus from ThirdAge seem thorough and reasonable for the organization; capital investment is necessary to attract older and mid-Boomers in Independent and Assisted Living and private pay skilled nursing clients; Francisco Street properties will have amenity features to be attractive for older adults; and the web site needs to be updated to attract the Boomer group as well as possibly changing the legal name. He will be presenting vision and plans for the future in coming Board meetings.

IV. Executive Director's Report: Club Heritage

M. Hastings reviewed the Club Heritage pilot program, which began August 1 with ten members (20 had applied). Meetings with residents are being held to hear their concerns and explain more fully the program's purpose to expand the reach of the organization.

V. Account Signatory Resolution

The Board approved on a motion from R. Gridley and second from J. Hickerson to revise the Bernstein account authorization for funds transfer to include signature authority as M. Hastings, G. Morris, C. Tiret, J. Conroy, and K. Donnelly. The Investment Committee will review annually.

VI. Resident Communications and Relations

D. Howard reported the residents were happy with the improvement in the quality of food. She invited Board members to view resident paintings in the DeBatz gallery at the opening 2:30 PM, September 14. The paintings will be on sale as a fundraiser for the DeBatz Fund. Board members were invited to join residents at their monthly birthday dinners.

VII. Adjournment

L. Pilz adjourned the business meeting at 4:50 PM and the Board went into Executive Session.

Executive Session

An Executive Session commenced at 5:00 PM with guest Anne Burns Johnson, consultant, who presented her findings on Independent and Assisted Living issues. A motion was made and the Board approved to amend the May Executive Session minutes. The Executive Session adjourned at 6:00 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage Board of Directors' Meeting Minutes June 27, 2012

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, June 27, 2012, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Randy Gridley, David Gruber, Molly Hauser, Jeanie Kayser-Jones, George Morris, Trish Otstott, Laura Pilz, Henry Safrit, Bruce Scollin, Pamela Tudor

Director Excused: Andy Carlson, Jane Hickerson, Dave Hines, George Ivelich, Connie Tiret, Leslie Van Houten.

Staff Present: Marla Hastings, Executive Director; Joe Conroy and Cindy Johnson (retiring), Controllers; Pamela De Martini, Director Development and Marketing

Residents' Representative: Doris Howard

Guest: Ken D. Donnelly, newly named Chief Executive Officer of the San Francisco Ladies' Protection and Relief Society.

I. Call to Order

L. Pilz, Chair, called the meeting to order at 4:05 PM. She welcomed Ken Donnelly, who will join the Society as its Chief Executive Officer on July 2.

II. Consent Agenda (May Minutes, April Financials, Executive Director's Report)
The Board approved the Consent Agenda on a motion by C. Barber and second by M. Hauser.

III. In-House Television Channel

M. Hastings introduced the staff team that developed the In-House Television Channel--Ann Colichidas, Activities Coordinator; Dave Costello, Director of Environmental Services; Pamela De Martini, Director of Marketing and Development; Margaret Jacobs, resident; Doug Kaplan, Director of Activities and Social Services, and Rachel Miner, Executive Assistant. The Board viewed a demonstration of Channel 998 led by R. Miner.

IV. Account Signatory Resolution

The Board approved Joe Conroy, Controller, as a signatory on the Bernstein Global Wealth Management account on a motion from R. Gridley and second from M. Hauser. K. Donnelly suggested that the Investment Committee review this annually due to the risk that resides here.

V. Board Committees

L. Pilz reviewed The Heritage Board Committees for 2012 and expressed the need to balance the Board's work. The Board approved the committees on a motion from R. Gridley and second from M. Hauser. Laura expressed appreciation to J. Kayser-Jones for developing the goals and responsibilities of the Health Center Committee and asked that each committee have its goals/responsibilities defined.

VI. Resident Communications and Relations

D. Howard reported that the residents are impressed with the new Kitchen Manger, Charlie Chhut. "Club Heritage," an outreach program for the seniors in the neighborhood to participate in special programs at The Heritage, was explained to the residents. They were concerned it would be intrusive and an invasion of resident privacy. Thus, the program will initially be limited to 8-10 participants. Fireside chats will be implemented for informal conversations with residents to hear their concerns.

VII. Facilities Committee Report

D. Gruber requested and the Board approved: 1) a budget of \$125,000 for the Morgan Building Elevator Modernization on a motion from G. Morris and second from B. Scollin and 2) \$135,000 for the Health Center Sprinkler System on a motion from G. Morris and second from M. Hauser. He reported the plans for the flats are being fine-tuned. The Facilities Committee will review the June 29, 1989 "Age and Depreciation Study."

VIII. Leading Age Conference

L. Pilz announced the upcoming Leading Age Conference October 21-24 in Denver and invited Board members to consider attending, as this is an opportunity to learn what is happening in the industry and key trends.

IX. Board Scheduling

No Board meeting will be held in July but a meeting will be held August 22 with Anne Burns Johnson speaking on her work with The Heritage and trends.

X. Adjournment

L. Pilz adjourned the Board meeting at 5:09 PM.

XI. Executive Session

An Executive Session commenced at 5:09 to discuss personnel and strategic issues. The Board approved up to \$5,000 for a personnel issue on a motion from G. Morris and second from R. Gridley. The Executive Session adjourned at 5:50 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage Board of Directors' Meeting Minutes May 23, 2012

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, May 23, 2012, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Dave Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Trish Otstott, Laura Pilz, Bruce Scollin, Connie Tiret, Pamela Tudor

Directors Excused: Jane Hickerson, Henry Safrit, Leslie Van Houten

Residents' Representative: Doris Howard

Guests: Joseph Conroy, Controller; Lee Ann Callaghan, Food Service Director; and Raygenia Stewart, Director of Nursing

I. Call to Order

L. Pilz, Chair, called the meeting to order at 4:05 PM. She welcomed two new staff members Joe Conroy, Controller, who will replace C. Johnson, retiring at the end of the year, and Lee Ann Callaghan, Food Service Director.

II. Consent Agenda—April Minutes, March Financials, Executive Director's Report
The Board approved the Consent Agenda on a motion by B. Scollin and second by A. Carlson.

III. Executive Director Update

M. Hastings read a letter from Scott and Nancy Hindes presenting an oil painting seascape to The Heritage in memory of Peter Hindes and his long commitment to The Heritage. J. Conroy spoke briefly to his accounting background. L. Callaghan provided her goals for food service in 2012. R. Stewart gave an overview on fall prevention and the tracking of falls done by the Health Center. M. Hastings spoke to the unannounced visit by the California Department of Public Health and the mandated yearly staffing audit, which is conducted on all skilled nursing facilities in the state. No deficiencies were found.

IV. Audit Report

The Board approved the Society's Audit Report for the year ending December 31, 2011, on a motion from J. Kayser-Jones and second from B. Scollin. The audit was conducted by DZH Phillips. Appreciation was expressed to Jim Wheary, who chairs the Audit Committee.

V. Resident Communications and Relations

D. Howard expressed appreciation for the new ramp and railing to the Porter Garden, the parking arrangements on Bay Street, and to Board members for attending the residents' semi-annual meeting. She announced the residents' White Elephant sale June 7 and 8, and participation in the

Art for Elders program. She spoke to the inconsistency in food service and suggested the Board attend meals at least once a month. M. Hastings also invited Board members to attend dinners and the Food Committee meetings. L. Pilz expressed appreciation to C. Johnson for her presentation at the residents' meeting.

VI. Executive Session

L. Pilz, chair, adjourned the regular meeting at 4:48 PM, and the Board went into Executive Session to discuss strategic and governance issues. The Board unanimously voted to offer Ken D. Donnelly the newly created position of Chief Executive Officer of the San Francisco Ladies' Protection and Relief Society, effective July 1, 2012.

VII. Adjournment

The Executive Session was adjourned at 5:50 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage
Executive Meeting of the Board of Directors
April 25, 2012

An Executive meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, April 25, 2012, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Otstott, Laura Pilz, Henry Safrit, Bruce Scollin, Pamela Tudor, Leslie Van Houten

Directors Excused: Connie Tiret, Randy Gridley

Guest: Sarah Spellman, of Clifton Larson Allen consultants, formerly Third Age

L. Pilz, Chair, called the meeting to order at 4:05 PM. Discussed were governance issues, and the results of the at-home market study and five focus groups conducted by Third Age.

The Board approved \$25,000 to proceed with an actuarial study to determine pricing.

The meeting was adjourned at 6:40 PM.

Respectfully submitted,



Pamela A. Tudor

**The Heritage
Board of Directors' Meeting Minutes March 28, 2012**

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, March 28, 2012, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Laura Pilz, Henry Safrit, Connie Tiret, Pamela Tudor, Leslie Van Houten

Director Excused: Bruce Scollin

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development

Residents' Representative Excused: Doris Howard

Guest: Sue Delez, Sodexo, District Manager

I. Call to Order

L. Pilz called the meeting to order at 4:05 PM.

II. Consent Agenda

The February 22, 2012 Minutes, January financials and the Executive Director's Report were approved by the Board on a motion from C. Tiret and second from M. Hauser.

III. Executive Director's Updates

M. Hastings noted two items from the Lynn Blair report were left to implement—eliminate duplication of forms and shift issues, both are being addressed. She spoke to the goal of upgrading food service by: 1) providing five-star customer service in the main Dining Room and Friendship Hall; 2) eliminating inconsistent food preparation; 3) upgrading presentation of dinner meal; 4) upgrading sophistication of dinner meal options, and 5) strengthening administrative practices. To date a new head server and new kitchen manager have been hired.

M. Hastings reported that David Eberhardt will be leaving The Heritage after seven years as Food Service Director. He will be taking a new position with Sodexo, our food management company. Lee Ann Callaghan, an employee of Sodexo, will replace David as our new Food Service Director. She also reported on the progress of the staff recommendations of the Leading Age 2012 Work Plan.

The residents petitioned the Board to reconsider the new policy for the Parking Lot Fee. The Board approved reducing the monthly Parking Lot Fee from \$75.00 to \$50.00, for current residents parking in the lot, and \$75.00 per month for residents who park in the lot from this point on, on a motion from G. Ivelich and second from G. Morris.

IV. Facilities Report

G. Ivelich, on behalf of the Facilities Committee, requested that the Board approve the building of a ramp that allows wheelchair access to the Porter garden and raise the steps outside the fire door going into the Bay Street parking lot, at a cost of \$27,500 plus \$2,000 for contingencies. The request was approved by the Board on a motion from M. Hauser and J. Hickerson.

J. Hickerson, on behalf of the Facilities Committee, made a motion for the Board to approve new carpeting for the dining room, its hallway and the Perry Building hallway at a cost of \$57,686. The request was seconded by M. Hauser and approved by the Board with two absentia.

v. Dining Trends in Senior Retirement Living--Guest Presentation

Sue Delez, Sodexo, District Manager, spoke to the new trends in dining--flexibility in meal programs, variety, areas of cost savings, increased revenue streams, marketing venues.

vi. Executive Session

An executive session commenced at 5:21 PM to discuss the flats project. The Board approved a full upgrade of the two flats at an estimated cost of \$1,305,000 on a motion from D. Gruber and second from C. Barber.

vii. Adjournment

The meeting was adjourned at 6:20 PM

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage

Board of Directors' Meeting Minutes

February 22, 2012

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, February 22, 2012, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Laura Pilz, Bruce Scollin, Connie Tiret, Pamela Tudor, Leslie Van Houten

Director Excused: Henry Safrit

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development

Residents' Representative Present: Doris Howard

Guest: Doug Kaplan, The Heritage Director of Social Services and Activities

I. Call to Order

L. Pilz called the meeting to order at 4:05 P.M. She expressed appreciation to Pamela De Martini for organizing the well-done Board sponsored tea in January for the 14 new residents, and also for her development efforts. Gifts and bequests totaled \$270,748 in 2011, a significant increase over past years.

II. Consent Agenda

The January 25, 2012, minutes, December financials and the February Executive Director's Report were approved by the Board on a motion from M. Hauser and second from R. Gridley.

III. Emerge Program Report

Doug Kaplan, who graduated from a one-year internship in the Emerge Leadership Training Program sponsored through Aging Services of California, spoke about the goals of the program and what he has brought back to The Heritage. One of his projects has been to take leadership in creating a more home-like environment in The Heritage Health Center. He has involved staff, independent and Health Center residents in the process.

IV. Resident Communications and Relations

D. Howard reported that the Residents' Committee has a list of unfinished projects from the previous year and leadership for each. She commended the residents who were giving their time to serve on the committee.

V. Committee Assignments 2012

L. Pilz distributed a draft of the Board committee assignments for 2012 and requested further comment from Board members on their preferences. She also requested, for good board communication, that minutes be taken at committee meetings using a new template. The minutes will be included in the monthly Board packet. She also requested committee chairs advise the staff of meeting dates so they can be communicated to all the Board.

VI. Executive Session

An executive Session commenced at 4:40 PM to discuss strategic positioning and the flats.

VII. Adjournment

The meeting was adjourned at 6:10 PM.

Respectfully submitted,



Pamela, A. Tudor

Secretary

The Heritage Board of Directors' Meeting Minutes January 25, 2012

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, January 25, 2012, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Laura Pilz, Henry Safrit, Connie Tiret, Pamela Tudor

Directors Excused: Patricia Otstott, Bruce Scollin, Leslie Van Houten

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela DeMartini, Director of Marketing and Development

Residents' Representative Present: Doris Howard

I. Call to Order

L. Pilz called the meeting to order at 4:15 P.M. She welcomed Doris Howard, the new President of the Residents' Council and the Representative to the Board, and Board members introduced themselves.

II. Consent Agenda

The December Board Minutes were approved on a motion from M. Hauser and second from R. Gridley. The December Financials were noted with no further comment.

III. New Business

R. Gridley advised the Board that The Heritage annual meeting with Bernstein Global Wealth Management, The Heritage asset manager, was to be held February 2, 2012, and all Board members were invited to attend.

IV. Executive Director's Report

The Board had a further question on the January Executive Director's Report mention that Lynn Blair's recommendation to reduce hours for certified nursing assistants (CNA) from 8 to 7.5 hours had been implemented with a savings of \$70,000 per year. A concern was expressed that the CNA's not be over burdened with their shortened work hours. A request was made that M. Hastings report back on this issue.

V. 2012 Plans and Goals

L. Pilz commented on upcoming plans and goals beyond the work taking place on strategic issues. This included: a reexamination of the Board committee structure, including regular committee meetings and brief minutes to identify issues discussed to keep all Board members informed; an educational component to be regularly scheduled so the board keeps track of larger trends and is more knowledgeable about immediate issues. The purpose is for the Board to become better decision makers. She reminded the board that the Board's concerns should not be operational but needed discipline to remain focused on the strategic/governance issues.

VI. Resident Communications and Relations

D. Howard commented on the wonderful staff at The Heritage. She asked that the needs of today's residents are not overlooked as the Board focuses on residents of the future.

VII. Leading Age Conference—Staff Recommendations

M. Hastings reported on the progress of the approved projects that came out of the Leading Age Conference in 2010: the Wellness Initiative (driver for extra hours for the van and a new Well-Being Coordinator); Club Heritage (bringing people from the neighborhood in for special programs and events); an All Day Dining Option in the Health Center; Café Cabinet (a service area where residents could obtain food items beyond dining room hours); and an Employee Engagement program (to improve work life at The Heritage and provide even better service for residents).

She also outlined three initiatives from the Leading Age 2011 conference that will be explored in 2012: conversion of skilled nursing to more of a household model; assisting residents to age in place rather than moving to a higher level of care; and a master plan for integrating the latest in technology throughout The Heritage community to provide better service and become more efficient.

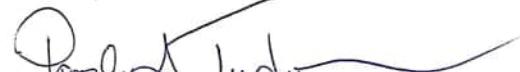
VIII. Executive Session

The Board went into Executive Session at 5:00 PM to discuss progress on strategic planning, the flats renovation and the sprinkler systems in the Perry Building and Health Center.

IX. Adjournment

The meeting was adjourned at 5:45 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage

Board of Directors' Meeting Minutes

December 14, 2011

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, December 14, 2011, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Laura Pilz, Henry Safrit, Bruce Scollin, Connie Tiret, Pamela Tudor, Leslie Van Houten

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development

Residents' Representative Present: Lorraine Baxter

I. Call to Order

D. Gruber called the meeting to order at 4:05 PM.

II. Minutes

The Board approved the minutes of November 16, 2011 on a motion from C. Barber and R. Gridley.

III. Financials

C. Tiret highlighted positive budget variances in the number of private patients in the Health Center, and the gifts and bequests to date. The October Finance Report reflects a loss of \$3.5 million to date.

IV. Executive Director's Report

In addition to the prepared Executive Director's report, M. Hastings reported that the Department of Social Services had an unannounced visit to The Heritage and found zero deficiencies. A proposal has been requested to modernize the 1923 Otis elevator in the Morgan building, which has been having intermittent problems. Residents impacted have received ongoing communications regarding repairs and tokens of appreciation such as flowers and gift cards.

V. 2012 Budget Approval

The 2012 budget was approved on a motion by M. Hauser and second by H. Safrit. Parking has been a big issue with residents and potential residents, as only 16 spaces are in the lot and six residents are parking on the street (in the evening, security escorts residents who park on the street to The Heritage). For the first time, starting April 1, 2012, The Heritage will charge a fee for parking spaces in the lot. The Heritage will also offer off- site parking and contribute to the fee difference. G. Morris, once again, called attention to the estimated yearly operating loss, which exceeds the 3% draw down, and impacts sound fiscal health if such deficits continue.

C. Tiret noted that the 2012 Capital Budget identifies potential and anticipated projects. The estimates for these projects will be updated throughout the year and projects will be approved on a project- by- project basis.

VI. Officers Slate for 2012

The Heritage Officers Slate for 2012, presented by Nominating Committee Co-chair M. Hauser, was approved by the Board on a motion by D. Gruber and second by R. Gridley.

Laura Pilz, Chair

Connie Tiret, Vice Chair

George Morris, Chief Financial Officer

Pamela Tudor, Secretary

In addition, as recommended by the Committee, the Board approved the following directors be re-elected for a three-year term on a motion by H. Safrit and second by D. Hines:

Carolyn Barber

Randy Gridley

George Morris

Connie Tiret

M. Hauser expressed great appreciation for David Gruber's extraordinary leadership as Chair of the Society over the past five years.

VII. Resident Communications and Relations

L. Baxter expressed her appreciation to the Board for the past two years of care the Board has given to its residents. The Board expressed gratitude for her leadership of the Residents' Council and the significant input from residents she brought to the Board. She emphasized the importance of the Morgan Building, maintaining the ambiance of its Otis elevator, and the importance of the planned ramp in the Porter Garden.

VIII. Facilities Committee

D. Gruber reported that bids for the flats are still in progress.

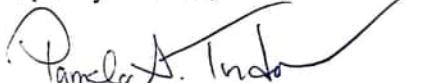
IX. Strategic Planning

L. Pilz reported on the progress of the Strategic Task Team. Proposals are being refined.

X. Adjournment

The meeting was adjourned at 5:44 PM

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage Board of Directors' Meeting Minutes November 16, 2011

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, November 16, 2011, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Laura Pilz, Henry Safrit, Bruce Scollin, Connie Tiret, Pamela Tudor, Leslie Van Houten

Directors Excused: Jane Hickerson

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development

Residents' Representative Present: Lorraine Baxter

I. Call to Order

D. Gruber called the meeting to order at 4:13 PM.

II. Minutes

The Board approved the minutes of October 26, 2011, with corrections to Directors present and excused, on a motion from M. Hauser and second from C. Barber.

III. Financials

C. Tiret reported on the September financials noting that occupancy was up with only two units unoccupied. Private patient numbers are also up. She called attention to the drafts of the 2012 budget and capital budget, which are being finalized. G. Morris explained that we currently need 4% of the portfolio to subsidize operations, instead of recommended 3%. R. Gridley reported on behalf of the Investment Committee, that the quarterly meeting had been held with portfolio manager Bernstein Global Wealth Management to review the portfolio's conservative strategy amidst difficult market conditions.

IV. Executive Director's Report

In addition to the Executive Director's report, M. Hastings reported a re-organization in the Food Service Department.

V. Resident Communications and Relations

L. Baxter reported that the residents had taken on another community service project—preschoolers at the Bayview/Hunters Point school. She expressed appreciation, on behalf of the residents, for the upgrade of the hallways, anticipated additional funding for use of the van and the *Out and About* Program, a "rip roarin" success. She invited all Board members to the Residents' Annual Meeting in December.

VI. Facilities Committee

D. Gruber reported that bids for the flats on Francisco are in progress.

VII. Age Tech California Technology Conference Report: "Tech-Enabled Care Management at Home: Our Future Imperative"

M. Hastings and P. Tudor reported on this conference sponsored by our two state wide industry groups. Important take aways for The Heritage: 1) home health care is fast growing due to desire of seniors to age at home; 2) cut-backs in Medicare reimbursement are penalizing repeat hospitalization--the result is redirecting care to preventive measures at home; 3) technology use at home is becoming more key to keep seniors healthy at home; and 4) technology use in senior communities helps residents take more ownership of their own health and be healthy longer.

VIII. Executive Session

The Board went into Executive session at 5:05 PM to discuss Strategic Positioning.

IX. Adjournment

The meeting was adjourned at 6:44 PM

Respectfully submitted,



Pamela A. Tudor
Secretary

**The Heritage
Board of Directors' Meeting Minutes
October 26, 2011**

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, October 26, 2011, at The Heritage, 3400 Laguna Street, San Francisco, California 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Patricia Ostott (by conference call), Laura Pilz, Henry Safrit, Bruce Scollin, Connie Tret, Pamela Tudor

Directors Excused: Jeanie Kayser-Jones, George Morris, Leslie Van Houten

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development

Residents' Representative Excused: Lorraine Baxter

Guests: Scott and Nancy Hindes, philanthropists and founders of The Heritage
Out and About Program
Raygenia Stewart, The Heritage Director of Nursing

I. Call to Order
D. Gruber called the meeting to order at 4:02 PM.

II. Hindes Family

Scott and Nancy Hindes presented a gift of \$10,000 to The Heritage for the Out and About Program in memory of Scott's brother, Peter Hindes. The Hindes expressed how proud they were of the program's success and the Hindes family's involvement with The Heritage over five generations.

III. Consent Agenda

The Board approved the minutes of September 28, 2011, on a motion from M. Hauser and second from A. Carlson. There were no questions for the Executive Director on her October Executive Director's report.

IV. Health Center Report

M. Hastings spoke to The Health Center Report, which responded to Board questions at the September meeting. Her report addressed the issues of: the financials (deficit), current positions and time allocation, quality of care measures and how the Health Center measures up to state and national statistics.



R. Stewart spoke to The Heritage Falls Report. Falls have declined in 2011 in large part due to staff and resident education. The majority of falls are by Independent Living residents outside the property. She also elaborated on measures of quality of care, reiterated that the Health Center is staffed appropriately to meet our model of excellence and noted that more and more calls are received inquiring about Medicare and Medicaid. She expressed appreciation to the Board for the cards and flowers sent to her during her medical absence.

The Health Center received a deficiency (not a citation) from the Department of Public Health for resident abuse although the incident was not substantiated internally. Better staff communication will eliminate future incidences, which will be addressed by more staff education.

V. Pension Plan Report

R. Gridley reported for the Board Pension Committee (C. Tiret, G. Morris, R. Gridley, C. Johnson). The Internal Revenue Service requires an updated plan to be submitted every five years. Per the recommendation of pension consultant Carlson Quinn & Associates, the two plans of the past (a 401K and a money purchase plan) will be combined. This does not affect employee benefits but does eliminate one administrative cost. A Roth 401K will also be added as a choice. This is an advantage to employees who are not in a high tax bracket. A Safe Harbor Provision will be added that allows highly compensated employees to contribute a larger amount to their 401K. Also, all full time employees in the updated plan will be vested immediately rather than after three years. The Heritage contribution will continue to be 4% of salary.

VI. Leading Age Report

P. Tudor reported on behalf of the attendees to the 2011 Leading Age Conference (the national association for non profit retirement communities). Leading industry trends: the movement to home care not only in the U.S. but worldwide (seniors want to age in their homes due to life style choice, cost, dwindling savings, living longer and healthier); residents want to age in place even within senior communities (bring medical services to them, leaving the Health Center for the most acute and private pay); partner, partner, partner (contract with others already providing the services, don't create what is already available); make your surrounding community a part of you (offer lectures, meals, wellness programs, café's, life long learning opportunities). Other trends: comprehensive wellness programs; increasing use of technology to become more efficient; using data and benchmarking to measure performance; creating inclusive workplace environment for employees so they understand the mission and organizational values; and among best board practices—focus on strategic issues affecting the future.

VII. Facilities Committee Report/Flats Update

As requested by the Facilities Committee, the Board approved \$30,000 on a motion from M. Hauser and second by J. Hickerson to complete architectural drawings so the flat renovation can go out to contractors for bid. D. Gruber noted the importance of moving forward so they can be occupied and cash flow generated. He estimated that the flats (seven units) could be ready for rental in 3-4 months. He also provided an overview of the rental market, which is favorable today and for the near future.

VIII. Executive Session

The Board went into Executive Session at 5:13 PM to discuss Strategic Positioning.

IX. Adjournment

The meeting was adjourned at 6:20 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary



The Heritage
Board of Directors' Meeting Minutes
September 28, 2011

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, September 28, 2011, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, David Hines, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Laura Pilz, Henry Safrit, Pamela Tudor, Leslie Van Houten

Directors Excused: Jane Hickerson, George Ivelich, Bruce Scollin, Connie Tiret

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development

Residents' Representative Present: Lorraine Baxter

I. Call to Order

Vice Chair L. Pilz called the meeting to order at 4:05 PM as Chair D. Gruber was delayed.

II. Approval of the Minutes

The Board approved the August 16, 2011 minutes with a minor change on a motion from R. Gridley and second from C. Barber.

III. Financial Report

G. Morris reviewed the August Financial Statement, calling attention to the Operating Revenue slightly over budget and Expenses slightly below budget. Monthly Care Fees are over budget as census is less than budgeted. The Occupancy and Scholarship Report now breaks out Assisted Living from Independent Living. R. Gridley reported the Society's investment portfolio, managed by Bernstein Global Wealth Management, was slightly behind the indexes. Volatility, due to issues in the European Union and Congress' inability to address debt issues, will probably continue through the end of year.

IV. Executive Director's Report

M. Hastings called attention to the AAHSA 2010 Staff Work Plan Progress Report. The work plan includes: an expanded Wellness Program; an expanded program to bring the community into The Heritage through lectures, classes, activities and a "café"; expanded dining options for residents; developing leadership potential of staff and formalizing a process for helping staff to be engaged in what The Heritage is and does. The Board requested that the staff again bring recommendations from the 2011 Leading Age Conference. Specifically, the Board requested recommendations that will keep The Heritage current with senior service trends and a work and an implementation plan. The recommendations for 2012 are to be made at the December Board meeting.

The Board requested that M. Hastings report back to the Board at the October meeting on Health Center issues. This specifically includes a report on the financial status, the issue of Quality of Care, staffing and Falls Report.



Also, the Health Center Committee will meet before the October meeting to review Health Center progress.

V. Wellness Program

M. Hasting presented a more detailed plan of the Well Being Program, as renamed by residents. The program will address all dimensions of wellness including intellectual, social, emotional, vocational, spiritual and physical. The program involves extended van services and trip opportunities, a new position for a part time well-being coordinator, lecturers on various topics of interest to residents: end of life support, health care issues, financial/current events. The program also will include bringing in speakers from City museums and the From Institute, as well as musicians and technology instructors for new equipment such as the I-Pad. She provided a budget for each.

VI. Resident Communications and Relations

L. Baxter requested that funding for increased use of the van to six days be included in the 2012 budget as cab service is so difficult. She spoke to the importance of letting residents and families know that bequests are welcome, and the importance of getting people out and about. She feels the Well Being Program will be very successful. On behalf of the residents, she expressed appreciation to the Board and Facilities Committee for the upgrades in the hallways.

VII. Facilities Update

D. Gruber reported that bids are being requested to get the flats ready for the rental market to generate revenue. Bids will be presented at the October Board meeting. He said the rental market was good. The time needed for the flats to be renovated would be 60-90 days.

VIII. Conflict of Interest Statement

The Conflict of Interest Statement was explained to the Board and signed by each member. Board expertise can be used as long as no compensation is received.

IX. Executive Session

The Board went into Executive Session at 5:06 PM to discuss Strategic Positioning. The Board approved a comprehensive Market Assessment, as identified in the Strategic Positioning Plan, to be conducted by Third Age. The cost not to exceed \$70,000.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage

Board of Directors' Meeting Minutes

August 16, 2011

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Tuesday, August 16, 2011, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Laura Pilz, Henry Safrit, Bruce Scollin, Connie Tiret, Pamela Tudor, Leslie Van Houten

Directors Excused: David Hines

Staff Present: Marla Hastings, Executive Director, Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development

Residents' Representative Present: Lorraine Baxter

Guest: Scott Townsley, Principle, Larson Allen/ Third Age, Consultants

I. Call to Order

D. Gruber called the meeting to order at 4:05 PM.

II. Approval of the Minutes

The Board approved the May 25, 2011 minutes on a motion from R. Gridley and second by C. Barber.

III. Financial Report

C. Tiret called attention to the June Occupancy and Scholarship Report, which now breaks out Assisted Living from Independent and Health Center residents. The number of private pay Assisted Living and private pay Health Center are also broken out. R. Gridley reported that the portfolio is off slightly from yearend 2010 but also over \$2 million was taken out for operating expenses. Market volatility is expected through end of year

IV. Executive Director's Report

M. Hastings called attention to her Executive Director's report noting ten private patients are now residing in the Health Center, the highest census to date, and two private patients are currently residing in Assisted Living. D. Gruber added that The Heritage is approved by the Department of Social Services to have four private pay Assisted Living residents. Our attorneys assisted in the development of the contract and its approval by the Department of Social Services.

V. Resident Communications and Relations

L. Baxter requested that funding for increased use of the van to six days be included in the 2012 budget, due to the difficulty of getting taxi cabs.

VI. New and Old Business

The Board gratefully acknowledged a \$100,000 gift from the estate of Miss Nancy Weston, a long-time San Francisco resident.

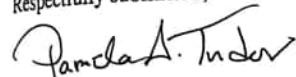
VII. Executive Session

The Board went into Executive Session at 4:45 PM to continue discussion on Strategic Positioning with Scott Townsley.

VIII. Adjournment

D. Gruber adjourned the meeting 7:15 PM

Respectfully submitted,



Pamela A. Tudor
Secretary

**The Heritage
Board of Directors Meeting Minutes
May 25, 2011**

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, May 25, 2011, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Laura Pilz, Henry Safrit, Bruce Scollin, Connie Tiret, Pamela Tudor

Directors Excused: Leslie Van Houten

Staff Present: Marla Hastings, Executive Director

Staff Excused: Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development

Residents' Representative: Lorraine Baxter

I. Call to Order

D. Gruber called the meeting to order at 4:08 PM

II. Approval of the Minutes

The Board approved the April 27, 2011, minutes on a motion from R. Gridley and second by M. Hauser.

III. Financial Report

C. Tiret called attention to the March and April Financials. Vacancies as of April were eight studios, two Assisted Living and three one-bedrooms with a combined potential revenue of \$38,896. Several of these vacancies have been reserved. In the Health Center 26 out of 32 beds are occupied. The operating revenue for 99 life care residents through April reflects a negative. The operating income for the month reflects a positive.

IV. Facilities Committee

G. Ivelich reported that another two studios are ready to be combined into a one-bedroom unit. The cost was included in the 2011 Capital Budget.

V. Executive Director's Report

In addition to her written monthly report, M. Hastings called attention to "The Heritage Independent and Assisted Living Vacancy Status," which reported on renovation and occupation status. Twenty-two rooms are qualified for Assisted Living; four have vacancies. The Director of Nursing is now returning June 13 rather than May 31.

VI. Resident Communications and Relations

L. Baxter reported that a big issue among residents is safety. Currently residents have individual emergency pendants which can be tracked to resident apartments only. Phase II of pendant project will allow the pendants to be tracked throughout The Heritage. The contract has been signed for Phase II to be implemented as soon as possible.

The Heritage Board of Directors Meeting Minutes May 25, 2011

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, May 25, 2011, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Laura Pilz, Henry Safrit, Bruce Scollin, Connie Tiret, Pamela Tudor

Directors Excused: Leslie Van Houten

Staff Present: Marla Hastings, Executive Director

Staff Excused: Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development

Residents' Representative: Lorraine Baxter

I. Call to Order

D. Gruber called the meeting to order at 4:08 PM

II. Approval of the Minutes

The Board approved the April 27, 2011, minutes on a motion from R. Gridley and second by M. Hauser.

III. Financial Report

C. Tiret called attention to the March and April Financials. Vacancies as of April were eight studios, two Assisted Living and three one-bedrooms with a combined potential revenue of \$38,896. Several of these vacancies have been reserved. In the Health Center 26 out of 32 beds are occupied. The operating revenue for 99 life care residents through April reflects a negative. The operating income for the month reflects a positive.

IV. Facilities Committee

G. Ivelich reported that another two studios are ready to be combined into a one-bedroom unit. The cost was included in the 2011 Capital Budget.

V. Executive Director's Report

In addition to her written monthly report, M. Hastings called attention to "The Heritage Independent and Assisted Living Vacancy Status," which reported on renovation and occupation status. Twenty-two rooms are qualified for Assisted Living; four have vacancies. The Director of Nursing is now returning June 13 rather than May 31.

VI. Resident Communications and Relations

L. Baxter reported that a big issue among residents is safety. Currently residents have individual emergency pendants which can be tracked to resident apartments only. Phase II of pendant project will allow the pendants to be tracked throughout The Heritage. The contract has been signed for Phase II to be implemented as soon as possible.

VII. Old Business

One Board Action Item regarding Pamela Kaufman's presentation on governance remains outstanding but is under review.

VIII. New Business

No new business was raised.

IX. Executive Session

The Board went into Executive Session at 4:45 PM to continue the discussion on Strategic Positioning.

X. Adjournment

D. Gruber adjourned the meeting 6:00 PM

Respectfully submitted,



Pamela A. Tudor

Secretary

The Heritage
Board of Directors Meeting Minutes
April 27, 2011

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, April 27, 2011, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Laura Pilz, Henry Safrit, Bruce Scollin, Connie Tiret, Pamela Tudor, Leslie Van Houten

Directors Excused: Patricia Ottstott

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director Marketing and Development

Residents' Representative: Lorraine Baxter

Guest: Scott Townsley of ThirdAge

I. Call to Order

D. Gruber called the meeting to order at 4:04 PM

II. Approval of the Minutes

The Board approved the March 23, 2011, minutes on a motion from A. Carlson and second by R. Gridley.

III. Financial Report

C. Tiret reported on the February financials. Revenue was down as census was down. She called attention to the "2010 Financial Statements and Independent Auditors' Report for the San Francisco Ladies' Protection and Relief Society (dba) The Heritage," completed by DZH Phillips. The auditors had no issues. She mentioned that the auditors were complimentary of C. Johnson and the assistance she provided. The 2010 Independent Auditors' Report was approved by the Board on the recommendation of the Finance Committee and a motion from G. Morris, second from J. Kayser-Jones. Also, the Board approved DZH Phillips to serve as 2011 auditors on the recommendation of the Finance Committee and motion from G. Morris, second R. Gridley.

C. Tiret brought to the Boards attention the 4% increase in monthly fees with the exception of the single-occupied, one-bedroom units. The rate increase for these one-bedroom units (affecting only post hiatus entrants) will be 2% to keep competitive with The Sequoias.

IV. Facilities Committee

G. Ivelich reported that we have received bids in the amount of \$130,000 for the renovation of a Studio unit (206) and a one-bedroom (302-303). These costs were included in the 2011 Capital Budget.

V. **Executive Director's Report**

Marla brought to the Board's attention: The census for Private Pay Patients has increased from eight to nine with a tenth prospect. The Heritage is now admitting Private Pay Assisted Living residents. Pricing for the new Private Pay Assisted Living has been set per fees listed in the Marketing Report. Avon, a risk management company, has been retained to evaluate the health risk of new residents at a cost of \$400 per applicant. The cost is covered in the application fee of \$750, which also includes a Medical Examination Fee. She said an Addendum to the Life Care Contract is being developed to address high health risk applicants.

VI. **Resident Communications and Relations**

L. Baxter reported: The fundraising drive for victims of the Japanese earthquake raised \$4,000 from residents, employees and friends. Long-time residents are grateful for the upgrades (painting and new carpet) to their rooms.

VII. **Executive Session**

The Board went into Executive Session at 4:41 PM with Scott Townsley of ThirdAge to continue the discussion on Strategic Positioning.

VIII. **Adjournment**

D. Gruber adjourned the meeting 7:04 PM

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage Board of Directors Meeting Minutes March 23, 2011

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, March 23, 2011, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Laura Pilz, Henry Safrit, Bruce Scollin, Connie Tiret, Pamela Tudor, Leslie Van Houten

Directors Excused: Molly Hauser,

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director Marketing and Development

Residents' Representative: Lorraine Baxter

Guest: Bob Pierce

I. Call to Order

D. Gruber called the meeting to order at 4:08 PM

II. Approval of the Minutes

The Board approved the January 19, 2011, minutes on a motion from R. Gridley and second by J. Kayser-Jones. The Board approved the February 23, 2011, minutes on a motion from C. Tiret and second from C. Barber.

III. Financial Report

C. Tiret reported on the January financials. The recent numerous deaths will affect revenue as we move forward. R. Gridley reported the investment portfolio year-to-date is above its benchmark. The portfolio has recovered from the economic down turn, however, volatility is expected to continue. On the recommendation of the Audit Committee, the Board approved DZH Phillips to serve as auditors, on a motion from G. Morris and second by J. Kayser-Jones.

IV. Executive Director's Report

Marla reported, in addition to her written report, that Director of Nursing Raygenia Stewart is recovering from a second surgery and should be back May 1. She has been on sick leave since mid-January. The Health Center is running smoothly in her absence. Regarding space for a Physical Therapy room, the project is on hold pending outcome of Strategic Positioning.

V. Facilities Committee Update

G. Ivelich requested, on behalf of the Facilities Committee, and the Board approved on a motion from R. Gridley and second by G. Morris, the expenditure not to exceed \$110,000 for building repair and painting. The work includes: painting of corridors in the Perry and Morgan Buildings, including the crossover, two outside walls on the Perry Building and repairing wood trim on the Morgan Building dormer windows.

VI. Resident Communications and Relations

L. Baxter reported that the Resident Outreach Committee collected more donations than needed for the Cesar Chavez Elementary School T-shirt project, thus, providing funds for the children to start a garden. The residents have collected \$3,000 to date for earthquake and tsunami relief in Japan. Employees and a prospective new resident have also contributed. The funds will be matched by a law firm in Japan Town. She thanked the Board for new exercise equipment in the Fitness Center.

VII. Old Business

The status of 2011-2009 Board Action Items was reviewed:

- Falls Report/Risk Assessment—questions outstanding
- Hand Sanitizers—question outstanding
- Compliance with Senior Care Governance Issue—questions outstanding
- Financial Impact of Admitting the Frail—placed on hold
- Medicare Certification—placed on hold
- Physical/Occupational Therapy Room—placed on hold
- Alternative Contract Review—placed on hold
- Health Center Recommendations—placed on hold
- Flats Remodel—placed on hold
- Marketing Plan for Unmarketable Studios—placed on hold
- Hospice/Respite Care Exploration—placed on hold
- Resident Survey Results Directed to Board—on May agenda
- Morgan/Perry Building Updates—underway
- Staff implementation of AAHSA recommendations—underway with quarterly update
- Adding kitchenettes to small AL units—under review
- Development Plan for Health Center—complete
- Norovirus Prevention—complete
- Safety Bar Installation—complete
- Resident Tour of New Rooms—complete

VIII. Executive Session

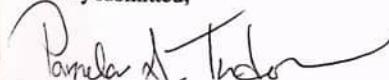
The Board went into Executive Session at 5:05 PM with Bob Pierce to discuss the Health Center Report done by Lynn Blair in August 2009, and the Health Center in general.

IX. Adjournment

D. Gruber adjourned the meeting 6:24 PM

Respectfully submitted,

Pamela A. Tudor
Secretary



The Heritage
Board of Directors Meeting Minutes
February 23, 2011

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, February 23, 2011, at The Heritage, 3400 Laguna Street, San Francisco, California, 94123.

Directors Present: Carolyn Barber, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, Patricia Oststott, Laura Pilz, Bruce Scollin, Connie Tret, Pamela Tudor, Leslie Van Houten

Director Excused: Andrew Carlson, George Morris, Henry Safrit

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela DeMartini, Director Marketing and Development

Residents' Representative: Lorraine Baxter

Guest: Scott Townsley, ThirdAge, Consultant

I. Call to Order

D. Gruber called the meeting to order at 4:08 PM

II. Approval of the Minutes

The January 19, 2011 minutes will be provided at the March Board meeting for approval.

III. Financial Report

C. Tret reported the 2010 audit report is underway. December revenue is down due to the census being down. Expenses are up primarily due to consulting expenses. Investment income is more than budgeted.

R. Gridley reported the investment portfolio has recovered, as the market has, and is up year-to-date. Volatility is expected to continue.

IV. Resident Communications and Relations

L. Baxter expressed resident appreciation for improvements to come to the hallways and sitting rooms. The City Water Conservation Department will be coming out to make recommendations for water conservation. Residents are partnering with Cesar Chavez Grammar School. At the school's request, residents are collecting funds for t-shirts for students participating in intercity sports. Residents are delighted with the interim kitchen manager, Guido Baiocchi.

V. Facilities

G. Ivelich reported on the need to provide small kitchenettes in assisted living units so they will be marketable. A full report will be made at the March meeting.

VI. AT&T Antennas

D. Gruber recommended that no action be taken on a request by AT&T to place cell towers on the Perry Building roof.

VII. Old Business: Board Action Items
To be discussed at the March Board meeting.

VIII. New Business

C. Johnson reported that during the annual financial audit, the restated Articles of Incorporation, previously approved by the Board and signed by the Secretary and Chair in December 2009, had not been filed with the California Secretary of State. The Heritage attorney recommended that the Board reapprove the restated articles. The Board unanimously reapproved the restated articles on a motion by C. Tiret and seconded by C. Barber. C. Johnson will forward, with the necessary signatures from the Chair and Secretary, to the Secretary of State for filing.

IX. Executive Director's Report

M. Hastings will report at the March Board meeting.

X. Executive Session

The Board went into Executive Session at 4:45 PM with ThirdAge Consultant, Scott Townsley, who is assisting the Board in strategic positioning for the future.

The Board authorized the Who Do We Want to Serve? Task Team to engage in a second-phase contract with ThirdAge to include: further definition of the components of the future service model and a detailed financial model and analysis necessary to come to a decision on The Heritage's future direction by the Third Quarter 2011. This contract is not to exceed \$100,000.

XI. Adjournment

D. Gruber adjourned the meeting 6:30 PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Pamela A. Tudor".

Pamela A. Tudor
Secretary

THE HERITAGE
BOARD OF DIRECTORS MEETING MINUTES
January 19, 2011

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society (the "Society" or "The Heritage") was held on Wednesday, January 19, 2011 at 3400 Laguna Street, San Francisco, CA 94123.

Directors Present: Babs Barber, Andy Carlson, Randy Gridley, David Gruber, Molly Hauser, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Laura Pilz, Trish Ostott, Bruce Scollin, Connie Tiret, Leslie Van Houten. Henry Safrit excused from the Business Meeting and present for part of the Executive Session.

Directors Excused: Jane Hickerson, Pam Tudor.

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development.

Residents' Representative Present: Lorraine Baxter.

I. Call to Order

Chairman David Gruber called the meeting to order at 4:05 p.m.

II. Approval of the Minutes

The minutes were approved as amended on motion by Andy Carlson and seconded by Babs Barber.

III. Financials/Investments

Randy Gridley reported that there were no significant changes in the investment portfolio.

IV. 2011 Budget

Connie Tiret reports a \$3,000,000+ operating loss this year whereas our endowment supports a \$2,000,000 operating loss.

For two years the Finance Committee made a decision to pass on an increase the monthly care fees for pre-hiatus residents over a four year period. Last year, because of a number of issues including the down turn in the economy, the recommendation from staff was to not pass the increase on at that time. In May, the Finance Committee will revisit the issue of whether to pass on the increase of the monthly care fees. Were everyone to pay the increase, this would amount to about \$12,000.

Connie also pointed out that we have no rental income from the flats because they are empty during this time while we are determining our future direction.

There is a \$20,000 allocation to do paint and carpets in 20 units of long-term resident's where little improvement been done in the past.

Molly Hauser moved to approve the budget and the Capital Budget; Babs Barber seconded the motion.

V. Executive Director's Report

Marla reports that the DON is now recovering at home. The acting DON team is doing a good job.

Jeanie Kayser-Jones suggested that a resident be placed in an advisory capacity on some of these projects undertaken by the staff; Marla Hastings said that she would involve the residents in the dining options exploration.

VI. Performance as of December

Randy Gridley reported that the portfolio has come back a long way, although not all the way. But he reports that we are taking out over 3 million a year which is a great deal more than our 3% target and that, if The Heritage continues on this path, the portfolio will eventually be depleted.

VII. Resident Communications and Relations

Lorraine Baxter reported on the trip with the Director of Activities and several residents to Aquatic Park. She reports that the two impediments to Heritage residents' use of Aquatic Park are the transportation and the cost of the classes. She suggested that we look into bringing the classes into the Heritage and inviting the neighbors. Maria Hastings said that she expects a recommendation from the Activities Committee in the next month or so.

VIII. Development Committee Update

Pamela reported on two additional activities in March: a lecture on depression in seniors and one on downsizing one's living space. She is going to extend her invitation list to a broader geographic area than we have previously used.

IX. Flats Task Team Update

Andy Carlson reported on the work of the Flats Task Team.

X. AT&T Antennas

Dave Gruber spoke to AT&T and said the company would keep in touch with The Heritage.

XI. Old Business--Board Action Items

David Gruber deferred this agenda item to the February meeting.

XII. New Business

None

XIII. Executive Session

The Board went into Executive Session at 4:48 to continue its discussion on the strategic issue of Who Do We Want to Serve?, the Task Team's progress to date with Scott Townsley of Third Age.

XIV. Adjournment

Respectfully submitted,


Leslie Van Houten

The Heritage
Board of Directors Meeting Minutes
December 15, 2010

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, December 15, 2010, at 3400 Laguna Street, San Francisco, CA 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Lewis R. Gridley, David Gruber, Mary Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Oststott, Laura Pilz, Henry Safrit, Bruce Scollin, Connie Tiret, Pamela Tudor, Leslie Van Houten

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development

Residents' Representative Present: Lorraine Baxter

I. Call to Order

Chair David Gruber called the meeting to order at 4:10 PM.

II. Approval of the Minutes

The November 16, 2010, Board minutes were approved by the Board on a motion from R. Gridley and second by A. Carlson.

III. Financials/Investments

C. Tiret reported, all through 2010, that revenue is down due to lower than budgeted census and expenses are up. The Heritage is on track for a \$3.3 million loss for the year. Budgeted loss for 2010 was \$3 million. The 2011 budget is being developed and will be presented at the January meeting.

IV. Executive Director's Report

In addition to her monthly report, M. Hastings noted that the goal is to have a total of eight private patients by the end of 2010, as budgeted for 2011. The new private patient fee will be increased from \$325 to \$350 per day January 1, 2011. She called attention to the Noro Virus Outbreak Report, included in the Board packet, which was requested by J. Kayser-Jones.

She called attention to a contract being finalized with St. Mary's Adult Day Health Program located in Visitation Valley, where The Heritage will become their food provider. The projected number of meals for this program is 10,000 per year (compared to 234,000 for Self Help for the Elderly). This program allows The Heritage to serve more low income seniors with a slight improvement (\$7,345-\$17,060) to the bottom line.

V. Resident Communications and Relations

L. Baxter, reported she will again be the Board residents' representative in 2011. She called attention to the accomplishments of the Executive Committee: an exercise room, circuit training course, new sound equipment in the chapel and new sound equipment for movies shown 4-5 times a month in Friendship Hall. In addition she discussed an active Community Outreach Program supporting Doctors Without Borders, Goodwill, and the Cesar Chavez School. The successful White Elephant Sale resulted in \$3400, of which \$2500 went to the Employee Appreciation Fund, \$150 to Friends of the Library and \$100 to the Jean Gorman Memorial Fund. A committee is being formed to identify specific needs of Health Center residents.

VI. AAHSA Report from Staff

The staff gave reports on trends heard at the annual AAHSA meeting and general recommendations that would keep The Heritage current with senior service trends. D. Gruber requested that the staff prioritize the most important recommendations, and develop specifics—a plan, budget, required resources to implement and timeline. He requested that the plan for the recommendations be presented to the Board at the January meeting.

VII. Development Committee Update

Pamela De Martini reported that \$100,000 in gifts were received in 2010, the highest number of gifts in over a decade. Generous gifts were received from several residents' estates, relatives of residents, the Kimball Foundation and the Barrett and Margaret Hindes Foundation. Residents were not asked to participate in the year end appeal as appreciation for putting up with all the construction. They will be thanked for their patience with a Board tea in January.

VIII. Health Center Update

D. Gruber reported an evaluation of the Health Center was continuing with a meeting scheduled with consultant Bob Pierce to discuss the facilities report completed in August. A response will be prepared for further discussion by the Board for the January meeting.

IX. Nominating Committee

On behalf of the Nominating Committee, M. Hauser presented the recommended 2011 slate of officers. The slate was approved by the Board on motion from B. Scollin and second by C. Tiret. The 2011 Board Officers:

Chair, David Gruber
Vice Chair, Laura Pilz
Chief Financial Officer, George Morris
Secretary, Pamela Tudor

X. Flats Task Team Update

T. Otstott reported her committee is working on an estimated budget for construction costs, determining entrance and monthly fees and reviewing different contract types. No decision will be made until total costs and projected revenues are determined, along with decisions coming from the Who Do We Want to Serve? Task Team and Board.

XI. Facilities Committee Update

G. Ivlich reiterated that units are not being joined all over the building, but rather the focus is on isolated units that were unmarketable in the past. The first updated unit is due to be finished and a new resident moving in by end of December. Another studio unit is available for update (new bathroom, carpet, no kitchen) in the Perry Building but requires an updated electrical panel. He requested and the Board approved \$50,000 for the update, including electrical panel, on a motion from G. Morris and second by M. Hauser. A resident is ready to move in on completion of the update.

He brought to the Board's attention that AT&T has approached The Heritage to install antennas and equipment on the roof to facilitate wireless service in the Marina. The revenue could be helpful: a five-year lease at \$2,000 a month, extended in five-year increments. However, installations have been controversial prompting neighborhood opposition and may distract from longer-term initiatives. The Facilities Committee was requested to research further.

XII. Old Business – no comments

XIII. New Business

The Board was reminded of the upcoming tour of the remodeled Laguna Honda Hospital on January 10, 2011. D. Gruber expressed appreciation to M. Hastings, C. Johnson and P. De Martini for their work on behalf of The Heritage in 2010. P. Tudor expressed appreciation on behalf of the Board to D. Gruber for his leadership in 2010 and agreeing to continue to lead The Heritage in 2011.

XIV. Executive Session

The Board went into Executive Session to continue its discussion on the strategic issue of Who Do We Want to Serve? and the Task Team progress to date with S. Townsley of Third Age.

XV. Adjournment

Chair D. Gruber, adjourned the meeting at 6:00 PM and the Board joined the residents for their Annual Christmas Party.

Respectfully submitted,

Pamela A. Tudor
Secretary

The Heritage
Board of Directors Meeting Minutes
November 16, 2010

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, November 16, 2010, at 3400 Laguna Street, San Francisco, CA 94123.

Directors Present: Andrew Carlson, Carolyn Barber, Lewis R. Gridley, David Gruber, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Laura Pilz, Henry Safrit, Connie Tiret, Pamela Tudor, Leslie Van Houten

Directors Excused: Mary Hauser, Jane Hickerson, Patricia Oststott

Staff Present: Marla Hastings, Executive Director

Staff Excused: Cindy Johnson, Controller; Pamela De Martini, Director Marketing and Development

Resident's Representative Present: Lorraine Baxter

Guest: Scott Townsley, Principal, Third Age Consulting

I. Call to Order

Chair David Gruber called the meeting to order at 3:15 PM.

II. Approval of the Minutes

The October 27, 2010, Board minutes were approved by the Board on a motion from C. Barber and second by C. Tiret.

III. Financials/Investments

C. Tiret reported that revenue is down due to lower than budgeted census and expenses are up. The 2011 budget is being developed. R. Gridley reported the Investment Committee had met with Bernstein Global Wealth Management and no changes were made to the portfolio asset allocations.

IV. Executive Director's Report

In addition to her monthly report, M. Hastings noted that a goal is to bring in nine new private patients by the end of 2010 in preparation for nine private patients budgeted for 2011. The private patient fee will be increased from \$325 to \$350 per day January 1, 2011. A Board member requested that a Noro Virus outbreak report be a part of the Executive Director's report in December.

V. Resident Communications and Relations

L. Baxter reported that progress is being made on the changes requested on the resident survey. Residents donated \$2500 to the yearly Employee Appreciation Fund and \$150 to the Book Mobile. In honor of Veterans' Day, photos were placed on display of The Heritage's 13 veteran residents. In one of the programs sponsored by the Wellness Committee, "Walk Across America," they have reached Cheyenne, Wyoming (18 residents are participating, including Health Center residents). Fourteen bags of donations have been delivered to Goodwill. L. Baxter noted that it would be helpful to have appropriate equipment for the Fitness Center..

VI. Executive Session

The Board went into Executive Session for a strategic positioning session with S. Townsley who is assisting the Board in determining Who Do We Want to Serve and How Do We Serve Them in the future.

VII. Adjournment

Chair D. Gruber, adjourned the meeting at 7:15 PM

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage
Board of Directors Meeting Minutes
October 27, 2010

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, October 27, 2010, at 3400 Laguna Street, San Francisco, CA 94123.

Directors Present: Carolyn Barber, Lewis R. Gridley, David Gruber, Mary Hauser, George Ivelich, Jeanie Kayser-Jones, George Morris, Laura Pilz, Henry Safrit, Connie Tiret, Pamela Tudor, Leslie Van Houten

Directors Excused: Andrew Carlson, Jane Hickerson, David Hines, Patricia Oststott

Staff Excused due to the Executive Session which followed: Marla Hastings, Executive Director, Cindy Johnson, Controller; Pamela De Martini, Director Marketing and Development

Residents' Representative Excused: Lorraine Baxter

Guest: Scott Townsley, Principal, Third Age Consulting

I. Call to Order

Chair David Gruber called the meeting to order at 3:18 PM

II. Approval of the Minutes

The September 22 Board minutes were approved on a motion from R. Gridley and second by M. Hauser.

III. Financial Report

Chief Financial Officer G. Morris reported the 2010 yearly loss was budgeted at \$3 million but is tracking to a yearly deficit of \$3.3 million. Revenue is below budgeted due to lower census and a reduction in resident monthly fees approved for 2010 as return on resident savings is reduced.

IV. Facilities Committee Update

Committee Chair G. Ivelich requested and the Board approved on a motion from M. Hauser and second from C. Barber a \$232,000 bid from Hildebrand Renovation for the upgrading of units in the Morgan and Perry Buildings. Four units are being combined into three. All will be one bedrooms with kitchenettes.. One unit is already pre-sold. Two bids were received, one from Hildebrand for \$232,000 and another from Plant Construction for \$365,000. After two committee members independently reviewed the bids, they determined the Hildebrand bid was appropriate. Permits are ready to proceed.

V. Open House at University Mound Ladies Home

J. Kayser-Jones reported on the recent open house held by University Mound Ladies Home for their new Hospice/Palliative Care Unit. After a near-closing due to severely deteriorating financials, seven new board members spear-headed a turnaround with the new Hospice/Palliative Care Unit as a centerpiece. UMLH reflects what strong collective leadership can do in a short time. The Board will invite two of their Board members to come and share their experience.

VI. Old Business

P. Tudor called attention to the Board's New Action Items, a more disciplined process to keep track of projects brought up at Board meetings so they do not fall through the cracks. Board Action Items will be updated monthly.

VII. New Business

P. Tudor noted that the 2010 AAHSA Conference takes place October 30-November 3 with three Board members participating (L. Pilz, P. Tudor, L. Van Houten) and three staff participating (M. Hastings, C. Johnson, P. De Martini). The participants will be reporting back at the November Board meeting.

VIII. Executive Session

The Board went into Executive Session at 3:45 PM for a strategic positioning session with S. Townsley to assist the Board in determining Who Do We Want to Serve and How to Serve Them.

IX. Adjournment

Chair D. Gruber, adjourned the meeting at 7:15 PM

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage
Board of Directors Meeting Minutes
September 22, 2010

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, September 22, 2010, at 3400 Laguna Street, San Francisco, CA 94123.

Directors Present: Carolyn Barber, Lewis R. Gridley, David Gruber, Mary Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Laura Pilz, Henry Safrit, Connie Tret, Pamela Tudor (by conference phone), Leslie Van Houten

Directors Excused: Andrew Carlson, Bruce Scollin

Staff Present: Marla Hastings, Executive Director

Staff Excused: Cindy Johnson, Controller; Pamela De Martini, Director Marketing and Development

Resident Representative Present: Lorraine Baxter

I. Call to Order

Chair D. Gruber called the meeting to order at 4:10PM.

II. Approval of Minutes

The August 24, 2010, minutes were approved by the Board. A request was made to clarify the dollars approved for the first stage of flat renovation. At the March 24, 2010 Board meeting up to \$125,000 was approved for permits, licenses and detailed construction documents. Further expenses are subject to Board approval.

III. Executive Director's Report

In addition to the Executive Director's Report, M. Hastings reported on the status of Medicare certification. L. Blair, who completed the Health Center Financial Report at the direction of consultant Bill Pierce, recommended that a Medicare Financial Analysis be done by HMS Consultants, who had done the original Medicare study in 2006, because it should be more cost effective for them to update their financial information. Additionally, M. Hastings reported: A final contract is being reviewed with the San Francisco Hearing and Speech Center who will provide onsite services to test hearing loss, to consult for hearing aids and to make minor repairs. Residents will have the choice to use them or not. The renovation of Room 314 is complete. James A. Malott Architects did a fine job, combining units, redefining space, and installing kitchens with granite counters and mirrors to expand the space.

A suggestion was made by Board members that the Board have a process to track action items so issues do not fall through the cracks. Also, a suggestion was made to

add to the agenda a place so Board members can submit new business and address old business. L. Van Houten, J. Kayser-Jones and P. Tudor will review and suggest a procedure at the October meeting.

IV. Flats' Task Team Update

T. Ottstott, chair, called attention to Timeline for Flats Project included in the Board packet identifying responsible individuals. The project is on schedule.

D. Gruber advised that flat tenants in 1536/38 will be out by October 1 and renters in 1530 will be out by December 31. The lease of the former tenants was bought out for \$12,000, the latter for \$36,000 for a total of \$48,000--under the budgeted \$55,000.

V. Health Center Advisory Committee Update

M. Hasting reported that the Financial Analysis of the Health Center done by L. Blair has been completed. The committee is determining a process to review the report's findings, evaluate and make recommendations. She also reported that a Health Center report is being developed that will provide, on a monthly basis to the Health Center Committee, a status of key data in order to assess, evaluate and assure high quality care.

M. Hastings reported that the Director of Nursing, Raygenia Stewart, passed her 90 day review. Ms. Stewart is performing her responsibilities well. Implementation is underway of MDS, the resident assessment tool for residents in the Health Center, and Point Click Care, a paperless charting system.

VI. Nominating and Board Education

M. Hauser, co-chair, reported that the Board officer's slate for 2011 is being considered. She asked Board members for their input. Five Board members are ending their three, three-year terms (D. Gruber, M. Hauser, J. Hickerson, L. Pilz, B. Scollin). Each has been asked and responded positively to serve another three-year term, with the exception of B. Scollin who responded interest in an additional one-year term. She reminded the Board that prospective Board members are needed for the pipeline and the committee is receptive to their thoughts.

Several Board members will be attending the AAHSA convention in Los Angeles October 31 to November 3. M. Hasting was requested to invite the new Directors of Nursing and Social Services and Activities so they could have the benefit of hearing of the latest in new ideas and practices in their fields that may be appropriate The Heritage.

VII. Resident Communication and Relations

L. Baxter asked that the residents see the new updated rooms. She called attention to the Resident Survey that was in the Board packet. M. Hastings will address operational issues, L. Pilz will review governance issues and both will report back to the Board on status. Some items have already been addressed. The annual picnic was attended by 39 independent residents and eight residents from the Health

Center. She expressed appreciation to the staff who did an outstanding job putting the outing together.

VIII. Who Do We Want to Serve Task Team Update

Laura Pilz, chair, reported that consultant Third Age has been retained with the first meeting scheduled with the Task Team next week. The Task Team will be looking at numerous models of senior services, including modified life care, alternative contracts, CCRC, assisted living, hospice, respite care, palliative care, home care, and others. Five references were contacted. All were enthusiastic regarding Third Age work, the implementation of their recommendations and had rehired the firm for continuing projects.

The Task Team goal is to come to a recommendation for a future direction on: Who Do We Want to Serve, What Do We Offer to Those We Serve, and an Implementation Plan and Timeline. The October Board session will be devoted to a session with Scott Townsley, Third Age principal, leading an input discussion. The Task Team will have one or two sessions with him to prepare for the meeting.

IX. Marketing/Development Committee Update

M. Hastings reported on behalf of P. De Martini. Two donations and letters of appreciation have been received by the family of a recently passed resident. The letters, expressing appreciation for the care received, in the Health Center were read to the staff. A more intentional plan for nurturing gifts from Health Center families and inclusion of staff in understanding the importance of gifts will be implemented by P. De Martini by year end.

She also related that Mud Worldwide, the advertising agency who had been selected to assist with the marketing of the studios, had to withdraw due to a conflict of interest letter requested by The Towers. Another firm suggested by Mud will be interviewed to assist with the immediate issue of filling these small units.

X. Executive Session

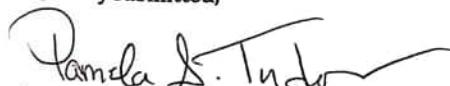
The Board went into Executive Session to discuss the Health Center.

XI. Adjournment

Chair D. Gruber adjourned the meeting at 5:30 PM.

Respectfully submitted,

Pamela A. Tudor
Secretary



**The Heritage
Board of Directors Meeting Minutes
August 25, 2010**

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, August 25, 2010, at 3400 Laguna Street, San Francisco, CA 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Lewis R. Gridley, David Gruber, Mary Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Otstott, Bruce Scollin, Connie Tiret, Pamela Tudor

Directors Excused: Laura Pilz, Henry Safrit, Leslie Van Houten

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director Marketing and Development

Residents' Representative Present: Lorraine Baxter

I. Call to Order

Chair D. Gruber called the meeting to order at 4:00 PM.

II. Approval of Minutes

The July 28, 2010, minutes were approved by the Board on a motion by M. Hauser and L. R. Gridley second.

III. Financial Report

Financial

C. Tiret reported nothing unusual in the July financials other than revenue continues to be down due to the lower census and a Board approved 3.5%, rather than 4%, increase in resident monthly care fees. This lower increase in resident fees was approved by the Board to take into consideration residents' reduced income in this year's difficult economy.

Investment

L. R. Gridley reported the conservative-oriented, investment portfolio continues to have mixed returns and to expect more volatility through year-end. Approximately \$1.9 million has been taken out of the portfolio through July 30 and the burn rate remains consistently high.

IV. Flats Task Team Update

P. Otstott, on behalf of the Flats Task Team, requested that the Board move and accept the committee recommendation to approve the renovation of the two flats up to the amount previously approved by the Board for permits, licenses and detailed construction documents, with further expenses subject to Board approval. The Board unanimously approved the committee request. She expressed appreciation to her team for their hard work (C. Barber, A. Carlson, P. De Martini, L. R. Gridley, D. Gruber, M. Hastings, M. Hauser, J. Hickerson, G. Ivelich). D. Gruber expressed appreciation to

P. Ostott and also her committee for moving the flats project forward so expeditiously.

P. Ostott outlined the process of the Flats Task Team: research on licensing and City codes; discussions with the Fire Marshall; interviews with architects, contractors and interior designers; consideration of marketing issues; dialogue with residents; and consideration of new resident integration into the community. The total cost of the renovation is estimated at \$2.3 million, which will include seven new units and nine studios (which are being combined into larger units) with higher-end, higher-revenue generating units. If the units are sold at the estimated entrance fees, the cost of construction will be re-covered and only a minimum amount will need to be taken from the endowment.

P. De Martini expressed that the renovated flats present an opportunity for The Heritage to offer an alternative cost structure. The Heritage could offer CCRC, i.e., pay as you go for service, which appeals to those who already have long-term care insurance in place. M. Hauser and C. Barber will work with P. De Martini and M. Hastings to look at alternative contracts that are currently being offered by other senior communities.

D. Gruber reported that one flat tenant has been bought out and discussions are underway to buy out the remaining tenant.

L. Baxter complimented the Board on a plan that will bring needed vitality into the community and a nucleus of new people to use the amenities provided here. She added that The Heritage will be able to offer a senior home that has no comparables in San Francisco.

C. Tiret expressed concern that the flats project may not fit with the outcome of the Who Do We Want to Serve? Task Team addressing this long-term, strategic issue. Expense should not exceed what has already been approved before a better understanding of The Heritage's future direction.

P. Tudor reported on behalf of the Who Do We Want to Serve? Task Team. Chair L. Pilz has the contract from Third Age, who has been retained to help the Board through the strategic planning process of determining "Who Do We Want to Serve?: Strategic Positioning, Direction and Implementation." The cost is \$30,000, less than the \$40,000 approved by the Board in Executive Session in July. L. Pilz will review the contract with the task team for their input. An initial meeting with Scott Townsley, principal, leading the process, will take place in September. The Board will be receiving an Executive Summary, timeline and information on a Board session with S. Townsley.

Other Board members expressed the importance for the two Task Teams to continue on parallel tracks, as the Flats Task Team will be ready to move to the next step in the next month or two.

V. Resident Communications and Relations

L. Baxter reported that the resident Health and Wellness Committee is very active with the purpose of keeping residents healthy and out of the Health Center. The Health Center, she expressed, is the place to visit or say good-bye. A physical therapist is working with residents to get people moving. Medical Director Dr. Matin is speaking to residents on the responsibility of each resident to keep healthy. On the "Walk Across America" project (residents wearing pedometers), the first city target is Sacramento, CA. She expressed great appreciation again for the Out and About program, funded by the Barrett and Margaret Hindes Foundation.

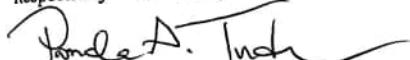
VI. Additional Business

P. Tudor expressed appreciation to P. De Martini for her considerable efforts, with able assistance from Patti Gallagher, for producing the *2009 The Heritage Highlights*. Year-to-date gifts received total \$50,000, including two generous gifts from residents and their estates in the amounts of \$10,000 and \$32,000.

VII. Adjournment

Chair D. Gruber adjourned the meeting at 5:30 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary

**The Heritage
Board of Directors Meeting Minutes
July 28, 2010**

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, July 28, 2010, at 3400 Laguna Street, San Francisco, CA 94123.

Directors Present: Carolyn Barber, Andrew Carlson, Lewis R. Gridley, David Gruber, Jane Hickerson, George Ivelich, Jeanie Kayser-Jones; George Morris, Patricia Ostott, Laura Pilz, Henry Safrit, Pamela Tudor, Leslie Van Houten

Directors Excused: Mary Hauser, David Hines, Bruce Scollin, Connie Tiret

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development

Residents' Representative Present: Lorraine Baxter

Guests: Raygenia Stewart, R.N., Director of Nursing, and Johanna LaPorte, Infection Control Preventionist

I. Call to Order

Chair D. Gruber called the meeting to order at 4:08 PM.

II. Norovirus Update

M. Hastings introduced new employee Johanna LaPorte, who is Infection Control Preventionist for The Heritage. J. LaPorte reviewed a Summary Report and Recommendations on the Norovirus outbreaks in April and May, the work of a subcommittee of the Infection Control Committee. The report included: what worked well; identified issues; and made recommendations. The virus is common in health communities.

III. Approval of Minutes

The June 23, 2010 minutes were approved by the Board on a motion by C. Barber and second by A. Carlson.

IV. Financial Report

Financial:

G. Morris reviewed the May and June financial report, focusing on June. Revenue is down as the census is down; deficit is up. Of the six new residents this year, five are frail, a trend. (Seniors are staying in their homes longer, weak economy, depressed housing market.) The financial impact of admitting frail residents was discussed. What will be the cost to The Heritage to serve the frail? This year actuarial consultant A. V. Power will be doing their survey (required every five years). What is The Heritage history on this issue? What percent of residents go from Independent Living to the Health Center? What is their length of stay in each? What is the cost per day for each? What other questions should we be asking and/or information needs to

be gathered to determine the financial impact of older residents coming into the community?

The question was asked if we are looking at different types of contracts, such as continuing care. The comment was made that we first need to determine who we want to serve.

Investment Report:

R. Gridley reported the investment portfolio is up slightly to date, and should end up slightly for the year. He also reported that meetings have been held with employees to explain the changes made to the employee retirement plan. The purpose of the changes was to provide more options for employees and provide a simplified process to make appropriate asset allocations. He expressed appreciation to G. Morris and C. Johnson for their work on this.

V. Executive Director's Report

M. Hastings added to her Executive Director's Report that Bob Pierce will be doing a Financial Audit of the Health Center in August assisted by Lynn Blair. A clinical assessment will follow.

She reported that a Falls Committee has been established. The Heritage experienced a high number of Independent Living resident falls in May. An assessment is being made of all residents using a risk assessment tool. Beginning in August, a regular report on status of falls experienced by residents will be made to the Health Center Advisory Committee.

M. Hastings reported on progress for possible Medicare certification. Appropriate space has been identified for physical and occupational therapy. Bob Pierce's financial review will include an assessment of the financial impact of Medicare.

VI. Flats Task Team Update

T. Ottstott, welcomed R. Gridley to the Flats Task Team. He is providing the needed financial information. She reported that the team has been planning for the potential renovation of the two flats buildings. The plan includes making parking available. A one-bedroom and studio would be added on the ground floor facing the garden. The two flats buildings would be connected by a common elevator with an interior lobby and skylight and connected to the Perry Building by a covered walkway.

R. Gridley expressed appreciation to P. De Martini for identifying proposed fees. Generally, he reported that even with the expense of renovation (estimated \$2 million), the ten additional residents will provide a positive cash flow. These residents, paying a higher monthly fee, would balance the residents we are losing with the combination of units. Entrance fees may cover the remodeling. Summarizing, the cash flow generated by monthly revenue and entrance fees should be close to cover the bottom line.

VII. Resident Communications and Relations

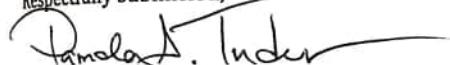
L. Baxter requested that the Board not forget needed upgrades in the existing buildings, such as upgraded lighting in the hallways and expressed hope that the residents would not lose a Guest Room, as this amenity was greatly appreciated by residents when families visit. The Fitness Center has been named the John Killeen Fitness Center and includes Circuit Training. The residents have collected ten boxes of school supplies to be sent to a Marine Battalion for distribution to schools in Afghanistan. The residents have also adopted a local school and will be sending donated school supplies. The residents Elephant Sale, utilizing a new format, raised \$3400, including a raffle for a dinner for six, at The Heritage, with managerial staff serving.

VIII. Adjournment

D. Gruber adjourned the meeting at 5:00 PM to go into Executive Session to discuss:

- An update from the Who Do We Want to Serve? Task Team and recommendation to engage the consultants of Third Age to help us address "Who Do We Want to Serve?: Strategic Positioning, Direction and Implementation"
- The Health Center Upcoming Financial Audit and Other Issues
- A proposal from the Marketing Committee to address the immediate need of identifying new markets to fill the difficult to market rooms.

Respectfully submitted,



Pamela A. Tudor
Secretary

**The Heritage
Board of Directors Meeting Minutes
June 23, 2010**

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, June 23, 2010, at 3400 Laguna Street, San Francisco, CA 94123

Directors Present: Carolyn Barber, Andrew Carlson, David Gruber, Mary Hauser, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Henry Safrit, Connie Tiret, Pamela Tudor

Directors Excused: Lewis R. Gridley, Jane Hickerson, Patricia Oststott, Laura Pilz, Bruce Scollin, Leslie Van Houten

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director Marketing and Development

Residents' Representative Present: Lorraine Baxter

Guests: Raygenia Stewart, RN, Director of Nursing

I. Call to Order

Chair D. Gruber called the meeting to order at 4:08 PM.

II. Introduction of Raygenia Stewart, Director of Nursing

D. Gruber welcomed to The Heritage Raygenia Stewart, new Director of Nursing (DON), who had served as interim for the past nine months through GeriHealth Solutions, before taking the position permanently. He expressed appreciation to The Heritage Medical Director, Dr. Maryam Matin and Board Member H. Safrit for their role in encouraging her to apply. R. Stewart spoke to her priorities for the Health Center, among them implementing electronic health records and standards for potential Medicare licensing.

III. Approval of Minutes

The May 26, 2010 minutes were approved by the Board on a motion by M. Hauser and second by A. Carlson with the following change in the Facilities Committee update.

A. Carlson and G. Ivelich reported that conversations with Caruso firm did not yield satisfactory results and two additional Contractors were invited to submit bids. The numbers were much closer to our budget, and we are in Contract discussions with the low bidder.

IV. Financial Report

No financial report was presented.

V. Executive Director's Report

Adding to her Executive Director's Report, M. Hastings updated the Board on the status of possible Medicare certification. Two steps are needed: 1) Space for a Physical and Occupational Therapy Room as state regulations require a minimum 300 sq. ft. The Facilities Committee in partnership with the DON and Executive Director will identify space. 2) A RFP needs to be developed and sent out to consultants who will generate a financial assessment on estimated cost and revenue of Medicare Certification. M. Hastings will write the RFP and identify two-three firms, and the Health Center Advisory Committee in partnership with M. Hastings and the DON will interview.

G. Morris spoke to a discussion with Consultant Bob Pierce, who was introduced to him by B. Scollin. Mr. Pierce has extensive experience in running nine nursing units in the San Francisco Bay area, and offered his time to evaluate our Health Center. A consultant is also needed to help us identify and evaluate costs. J. Kayser-Jones suggested the DON at The Towers would be a good resource. M. Hastings added additional comments regarding the recent outbreak of the Norovirus and the steps being taken to reduce the potential for further outbreaks.

VI. Flats Task Team Update

A. Carlson reported that Jim Malott, Architect, will be giving preliminary architectural drawings to Plant Construction with an outline of specifications. A budget for review will be presented at the July Board meeting.

VII. Resident Communications and Relations

L. Baxter expressed appreciation to D. Gruber, R. Gridley and C. Johnson for their reports at the Residents' Council Semi-Annual Meeting, and to the Board for the television sets they provided for each resident in the Health Center. She reported the residents are busy with community service work, including providing 20 bags for Goodwill, a monthly collection of food for the Food Bank, and school supplies for Afghan school children.

VIII. Adjournment

D. Gruber adjourned the meeting at 5:17 PM.

Respectfully submitted,


Pamela A. Tudor
Secretary

**The Heritage
Board of Directors Meeting Minutes
May 26, 2010**

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, May 26, 2010, at offices of Calegari and Morris at 123 Mission Street, San Francisco, California.

Directors Present: Carolyn Barber (by conference phone), Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Jamie Kayser-Jones, George Morris, Patricia Otstott, Laura Pilz, Connie Tiret, Pamela Tudor, Leslie Van Houten

Directors Excused: Henry Safrit, Bruce Scollin

Staff Present: Marlu Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director Marketing and Development

Residents' Representative Excused: Lorraine Baxter

I. Call to Order

Vice Chair L. Pilz called the meeting to order at 4:13 PM, temporarily filling in for Chair D. Gruber who arrived after concluding an interview for the Director of Nursing along with Health Center Advisory Committee members.

II. Approval of Minutes

The April 28, 2010 minutes were approved with minor changes by the Board on a motion from A. Carlson and second by G. Morris.

III. Financial Report

R. Gridley reiterated the \$3 million deficit anticipated for the 2010 fiscal year.

IV. Facilities Update

A. Carlson and G. Ivelich reported that conversations with Caruso firm did not yield satisfactory results and two additional Contractors were invited to submit bids. The numbers were much closer to our budget, and we are in Contract discussions with the low bidder.

V. Flats Task Team Update

P. Otstott briefed the Board on the progress made with the architect, contractor and designer for the flats, including integration of the flats with The Heritage and an elevator to serve both buildings. Firm bids are expected in July with cost estimated within 5%. One remaining tenant needs to be addressed. The approval process with the city was outlined. After Board discussion, it was agreed that marketing for the flats should not begin until the longer-term strategic issue "Who Do We Want to Serve?" was further defined. A protocol needs to be established for a list of potential residents, which should include residents and long-time friends of The Heritage.

VI. Resident Communications and Relations

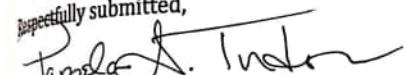
No report.

VII. Adjournment

P. Gruber expressed appreciation to Calegari & Morris for providing the temporary meeting space for the Board meeting necessitated by the on-going Norovirus outbreak at The Heritage.

He adjourned the meeting at 5:38 PM to go into Executive Session to discuss strategic issues and the Health Center.

Respectfully submitted,



Pamela A. Tudor
Secretary

**The Heritage
Board of Directors Meeting Minutes
April 24, 2010**

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, April 24, 2010, at The Heritage, 3400 Laguna Street, San Francisco, California.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Molly Hauser, David Hines, George Ivelich, Jeanie Kayser-Jones, Laura Pilz, Henry Safrit, Connie Tiret, Pamela Tudor

Directors Excused: Jane Hickerson, George Morris, Patricia Otstott, Bruce Scollin, Leslie Van Houten

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director Marketing and Development

Residents' Representative Present: Lorraine Baxter

I. Call to Order

D. Gruber called the meeting to order at 4:12 PM.

II. Approval of Minutes

The March 24, 2010, minutes were approved by the Board on a motion from M. Hauser and second by C. Tiret.

III. Financial Report

C. Tiret reported that the Health Center wages continued to exceed budget and food costs were also over budget. Regarding the annual resident fee increase, the Finance Committee recommended a 3.5% increase rather than 4.0% increase as originally budgeted to take into consideration residents' reduced income due to the difficult economy. The Board approved on a motion from A. Carlson and second from M. Hauser that the budget be revised to reflect the 3.5% increase in resident annual fees.

C. Tiret commented that the 2009 audit report had no management comments and expressed appreciation to C. Johnson and the staff for their assistance.

IV. Facilities Update

G. Ivelich presented architectural drawings for the units that are about to be remodeled/combined in the Perry Building. The drawings, done by James S. Malott, the architects for the flats, reflected good suggestions. Contractor bids and building permits are being sought. When completed, these units will be a good test as to their marketability. Concurrently, a marketing consultant is being considered to provide recommendations on marketing the units.

V. Flats Task Team Update

Andy Carlson reported on the flats progress. The architect has completed the initial design and, after reviewing three contractors, the committee recommended to the Board to hire Plant Construction Company, who had the most detailed proposal, the best fee structure and a reputation for excellence. The Board approved on a motion from C. Tiret and second from D. Gruber the hiring of Plant Construction Company as the general contractor for the flats project.

D. Gruber reported that he has met with first set of tenants who have agreed to move out by August 31. The Board approved on a motion from R. Gridley and second from G. Ivelich to buy out the tenants with four months free rent.

VI. Resident Communications and Relations

L. Baxter asked D. Gruber to make a presentation to the Residents Council on May 25, including an overview on the plans for the flats. She complimented the staff on their management of the quarantine necessitated by the latest norovirus outbreak and keeping the residents well feed and informed. She reported on the Wellness Committee's efforts to keep the residents active, stimulated and moving. Pedometers have been ordered to measure resident progress as they walk towards their goal of walking across the United States.

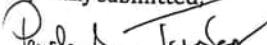
VII. Executive Director Report

M. Hasting reported a candidate for the Director of Nursing position will be interviewed May 15. Data on Health Center residents will become a part of the monthly Board packet. She provided the Board with a presentation on Medicare Certification, refreshing the Board's understanding of the work of the HFS Consultants done in 2006.

VIII. Adjournment

The meeting was adjourned at 5:51 PM and the Board went into Executive Session to discuss long-term strategy issues.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage
Board of Directors Meeting Minutes
March 24, 2010

A meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("The Society" or "The Heritage") was held on Wednesday, March 24, 2010, at The Heritage, 3400 Laguna Street, San Francisco, California.

Directors Present: Carolyn Barber, Andrew Carlson, Lewis Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Laura Pilz, Henry Safrit, Bruce Scollin, Connie Tiret, Pamela Tudor, Leslie Van Houten

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller

Staff Excused: Pamela De Martini, Director of Marketing and Development

Residents' Representative Present: Lorraine Baxter

I Call to Order

D. Gruber, Chair, called the meeting to order at 4:07 PM. He expressed appreciation to the Board Members who had been at The Heritage since 9:00 AM to interview architects for the remodeling of the Francisco Street flats.

II Consent Agenda

The February 2010 Board Minutes were approved on a motion from C. Tiret and second from G. Morris.

The Finance, Investment and Facilities Committees had no action items nor reports. The Executive Director had no further comment to the March 24, 2010 Executive Director's Report.

III Flats Task Team Update

T. Ostott reported that the task team interviewed four architects, each accomplished, but one stood out, James S. Malott. A motion was made by G. Ivelich, seconded by C. Barber and approved by the Board to proceed with negotiating a contract with James S. Malott Architects within the fee range of \$100,000 to \$125,000 or 10% of project cost with the schematics not to exceed \$7500. If architect fees can not be negotiated within this range, the second choice architect will be contacted. Fees would include remodel of the six units and possible utilization of the rear of the buildings for garden units. He emphasized the number of unknowns. The team would like to use the same architect for the unit remodels.

IV. Resident Communications and Relations

L. Baxter thanked the Board for the new elevator and praised the staff for accommodating third and fourth floor Perry building residents. Friday evening wine service, enjoyed during the elevator remodeling, will be continued at residents' request. L. Baxter spoke to a city program "Always Active," which is being implemented for residents.

V. Adjournment

The Board meeting adjourned at 4:23 PM to go into Executive Session to discuss strategic themes affecting The Heritage's future.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage
Board of Directors Meeting Minutes
February 24, 2010

Meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, February 24, 2010, at The Heritage, 3400 Laguna Street, San Francisco, California.

Directors Present: Carolyn Barber, Andrew Carlson, Lewis Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Lura Pilz, Henry Safrit, Bruce Scollin, Connie Tiret, Pamela Tudor, Leslie Van Houten

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller

Staff Excused: Pamela De Martini

Residents' Representative: Lorraine Baxter

I. Call to Order

D. Gruber called the meeting to order at 4:10 PM.

II. Approval of the Minutes

The January 27, 2010 minutes were approved by the Board on a motion from M. Hauser and C. Barber.

III. Financial Report

Financials: C. Tiret reported on the 2009 financial results. Total operating expenses exceeded operating revenue by \$767,000 primarily due to the census being down and considerable Health Center expenses, including consultants. The 2010 Capital Budget was approved by the Board, minus a request for web enhancement, on a motion from A. Carlson and second by M. Hauser.

Investments: L. Gridley noted the investment portfolio was slightly behind the benchmark for the month of January. Volatility is expected through the year.

IV. Facilities Committee

G. Ivelich reported on the challenges of installing new TV's for each resident in the Health Center, the progress on the Perry elevator replacement and updating the unmarketable units. L. Gridley spoke to the estimated annual income versus construction cost for the unit upgrades. Work will be done gradually to test. L. Baxter requested that choices be offered and suggestions be sought from prospective residents, as well as obtaining input from current residents. Regarding the flats, G. Ivelich noted that the fence behind the units will be coming down, and a ramp and covered walkway built. A real estate agent will be consulted to help identify comparable market rates.

V. Flats Task Team Update

P. Ostott reported that the scope of work has been completed and four architects have been identified for interviewing in March. Perspective residents will be able to request upgrades and pets will be allowed.

Development Committee Update

P. Tudor drew attention to the 2009 Fundraising results, which totaled \$102,043. The results saw increases in the gifts from friends and relatives of former residents and the year-end appeal letter. Exceptional gifts were received from the Barrett & Margaret Hindes Foundation (\$30,000), an anonymous gift (\$5,000) and Mark A. Cozad, son of deceased resident Mary Cozad, (\$10,000).

Resident Communications and Relations

L. Baxter reported that this year's Elephant Sale will be the last one and the residents hope to raise \$3,000 with a resident calendar. She praised the Community Music Center and their performances for residents and noted that a masseuse service will be available weekly to residents. She recounted the numerous ways that residents are giving back to the broader community and reiterated the importance of bringing younger residents into The Heritage, which provides needed vitality in the community.

III. Health Center Advisory Committee—no report

Trends Affecting The Heritage

P. Tudor called attention to the report "Trends that are Affecting The Heritage" prepared by senior staff (M. Hastings, C. Johnson, P. De Martini), Board attendees of the AASHA National Conference (A. Carlson, P. Otstott, P. Tudor) and The Heritage residents (L. Baxter and M. Jacobs). The trends will be addressed in more detail during the discussion on the Strategic Snapshot Summary.

I Expansion Committee

L. Pilz reported that the committee will be evaluating the final reports from the five grantees in 2009 and will be making a recommendation to the Board regarding grants in 2010.

II Adjournment

The meeting adjourned at 5:34 PM. The Board went into Executive Session to discuss the Summary of the Strategic Snapshot.

Respectfully submitted,



Pamela A. Tudor, Secretary

**The Heritage
Board of Directors Meeting Minutes
January 27, 2010**

Meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Heritage" or "The Heritage") was held on Wednesday, January 27, 2010, at The Heritage, 3400 Laguna Street, San Francisco, California.

Directors Present: Carolyn Barber, Randy Gridley, David Gruber, Jane Hickerson, David Hines, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Laura Pilz, Henry Safrit, Bette Scollin, Pamela Tudor, Leslie Van Houten

Director Excused: Andrew Carlson, Molly Hauser, Connie Tiret,

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller

Staff Excused: Pamela De Martini

Residents' Representatives: Lorraine Baxter (2010), Margaret Jacobs (2009)

I Call to Order

D. Gruber called the meeting to order at 4:08 PM. He welcomed new Board member David H. Hines to the Board of Directors. David announced the resignation of Elizabeth Stanners from the Board and he expressed appreciation to Margaret Jacobs, who served as Residents' Representative in 2009, for her wise insights and good contributions to Board discussion.

I Approval of the Minutes

The December 16, 2009, minutes were approved by the Board on a motion from G. Morris and second from R. Gridley.

I Financial Report

November Financials: C. Tiret reported on the November financial report and the year-to-date operating revenue deficit of \$257,000 primarily due to unoccupied/difficult to market units and a \$363,000 operating expense loss primarily due to Heath Center expenses. **2010 Budget:** G. Morris presented the 2010 Budget noting it is a cause of concern. Total projected revenue is \$5.1 million. Projected expenses are \$8.1 million resulting in an operating loss of \$3 million. He noted over the long term such continued losses are unsustainable. The Health Center is the primary issue with a \$445,000 increase in expenses. A Task Team is reviewing the situation. The 2010 Budget was approved by the Board on a motion from B. Scollin and second by R. Gridley. He noted the 2010 Capital Budget Draft is on hold.

G. Morris brought to the Board's attention a document dated December 31, 2009, on "The Heritage Endowment Spending Policy—Out and About Fund" and a cover letter dated January 21, 2010, from the Budget & Finance Committee to the Society Board. The Out & About spending policy provides spending guidelines and defines oversight of the program spending. Out & About was established for the purpose of providing opportunities for The Heritage residents, at all levels of care, to enrich their day-to-day life experiences outside The Heritage. The program was endowed by a \$520,000 donation from the Barrett and Margaret Hindes Foundation in 2009.

Investment Portfolio: R Gridley reported that the portfolio is regaining its losses from 2008. Withdrawal to support operating losses is ahead of the target of 3% yearly with the Health Center as the primary problem. He encouraged Board members to attend the Bernstein Wealth Management portfolio review, held twice yearly, Wednesday, February 3, 3:00 PM.

I. Executive Director's Report

M. Hastings reported that the Health Center had their unannounced licensing compliance survey by the Department of Public Health on December 29-31. At the exit conference, the survey team complimented The Heritage on overall good care and compliance. They found no substandard quality of care level deficiencies. They found six low level deficiencies. Corrections were implemented immediately. A copy of the report was provided to Board members.

She reported three candidates had been interviewed for the Director of Nursing position. Two did not have the qualifications and one was an excellent fit for The Heritage. The candidate will advise us February 10 if interested in pursuing the position.

M. Hastings brought to the Board's attention: the dialogue taking place and alliances being formed among the members of the Freestanding Network, a network of senior care facilities that are not part of a corporation (The Heritage is a member); and the movement towards person centered care.

II. Facilities Update

G. Ivelich reported that the Perry elevator project was on schedule. The issues of attaching the large TV screens to the walls for each Health Center resident are under study so to meet OSPOD regulations. Two resident units are being updated.

He reported that the Ad Hoc Committee met, reviewed The Heritage inventory of rooms, and identified problems and possible solutions for Independent, Assisted Living and the Health Center. R. Gridley will look at the numbers to determine loss revenue versus revenue gain. G. Ivelich also emphasized the importance of getting our message out and the need for a professional to support staff and help develop a marketing plan to meet the increased marketing efforts of our competition.

III. Development

M. Hastings brought to the Board's attention that P. De Martini is arranging tours at the Sequoias, Carlisle and the Towers, so the Board can personally see our competition.

IV. Resident Communications

M. Jacobs spoke to depression and its increasing affect on residents as residents stay independent longer, live longer, yet experience loss of "life" in the community. L. Baxter urged the Facilities Committee to consult with the residents before combining and upgrading the units. She asked the Board for suggestions to find the technical help needed to implement the John Killeen Fund, which is designated to enhance the sound in meeting rooms for the hearing impaired. They complimented the Out and About program and noted that residents and staff had collected \$2,500 to send to Doctor's Without Borders for victims of the Haiti earthquake.

flats Task Team

T. Ostott reported that two architects are being interviewed for the flats conversion to independent living units. P. De Martini stated that she can presale these units. No issues with the city are apparent at this time.

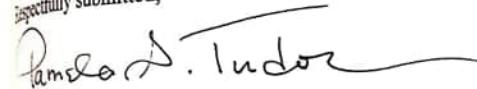
i. Nominating/Board Education

P. Tudor thanked Board members for completing the Board of Directors Strategic Snapshot. The Board member comments are the first step in updating the strategic plan and setting 2010 priorities. A meeting with staff and Board AASHA attendees will identify current and emerging trends that will also be an important part of the discussions.

Adjournment

The Chair announced adjournment at 6:15PM.

Respectfully submitted,



Pamela A. Tudor, Secretary

**The Heritage
Board of Directors Meeting Minutes
December 16, 2009**

Meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, December 16, 2009, at The Heritage, 3400 Geary Street, San Francisco, California.

Directors Present: Carolyn Barber, Andrew Carlson, Douglas Day, Randy Gridley, David Gruber, M. Hauser, Jane Hickerson, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Jerry Pilz, Henry Safrit, James Sherman, Connie Tiret, Pamela Tudor, Leslie Van Houten
Directors Excused: Bruce Scollin, Elizabeth Stanners

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller

Staff Excused: Pamela De Martini

Residents' Representative Excused: Margaret Jacobs

Call to Order

D. Gruber called the meeting to order at 4:06 PM.

Approval of the Minutes

The October 28, 2009, minutes were approved by the Board on a motion from M. Hauser and second from R. Gridley.

Financial Report

Budget: G. Morris presented the 2010 budget draft, which is projecting a \$3 million deficit. He spoke to the large draw down on the endowment to fund operations, which will exceed the usual 3% of past years, and the impact on sound fiscal health if such deficits continue. (Draw is based on a formula calculating approximately a 6% appreciation with one half used for operating and one half left to grow the portfolio.) A perfect storm exists--a poor economy, seniors living longer and a changing market place--seniors remaining in their homes longer, one example. The Health Center is the primary problem. The Health Center Advisory Committee is addressing the issues for the short term. A Task Force of G. Morris, R. Gridley, G. Ivelich, C. Tiret will study and propose alternatives for the longer term. A Task Force headed by G. Ivelich, including C. Barber, M. Hauser, J. Hickerson, P. Tudor, M. Hastings, P. De Martini, will be meeting to determine solutions for the unmarketable studios, currently numbering seven. A request from Marketing for a \$25,000 marketing study was delayed until the fore mentioned task force meets to define the goal of the study and expectations of outcome.

Financials: C. Tiret reviewed October financials. Operating expenses are up due to: staffing changes in Health Center; fees to consultants to bring up standard of care; overall census is down; revenue is down. Fees need to change to account for the aging population and additional care needed. 41% of residents are over the age of 90.

Executive Director's Report

M. Hastings called attention to the Perry Elevator Replacement Plan, which affects 27 residents. Scott and Nancy Hindes, two of The Heritage's major donors, have made arrangements for unlimited free visits to the Exploratorium. J. Hickerson, as in past years, gifted 32 small Christmas trees in honor of her mother and father to brighten the space of

each resident in the Health Center. D. Gruber extended a special thank you to her for her generosity over the years.

Marketing/Development Update

T. Ostott reported that the Development Committee has received gifts of \$50,000, as budgeted, and 100% of the Board members participated in gifting in 2009.

Resident Communications and Relations

As the newly elected president of the Residents' Council, Lorraine Baxter will be the new residents' representative to the Board in 2010.

Health Center Advisory Update

D. Gruber provided an update on the Health Center on budgeting, recruitment status for a Director of Nursing and a 12-month plan.

I. Nominating/Board Education Committee Update

- The revised Bylaws and Restated Articles of Incorporation were unanimously approved on a motion by J. Sherman and second by M. Hauser.
- The slate of officers for 2010 was unanimously approved on a motion from M. Hauser and second by J. Hickerson: D. Gruber, Chair; L. Pilz, Vice Chair; G. Morris, Chief Financial Officer; P. Tudor, Secretary.
- The Board voted unanimously on a motion from M. Hauser and second by G. Ivelich to renew the third, three-year term for H. Safrit, L. Van Houten and G. Morris, and to extend another three-year term for P. Tudor, who had completed three, three-year terms.
- David H. Hines was unanimously approved by the Board as a new member on a motion by M. Hauser and second by J. Hickerson.
- Retiring from the Board after their three, three-year terms are D. Day and J. Sherman. D. Gruber expressed appreciation to both for years of service to The Heritage. J. Sherman had served on the Board of Trustees and Board of Directors for over 20 years, following a long family tradition

II. Flats Task Team Update

T. Ostott reported that the committee is finalizing plans for the building's update. Architects for the remodel will be interviewed in early January.

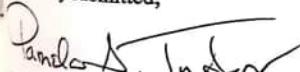
III. Expansion Committee Update.

L. Pilz reported the committee will provide reports in January on each of the five non profits who received funding in 2009. Interest has been expressed for continued funding. Questions for 2010: Where does the program go from here? The committee desires to maintain a program at some level. The program will be communicated to our friends so they know how The Heritage is impacting the community beyond our walls.

IV. Adjournment

The Chair announced adjournment at 5:50 P.M.

Respectfully submitted,


Pamela A. Tudor

Pamela A. Tudor, Secretary



The Heritage Board of Directors Meeting Minutes October 28, 2009

Meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, October 28, 2009, at The Heritage, 3400 Polk Street, San Francisco, California.

Board of Directors Present: Carolyn Barber, Andrew Carlson, Doug Day, Randy Gridley, Sally Hauser, Jane Hickerson, George Ivelich, George Morris, Patricia Ostott, Henry Safrit, Sue Scollin, Connie Tiret, Pamela Tudor, Leslie Van Houten

Director Excused: Jeanie Kayser-Jones, Laura Pilz, James Sherman, Elizabeth Stanners

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller

Staff Absent: Pamela De Martini

Residents' Representative Present: Margaret Jacobs

I Call to Order

D. Gruber called the meeting to order at 4:10 PM.

II Approval of the Minutes

The September 23, 2009, minutes were approved by the Board on a motion from M. Hauser and second from D. Day.

III Financial Report

Financials: C. Tiret reviewed the September financials. Revenues remain down due to decrease in occupancy and expenses are above budget due to unbudgeted expenses of severance pay for Director of Nursing and recruiting for a new director, Health Center consultants and elevator upgrade. Six studios are still available.

Investments: R. Gridley reported the market continues to improve. The portfolio is ahead of the indexes year-to-date.

IV Executive Director's Report

M. Hastings called attention to statistics 2003-2009 (year-to-date) that reflect a higher number of resident deaths in the past two years. The census age is older and more frail. She reported on the status of the recruitment for a new Director of Nursing.

V Marketing/Development Update

T. Ostott reported on the three new residents in October. Their ages 70, 71 and 75 will add synergy to the resident population. She reminded the Board members to send in their annual gift as 100% participation is important.

VI Resident Communications and Relations

M. Jacobs reported on the success of the Out and About program, which is popular with the residents and heavily used.

Health Center Advisory Update

D. Gruber provided an update on the Health Center. He emphasized the Health Center is responsible for all residents not only the patients in the Health Center. Approximately \$60,000 to \$70,000 to date, has been spent on consultants who are working to raise the level of care to the highest standards. He thanked the committee— Jeanie Kayser-Jones, Henry Safrit, and Leslie Van Houten—for their time and hard work.

Flats Task Team Update

T. Ostott reported that the Code Consultants found no code issues. The team is working with the Department of Social Services regarding licensing. If the flats remain independent living, licensing should not be a problem. Installing elevators will be explored. A review by the Fire Marshall will take place shortly. D. Gruber and A. Carlson hosted a tour of the flats for Board members prior to the board meeting. The board expressed enthusiasm for converting the flats into residences and integrating these properties into The Heritage life care community. The buildings include four, one-bedroom units and two, large two-bedroom units.

Facilities

D. Day reported that the work on the Perry Building elevator will begin in January and a plan is being developed to support the residents. The committee is addressing the difficult to market studio units. A solution is being sought that meets OSHPD (Office of Statewide Health Planning and Development) approval to mount the new televisions to the walls in the Health Center rooms.

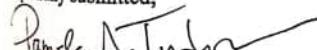
Other

D. Gruber will report at the next meeting on exploring a possible fundraising effort. Three Board members will be rotating off the Board at year end. The Bylaws indicate such Board members, at the invitation of the Board, can be invited to stay or return after a year's absence with a majority Board vote. He asked for Board input on providing the Nominating Committee with this flexibility.

Adjournment

The Chair announced adjournment at 5:30 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage
Board of Directors Meeting Minutes
September 23, 2009

Meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, September 23, 2009, at The Heritage, 3400 Polk Street, San Francisco, California.

Board of Directors Present: Carolyn Barber, Andrew Carlson, Douglas Day, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, George Ivelich, Jeanie Kayser-Jones, George Lewis, Patricia Ottstott, Laura Pilz, Henry Safrit, Bruce Scollin, Connie Tiret, Pamela Tudor, Julie Van Houten. Jamie Sherman on speaker phone.

Director Excused: Katie Murer, Elizabeth Stanners

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development

Residents' Representative Present: Margaret Jacobs

Guest: Tom Ciccarelli, Director, Department of Psychology, Institute on Aging, Recipient of The Heritage Community Grants program

Presentation from Institute on Aging: T. Ciccarelli provided the Board an overview of the Institute on Aging, one of the five non profits to receive a grant from The Heritage Community Grants program. The community grants program was established to increase the scope and reach of the Society and to impact more seniors in San Francisco. The goal of the Institute of Aging is to keep seniors living independently as long as possible.

I Call to Order

D. Gruber called the meeting to order 4:37 PM. He announced the resignation of Board Member K. Murer due to other obligations.

II Approval of the Minutes

The July 22, 2009, minutes were approved by the Board on a motion from M. Hauser and second from D. Day.

III Financial Report

Financials: C. Tiret reviewed the August financials. Revenues are down due to decrease in occupancy and expenses are above budget due to unbudgeted expenses. Occupancy, however, is improving with several new residents due to move in and several units with deposits awaiting health reports. P. De Martini related several units continue to be difficult to market due to small square footage (average 255 sq. ft)—considerably less than the smallest units at competitors Sequoias (375 sq ft) and Tamalpais (415 sq. ft.)

Investments: R. Gridley reported the market has improved. The portfolio is up 16.5% year-to-date after fees, catching up with the indexes. Compared with the indexes, long term the portfolio should do well.

Executive Director's Report

M. Hastings called attention to the Executive Director's report. Additionally: A new system has been implemented to alert residents when the mail has been delivered to their mailboxes. An announcement is made over the public address system. The payment problem with Self Help for the Elderly has been resolved. John Killeen, who has been with The Heritage over 36 years, will retire this year. A farewell celebration will be held following the October Board meeting with reception and dinner.

Marketing/Development Update

P. De Martini spoke to a special fall incentive promotion that would offer a savings on entrance fees to generate added interest. The one-time incentive program for reduced entrance fees for applications submitted by certain dates was unanimously approved by the Board on a motion by G. Morris and second by R. Gridley.

Resident Communications and Relations

M. Jacobs reported that the residents have raised over \$8,000 for a gift for long-time employee John Killeen, Director of Activities. To honor his considerable contributions to The Heritage community, and his concern regarding residents with hearing impairment challenges, the residents agreed to use the gift monies to enhance and upgrade the sound on TV sets and sound systems in the public rooms (Chapel, McGinley Room, Fitness Center). Extra money will be used for a special Health Center activities fund.

Flats Task Team Update

T. Ostott reported that the task team's mission is to develop a plan to convert the two flats on Francisco Street into residences whereby the residents would participate in all the advantages of Life Care provided by The Heritage. The units in the buildings would be upgraded and include: four, one-bedroom units; two, large two-bedroom units; and possibly two garden units. Elevators would be added along with a walkway to the main building. From the street, the buildings would be kept as they currently are. The task team requested and the Board approved, on a motion from D. Gruber and second from M. Hauser, to contract with a consultant, time and materials not to exceed \$2,000, to identify zoning and code implications. The consultant, Rolf Jensen & Associates, Inc. specializes in code consulting services. The Board task team members are C. Barber, A. Carlson, Molly Hauser, D. Gruber, G. Ivelich and T. Ostott and Marla Hastings

VIII. Facilities

D. Day reported that the upgrade of the elevator will be resolved at the next meeting. He acknowledged the difficulty of renting the small studios and the difficult problem of combining them into larger units.

X. Adjournment

The Chair announced adjournment at 5:25 PM.

The Board held an Executive Session to discuss the work of the Health Center Advisory Committee and Health Center consultants.

Respectfully submitted,


Pamela A. Tudor
Secretary

The Heritage Board of Directors Meeting Minutes July 22, 2009

Meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, July 22, 2009, at The Heritage, 3400 Laguna Street, San Francisco, California.

Board of Directors Present: Carolyn Barber, Andrew Carlson, Douglas Day, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, George Ivelich, Jeanie Kayser-Jones, George Lewis, Patricia Ostott, Laura Pilz, Henry Safrit, Connie Tiret, Pamela Tudor

Director Excused: Katie Murer, Bruce Scollin, James Sherman, Elizabeth Stanners, Leslie Van Susteren

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela Martini, Director of Marketing and Development

Residents' Representative Present: Margaret Jacobs

Guest: David Knego, Executive Director, Curry Senior Center

I Call to Order

D. Gruber, Chair, called the meeting to order at 4:10 PM

II Presentation from Curry Senior Center

D. Knego provided the Board an overview of Curry Senior Center, one of the five non-profits to receive a grant from The Heritage Community Grants program. The program was established to increase the scope and reach of the Society and to impact more seniors in San Francisco.

III Approval of the Minutes

The June 24, 2009, minutes were approved by the Board on a motion from M. Hauser and second from C. Tiret.

IV Financial Report

Financials: C. Tiret reviewed the June financials. She called attention to the decrease in occupancy, although six applications are in process and two other rooms are reserved. Revenues are down. Expenses are holding steady. Two rooms remain unmarketable. The issue was sent to the Facilities Committee, who was asked to think "outside the box," yet in keeping with the community. A new direction may be required such as another use other than residents. Among possibilities to explore—respite care or short-time occupancy for families who care for elderly, need by retired artists from the symphony/ballet/opera.

Investments: R. Gridley reported the investment portfolio is in line with the indexes but volatility is expected to continue. The Heritage investment portfolio has a conservative bias.

Executive Director's Report

M. Hastings called attention to her Executive Director's Report and provided an update on the payment issue with Self Help for the Elderly.

Health Center

M. Hastings reported on Title 22 readiness and the resident small group meetings to focus on the Health Center services for independent and assisted-living residents.

Marketing/Development Update

P. De Martini spoke to: the applications in process: the success of the teas bringing new prospects and residents. Due to their success, another tea is scheduled for September 24th and a final marketing event is scheduled for October 8th. Dr. Neal Birnbaum, Director of Rheumatology at C.P.M.C. and Clinical Professor of Medicine at U.C.S.F., will present a lecture on arthritis and other joint pain. Pamela also related the continued requests for two-bedroom units and one-bedroom units with kitchenettes.

III. Resident Communications and Relations

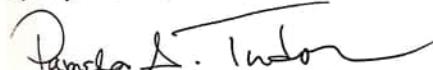
M. Jacobs reported on the effort to make more use of the back garden and the White Elephant sale. Proceeds go towards the Employee Appreciation Fund and Board members are encouraged to participate. The meetings on Health Center policies were well received.

IV. Adjournment

The Chair announced adjournment at 5:10 PM.

The Board held an Executive Session to discuss the work of the Health Center Advisory Committee and Health Center consultants, and progress on the Task Team formed to identify how best to incorporate the flats into the resident community.

Respectfully submitted,



Pamela A. Tudor
Secretary

**The Heritage
Board of Directors Meeting Minutes
June 24, 2009**

Meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Society" or "The Heritage") was held on Wednesday, June 24, 2009, at The Heritage, 3400 Laguna Street, San Francisco, California.

Board of Directors Present: Carolyn Barber, Randy Gridley, David Gruber, Molly Hauser, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Laura Pilz, Henry Safrit, C. Tiret, Pamela Tudor

Directors Excused: Andrew Carlson, Douglas Day, Jane Hickerson, Katie Murer, Bruce Scollin, G. Sherman, Elizabeth Stanners, Leslie Van Houten

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela Martini, Director of Marketing and Development; Corky Rockwell, Director of Nursing

Residents' Representative Present: Margaret Jacobs

Guest: Aurele Carlat, Vice President, Board of Directors, San Francisco Village

Call to Order

D. Gruber, Chair, called the meeting to order at 4:06 PM

Presentation from San Francisco Village

A. Carlat provided the Board an overview of San Francisco Village, an intentional community established in San Francisco in 2008 to support seniors who wish to age in their homes. San Francisco Village was one of the five grantees to receive funds from The Heritage Community Grants program, established to increase the scope and reach of the Society and to impact more seniors in San Francisco.

Approval of the Minutes

The May 27, 2009, minutes were approved by the Board on a motion from M. Hauser and second from B. Barber.

Financial Report

Financials: C. Tiret reviewed the May financials. Revenue continues to decline with the declining census (two more deaths in May). Expenses are holding, if a bit below, due to the lower census and cost costing. Investment income has improved.

G. Morris reported Self Help for the Elderly is behind three months in payments. Letters and telephone calls have not been answered. After discussion, the Board concurred that a letter from The Heritage attorney should be sent stating that the program will not be continued after the current contract ends (July 1) until the agency brings current money owed. M. Hastings will also seek more information from executives at the Center on Aging, the supervising agency, and D. Gruber will contact the president of their Board to informally inquire about their situation.

Investments: R. Gridley met with Bernstein Global Wealth Management to discuss the current allocation of stocks to bonds in light current market conditions and risks.



Executive Director's Report

M. Hastings called attention to the May Executive Director's report. She provided details on the cost to refurbish the Perry Building elevator and emphasized, according to two elevator contractors, that safety was not an issue. Upgrades will be made to the controls, the cab and door. The Board approved on a motion from M. Hauser and second from C. Tiret to authorize the Facilities Committee to review the bids, select a contractor and authorize work not to exceed \$250,000. As the elevator is the primary egress for the third floor besides the staircase, the needs of the residents will be of utmost concern. The need for a Capital Assessment and Depreciation Plan to identify and plan for these large capital expenditures will be brought forward to the Facilities Committee. M. Hastings brought to the Board's attention the Department of Public Health's Citation received following a self-reported complaint that took place in October 2008. An appeal is being considered.

Health Center Report

C. Rockwell reported on the progress of Title 22 compliance.

Health Center Committee

D. Gruber commented that the final report from Health Center consultants, geriHealth solutions, reviewing all aspects of the Health Center will be completed by end of July.

Marketing/Development Update

P. De Martini reported two new couples, who attended the February tea, have applied for residency to The Heritage. Several other good prospects, who also attended the teas, are considering The Heritage. She recommended that additional price reductions be made for the difficult to market units. The Board approved on a motion from M. Hauser and second from C. Barber that a one bedroom will be reduced from \$175,000 to \$165,000 and two studios will be reduced from \$85,000 to \$75,000.

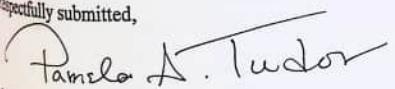
Resident Communications and Relations

M. Jacobs encouraged Board members to read the resident newsletter "The Heritage Happenings," and minutes of the Residents' Council Executive Committee to know of the concerns and accomplishments of the community. She also commented on the impact on community's vitality as the average age of residents increases (average age in 2009 is 88.3 years versus 85.5 years in 1999) and the importance of being aware of this shift. Advocacy is a significant issue as this generation finds it hard to speak up for themselves. A resident advocacy program is being formalized.

Adjournment

D. Gruber announced a task force is being formed to review the best utilization of the four flats, the issues associated with integrating this resource into the community and maximizing revenue. He announced adjournment at 5:48 PM.

Respectfully submitted,


Pamela A. Tudor

Pamela A. Tudor
Secretary



Mr. Morshead presented the report of the Chief Financial Officer stating that, based on the first 5 months of the year, the Society is \$40,000 behind on the projected combination of monthly care and private patient fees due to the high census in the Health Center. Expenses are as expected this time of year. Mr. Morshead inquired of the Managers as to the status of the empty rooms. Mrs. Mustacchi gave a current status report including an update on proposals for the cottage and a conversion of 2 rooms to a suite for a couple. Discussion followed regarding the waiting list and ways to promote and to educate, considering the ramifications of demographic changes occurring in society.

Mr. Benedict presented the report of the Administrator, giving an update on each department and on this quarter's Age and Depreciation projects: the addition of an all-call feature to the intercom and the security fence between the Morgan Building and the Health Center. Mrs. Mustacchi presented the report of the Board of Managers, elaborating on the pending suite conversion and the progress of the computerization of the Accounting Department. She also stated that the Board will not further contest the challenge made by a resident of the double occupancy policy. Mr. Otto reported that investments will continue to cover the estimated \$70,000/year for the 20 projected years of the Age and Depreciation Program 3½ years of which have been completed.

Mr. Edwards reported everything remains status quo regarding the Van Ness property. Our tenants, the Sammons Group, have not yet been successful in obtaining any offers for the lease hold interest.

There being no further business, the meeting was adjourned at 3:55 p.m.

Respectfully submitted,



David L. White
Secretary

DLW:km

The Heritage Board of Directors Meeting Minutes May 27, 2009

g of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the or "The Heritage") was held on Wednesday, May 27, 2009, at The Heritage, 3400 Laguna in Francisco, California.

Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Hauser, George Ivelich, Jeanie Kayser-Jones, George Morris, Patricia Ostott, Elizabeth Connie Tiret, Pamela Tudor, Leslie Van Houten

Excused: Douglas Day, Jane Hickerson, Katie Murer, Laura Pilz, Henry Safrit, Collin, James Sherman

Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamelamini, Director of Marketing and Development; Corky Rockwell, Director of Nursing

Guest Representative Absent: Margaret Jacobs

Call to Order

D. Gruber, Chair, called the meeting to order at 4:22 PM, following a Board tribute to three residents who are celebrating their 100th birthday this year—Effie Garvin, Nancy Kenny and Friedel Feldman.

Approval of the Minutes

The April 22, 2009, minutes were Board approved with a motion from M. Hauser and second from A. Carlson.

Financial Report

Financials: C. Tiret reviewed the March and April financials. She noted the declining income due to the declining census. Investment income has improved. A discussion was held on vacancies and further pricing adjustments that may be necessary. The Board expressed appreciation to the Barrett and Margaret Hindes Foundation gift of \$30,000 for installing wireless Internet access for all residents.

Audit: After a highlight by C. Tiret, the Board approved the 2008 Audited Financial Statements completed by Daoro, Zydel & Holland on a motion by J. Kayser-Jones and second by M. Hauser.

Investments: R. Gridley commented the investment markets continue to be volatile and the portfolio is in line with the indexes.

Executive Director's Report

M. Hastings called attention to the May Executive Director's report. She highlighted statistics for The Heritage life care census: the average age of residents has increased to 88.3 from 85.5 in 1999 and the number of residents over 90 has increased to 41.24% from 31% in 1999. The higher level of care needed towards end of life is contributing to our recent high acuity in the Health Center and assisted living. Vacancies in independent living have accelerated partly due to moves to a higher level of care. There has also been a greater number of resident deaths during the past year, in part due to the increased age of our population. Marla will address specific budget items such as meal preparation to reduce expenses related to census.

Health Center Report

C. Rockwell reported on the progress of Title 22 compliance.

Nominating/Board Education

P. Tudor called attention to the updated identified skills needed by the Board and encouraged Board members to suggest possible candidates. Future topics for Board education were reviewed. Additional suggestions: Point and Click, Presentations from Grantees, Home Calls, Impact of Admitting Older Residents and Changing Census.

Health Center Committee

D. Gruber provided an update on the Health Center review. The contract is being finalized with the consultant, geriHEALTHsolutions, Inc., with a completion date targeted for the end of June.

Marketing/Development Update

P. De Martini spoke to the vacancies and difficult marketing environment partly due to the economic conditions, the hiatus, the number of deaths and difficulty of marketing small studios to seniors with higher expectations. She noted other senior communities are also experiencing high vacancies and called attention to the aggressive, expensive advertising being done by The Towers and Sequoias. Allowing pets has been discussed and M. Hastings will be reporting back as to advantages and disadvantages.

Adjournment

D. Gruber adjourned the meeting at 4:50 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary

The Heritage Board of Directors Meeting Minutes April 22, 2009

Meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("The Society" or "The Heritage") was held on Wednesday, April 22, 2009, at The Heritage, 3400 Laguna Street, San Francisco, California.

Board of Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, M. Hauser, George Ivelich, Jeanie Kayser-Jones, George Morris, Laura Pilz, Henry Safrit, Rose Scollin, Elizabeth Stanners, Connie Tiret, Pamela Tudor, Leslie Van Houten

Director Excused: Douglas Day, Jane Hickerson, Kathleen Murer, Trish Otstott, James Sherman

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela Martini, Director of Marketing and Development; Corky Rockwell, Director of Nursing

Residents' Representative Present: Margaret Jacobs

I Call to Order

D. Gruber, Chair, called the meeting to order at 4:05 PM.

II Approval of the Minutes

The March 25, 2009, minutes were Board approved with a motion from M. Hauser and second from A. Carlson.

III Financial Report

Financials: C. Tiret highlighted the February financials and noted the Barrett and Margaret Hines Foundation gift of \$30,000 for installing wireless internet access for all residents. She noted the auditors, Daoro, Zydel & Holland, will be presenting today the audited financial statement and cover letter. Two minor issues were noted regarding expense reimbursement and credit card charges, and the management agreement for the newly acquired rental property. The Board is fully aware of the absence of a written agreement with the Property Management Company. Because of the long-standing, excellent reputation of this particular management company, which does not hold signed agreements with any of its property-owner clients, the Board chooses to honor the way the Manager does business. The Board will not pursue obtaining a written management agreement at this time.

Investments: R. Gridley reported the portfolio is down in line with the indexes. All Board members are invited to the bi-annual meeting with Bernstein Global Wealth Management on May 18, 2:00 PM, at their offices.

IV Executive Director's Report

M. Hastings called attention to the Executive Director's report. The report from the visit of the Department of Health, the licensing agency for the skilled nursing facility, found no deficiencies. The visit was prompted by a self-reported Facility Complaint mandated for the Norovirus outbreak and a non-injury fall.

Health Center Report

C. Rockwell reported on the progress of Title 22 compliance and the new pharmacy contract effective May 1, with PharMerica.

Marketing/Development

P. De Martini reported on the recommendations of the Contracts Task Team (M. Hastings, C. Johnson, P. De Martini) who are reviewing and evaluating pricing to remain competitive. After Board discussion, a motion was made by R. Gridley, seconded by G. Morris and unanimously Board approved to lower the Entrance Fee on the four studios and two, one-bedrooms that have been hard to market and to review the progress in six months. The Entrance Fee for the four studios was reduced from \$85,000 to \$65,000 and the two one-bedrooms were reduced from \$210,000 to \$185,000 and \$175,000.

Other marketing highlights: one new resident will be moving in, the lectures have generated interest and tours, the renovated units are showing favorably and the upcoming lecture on May 21, and the Tea & Tour on June 18, are being marketed to new zip codes to introduce The Heritage to an expanded audience.

I. Resident Communications and Relations

M. Jacobs called attention to: the resident food drive May 11, and encouraged the Board to contribute; the activities of the Wellness Committee, including the enthusiastic response of residents to Qigong sessions and a nutritionist who will be speaking to residents; The Community Music Center has received a grant to subsidize four concerts for residents; the Residents' Business Office has been well received and residents have appreciated the installation of wireless internet access at no charge.

II. Adjournment

D. Gruber adjourned the meeting at 4:50 PM.

Executive Sessions

The Board entered Executive Session to hear reports from the Facilities and Health Center Committees. The Board also held an Executive Session on May 4, 2009, 4:00 PM to discuss fund raising.

Respectfully submitted,



Pamela A. Tudor
Secretary



The Heritage Board of Directors Meeting Minutes March 25, 2009

Meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Board" or "The Heritage") was held on Wednesday, March 25, 2009, at The Heritage, 3400 Laguna Street, San Francisco, California.

Board of Directors Present: Carolyn Barber, Andrew Carlson, Randy Gridley, David Gruber, Carol Hauser, Jane Hickerson, George Ivelich, Jeanie Kayser-Jones, George Morris, Kathleen Morris, Patricia Ostott, Laura Pilz, James Sherman, Connie Tiret, Pamela Tudor, Leslie Van

Director Excused: Douglas, Day, Bruce Scollin, Henry Safrit, Elizabeth Stanners

Staff Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and Development; Corky Rockwell, Director of Nursing;

Residents' Representative Present: Margaret Jacobs

Guest: Beatrice Henslett, Henslett Care Consulting

I. Call to Order

D. Gruber, Chair, called the meeting to order at 4:05 PM.

II. Approval of the Minutes

The February 28, 2009, minutes were approved.

III. Financial Report

Financials:

C. Tiret summarized the January financials. Overall, income decreased due to a lower census and increased expenses, primarily for Health Care salaries. Also, payments have been slow coming from the Public Nutrition program.

Investments: R. Gridley reported the portfolio is down 9% year-to-date and to be prepared for another volatile year. Despite difficult world financial markets the past year, the portfolio has done well under Bernstein's management since inception in 2000.

IV. Executive Director's Report

M. Hastings called attention to her monthly Executive Director's Report and the Task Team (M. Hastings, C. Johnson, P. De Martini) to review, evaluate and recommend alternative contracts and strategies to remain competitive and address current financial markets. P. De Martini provided further background on Entrance Fees, one of the suggested short-term strategies, and suggested new pricing. After Board discussion, a motion was made by R. Gridley, seconded by G. Morris and unanimously approved by the Board to lower the price on the six studios and two, one-bedrooms that have been hard to market, as listed in the March Executive Director's report, and to review the progress in six months.



Health Center Report

C. Rockwell commented on progress on Title 22 readiness per the plan detailed at the February meeting. B. Henslett, consultant, reviewed the process of the Mock Survey she conducted (the consultant arrived unannounced to simulate the inspection that would be carried out by State inspectors). She will be providing the results in her final report.

Resident Communications and Relations

M. Jacobs reported an upsurge interest in nutrition and wellness among residents. Dr. Effie Poy Yew Chow, Ph.D., R.N., C.A., a Qigong Master, has been leading exercises on relationships/helpfulness and will be holding classes in the future on a monthly basis.

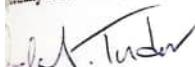
Adjournment

D. Gruber adjourned the meeting at 5:15 PM.

Executive Session

The Board entered Executive Session to hear reports from the Facilities and Health Center Advisory Committees.

✓
Carefully submitted,



M.A. Tudor

✓
MAY



The Heritage
Board of Directors Meeting Minutes
February 25, 2009

Meeting of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the Board" or "The Heritage") was held on Wednesday, February 25, 2009, at The Heritage, 3400 18th Street, San Francisco, California.

Directors Present: Carolyn Barber, Andrew Carlson, Douglas Day, Randy Gridley, Bobbi Gruber, Molly Hauser, Jane Hickerson, George Ivelich, Jeanie Kayser-Jones, George Kellman, Kathleen Murer, Patricia Ostrow, Laura Pilz, Henry Safit, Bruce Scollin, Elizabeth Sosik, Connie Tiret, Pamela Tudor, Leslie Van Houweling

Excused: James Sherman

Present: Marla Hastings, Executive Director; Cindy Johnson, Controller; Pamela Ostrow, Director of Marketing and Development; Corky Rockwell, Director of Nursing

Guest Representative Present: Margaret Jacobs

Call to Order

D. Gruber, Chair, called the meeting to order at 4:05 PM. He introduced and welcomed K. Murer to The Heritage Board.

Approval of the Minutes

The January 28, 2009, minutes were approved as corrected.

Financial Report

Financials: C. Tiret provided an overview of the December 2008 financials noting the annual variance compared to budget was largely due to: a decrease in census and a large number of deaths versus the previous year; increased costs in salary and wages in the Health Center and outside consulting fees; and a decline in investment income, the result of difficult market conditions.

Investments: R. Gridley provided a historical summary of the market going back to 1929 and reiterated the importance of staying invested, as predicting when to move in and out of the market is difficult. He noted keeping expenses down is essential. He also called attention to the Bernstein Global Wealth Management conference on March 19 and encouraged Board members to attend.

Executive Director's Report

M. Hastings expanded on her monthly Executive Director's Report: The cases of the Norovirus outbreak totaled 32-19 in the Health Center, 3 in Assisted Living and Independent Living and 10 employees. The Department of Health arrived in January and will be relating any deficiencies.



Art Center Report

Hastings provided an overview of The Heritage efforts to come into compliance on June 22. C. Rockwell reviewed the objectives for the final six-month phase. Complete compliance is targeted for August.

Resident Communications and Relations

Jacobs reported on the success of the *Out and About* program and positive reception of the new fitness center. She commended the Executive Director and staff on containing the recent Norovirus outbreak.

Adjournment

M. Gruber adjourned the meeting at 5:00 PM. He invited the Board to attend the reception and dinner honoring the Barrett and Margaret Hindes Foundation and their generous gift for the resident *Out and About* program, following the Executive Session.

Executive Session

The Board went into Executive Session to hear a report from the Facilities Committee on the Master Plan.

Sincerely submitted,



Linda A. Tudor
Secretary



The Heritage Board of Directors Meeting Minutes January 28, 2009

ing of the Board of Directors of the San Francisco Ladies' Protection and Relief Society ("the
" or "The Heritage") was held on Wednesday, January 28, 2009, at the Metropolitan Club,
Street, San Francisco, California.

Board of Directors Present: Carolyn Barber, Douglas Day, Randy Gridley, David Gruber,
Kaiser-Jones, Patricia Ostott, Laura Pilz, Henry Safrit, Connie Tiret, Pamela Tudor,
Van Houten. Via conference call— Andrew Carlson, George Morris, Bruce Scollin,
Sherman, Elizabeth Stanners

and Excused: Jane Hickerson, Molly Hauser, George Ivelich, Katie Murer

Off Present: Cindy Johnson, Controller; Pamela De Martini, Director of Marketing and
Development

Off Absent: Marla Hastings, Executive Director

Residents' Representative: Margaret Jacobs

I. Call to Order

D. Gruber, Chair, called the meeting to order at 4:10 PM. He welcomed Margaret Jacobs, President of the Residents' Council Executive Committee, as the new resident representative to the Board.

II. Approval of the Minutes

The December 17, 2008, minutes were approved with a change. The correct name for one of the non profits receiving grants is San Francisco Village—Northside, rather than Northside Village.

III. Financial Report

November Financials: C. Tiret noted that revenue was down due to a short month and a decline in investment income.

Investments: R. Gridley reported the investment portfolio was down 32.7%, slightly behind the index. Within the larger context of a poor worldwide economic climate, he reiterated that the portfolio is well positioned.

IV. Executive Director's Report

Two reports will be made to the Board at the February meeting—a progress report on Title 22 Compliance in the Health Center and a follow-up on The Heritage compliance to senior care governance issues raised in the presentation given by Pam Kaufmann, Esq. of Hanson Bridgett LLP at the December 17, 2008 Board meeting.



Development Committee Update
D. Martini reported that 2008 fundraising results included a \$520,000 gift from the Barrett and Margaret Hindes Foundation and \$63,500 from all other donations. The latter number reflected the highest response from an annual appeal letter—some \$38,000 was received. The Board and Department Heads had 100% participation. She also noted: two applications are in progress. The Towers, Sequoias and The Heritage Marketing Directors are discussing how they can support each other; and both of these life care communities are now offering refundable entrance fees.

Hindes Foundation Update
The reception/dinner honoring the Hindes family for their generosity has been rescheduled for February 25, 5:30 PM, due to the Gastro Intestinal (GI) outbreak.

Facilities

D. Day reported apartment refurbishment is continuing on schedule and a Master Plan report will be given at the February meeting.

Nominating/Board Education Committee Update

P. Tudor reported the committee will be discussing with and providing to Pam Kaufman, Hanson Bridgett, the needed changes to update the Bylaws and requesting a final copy for review and approval by the Board.

Expansion Committee

L. Filz noted that a Contract of Agreement for signature is being sent out to the five selected nonprofit organizations to receive grants totaling \$100,000. Representatives of each of these nonprofits will be invited to speak to the Board with the purpose of forming a deeper partnership beyond writing checks.

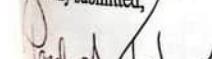
Resident Communications

M. Jacobs reported that the residents were pleased to return to the Dining Room for meals following the quarantine necessitated by the GI outbreak.

Adjournment

D. Gruber called attention to the list of 2009 Board Committees in the Board packet, including the new Health Center Advisory Committee. If Board members have changes, let him know. He advised that a new washer/dryer for the flats would be purchased at a cost of approximately \$2000. The meeting was adjourned at 5:30 PM.

Respectfully submitted,



Pamela A. Tudor
Secretary



BOARD OF DIRECTORS
MEETING MINUTES
2017 – 2020



Board of Directors' Meeting Minutes

December 16, 2020

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday December 16, 2020, via Zoom Conference.

Directors Present: Deborah Avakian, Charles Dickie, Randy Gridley, David Gruber, Tony Hanley, Scott Hindes, Margaret Jacobs, Dennis Mooradian, Trish Otstott, Laura Pilz, Connie Tiret, Leslie Van Houten and Laura Wagner.

Directors Excused: Susan Gearey

Staff Present: Mel Matsumoto, Interim CEO, Ken Donnelly, Chief Strategy Officer, Joe Conroy, Controller.

Residents' Representative: Bernie Burke, Residents' Council President.

Guests for Certain Agenda Items: Hanh Ta, NHA/Operations Director and Jennifer Elko, Strategic Management Resources.

- 1. Call to Order:** Chair David Gruber called the meeting to order at 4:00PM
- 2. Consent Agenda:** Motion by Dennis Mooradian, second by Randy Gridley to approve the minutes of the November 18, 2020 meeting, the unaudited monthly financials and the report on QAPI by Laura Wagner. Motion was approved.
- 3. Residents' Council Report:** Bernie Burke's, Residents' Council President's report was included in the Board packet and a supplemental report emailed to all Board Members. Bernie did add a thank you to the Heritage Administration for the gift bag to all residents.

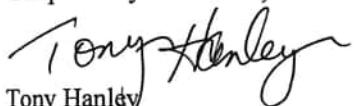
- 4. 2021 Operating and Capital Budgets:** Chair of the Finance Committee, Connie Tiret, opened the discussion regarding the 2021 budget included in the Board packet. She noted that with additional expenses, the budget shows an operating loss of \$4mm. There was extensive discussion and questions of Joe Conroy, regarding increased expenses and proposed additions to staff. It was agreed that the Finance Committee would look to Joe Conroy, Mel Matsumoto and Ken Donnelly to seek places to cut costs. Randy Gridley made a motion to authorize further spending based on the 2020 budget through January 2021 to allow the Board further discussion at a future meeting. Seconded by Deborah Avakian. Motion approved.
- 5. Presentation of 2021 Officers Slate:** Chair of the Nominating Committee, Trish Otstott, presented the 2021 slate of Officers. David Gruber-Chair; Deborah Avakian-Vice Chair; Dennis Mooradian-Treasurer and Tony Hanley-Secretary. Motion passed with acclaim. In addition there were included terms of all Board members. (Attached)
- 6. IL/AL Wellness-Governing Policies:** David Gruber presented the final draft for approval. Deborah Avakian made a motion to accept, seconded by Laura Wagner. Motion approved. (Attached)
- 7. Annual Board Compliance Training, Part 1 (information):** Hanh Ta and Jennifer Elko led a power point presentation on Compliance and Ethics-Part 1, as required annually for Board members.
- 8. Verbal Update to Written Staff Report:** Mel Matsumoto added that the contract employee who was positive, returned with no symptoms. Residents who had been in contact with the employee were all negative. Staff focused on vaccine distribution to all residents and staff as we wait to hear from CVS on availability.
- 9. Updates:** Connie Tiret reported that Pam Kaufman is working on applying to the IRS as a public charity. Leslie Van Houten reported that our search firm has provided some resumes and the selection committee will begin the interview process for a new CEO/ED.
- 10. Adjournment:** The business meeting was adjourned at 5:29PM to allow movement to Executive Session.

11. Call to Order: The business meeting was called back to order by Chair David Gruber at 5:55PM with waiver of notice requirement. Randy Gridley made a motion, seconded by Laura Pilz, to hire a PR firm with expenditures not to exceed \$50k. Motion approved.

Leslie Van Houten made a motion, seconded by Connie Tiret, to extend (Chief Strategy Officer) Ken Donnelly's employment until October 2021, with an increase of \$20 per hour to offset elimination of health benefits. Motion approved.

12. Adjournment: The meeting was adjourned at 5:59PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tony Hanley".

Tony Hanley



Final Draft for Approval

Governing Policies Regarding Independent Living and Assisted Living Wellness Program

1. Culture of Excellence: HOTM will aspire to create a "culture of excellence," which means to help all Residents to maintain the highest practicable level of physical, mental, and psychological well-being, remain independent, and model successful aging for as long as possible. To achieve a culture of excellence, HOTM will:
 - a. Use "field tested best practices," which are wellness strategies, programs, or activities that have been shown to work effectively and produce successful outcomes, supported to a degree acceptable to HOTM by objective data.
 - b. Be open to innovations of "promising practices," which are wellness strategies, programs, or activities that have shown promise of becoming a best practice with sustainable impact.
 - c. Ensure that Quality of Life (QOL) will be integral to the total wellness program. Because QOL is difficult to define and measure, HOTM will use the following guiding principles:
 - i. QOL is a right of every Resident, regardless of physical, mental, or psychological limitations.
 - ii. QOL will be individually defined by each resident or if s/he is incapable of expressing herself/himself, by discussion with the resident's advocate or others who know her/him.
2. Admission and Retention of Residents: HOTM will not accept or retain as a resident anyone for whom it cannot provide adequate care and services, excepting short-term conditions from which the resident is reasonably likely to recover. HOTM will ensure that the resident is safe and receives proper care from a qualified provider during such temporary periods.
3. Least Restrictive Environment: HOTM will serve residents in the least restrictive environment consistent with their health and safety needs.
4. Moves to Other Levels of Care: HOTM will adhere to a formal process of review and planning before moving a resident to another level of care. This process will meet the needs of HOTM and be compliant with any applicable law.
5. Private Caregivers: HOTM will allow private caregivers hired by the resident or family upon notification by the resident or family. HOTM will develop operating policies & procedures designed to protect both the resident and HOTM to share with the resident, the family, and the caregiver. The private caregivers must be employed through a licensed agency with a history of quality care and proof of liability insurance coverage.
6. Compliance: HOTM will comply with all state law governing Residential Care Facilities for the Elderly (RCFE) and Continuing Care Retirement Communities (CCRC), as those laws are amended from time-to-time.
7. Staffing Hours: HOTM will staff at levels sufficient to achieve the "culture of excellence" described in these governing policies.
8. Resident and Team Member/Employee Satisfaction Survey: In order to create a healthy living and work environment, a satisfaction survey will be done annually for both residents and team members in all levels of care. Surveys will be conducted by an independent third-party vendor that will ensure confidentiality and benchmark HOTM's results to industry peer organizations. Actions plans will be developed to address weaknesses. Summary results and action plans will be shared with the Board of Directors.



Nominating and Governance Motion

December, 2020

MOTION: That upon the recommendation of the Nominating and Governance Committee and with the approval of Heritage on the Marina's Board of Directors, the following slate of officers be approved for a one year term.

Slate of Officers 2021

Chairman: David Gruber
Vice Chair: Deb Avakian
Treasurer: Dennis Mooradian
Secretary: Tony Hanley

TERMS ENDING DECEMBER 31, 2020

Connie Tiret (start: 2002)

TERMS ENDING DECEMBER 31, 2021

Bernie Burke rotating off HBOD – to be replaced by a non-voting Resident
Randy Gridley (start: 2002)
David Gruber (start: 2001)
Margaret Jacobs (ending 1st term)
Dennis Mooradian (ending 1st term)
Laura Pilz (start: 1998)
Leslie Van Houten (start: 2004)

TERMS ENDING DECEMBER 31, 2022

Tony Hanley (ending 1st term)
Scott Hindes (ending 1st term of 3)
Susan Gearey (ending 1st term of 3)
Laura Wagner (ending 1st term of 3)
Charlie Dicke (ending 1st term of 3)
Trish Otstott (start: 2006)

TERMS ENDING DECEMBER 2023

Deb Avakian (ending 3rd term)

BOD count as of Jan 1, 2021=14 (includes one non-voting Resident)
Bylaw 6.6.2 Number of Directors: not less than 9, not more than 18

Respectfully Submitted,

Trish Otstott, Chair
Susan Gearey
Tony Hanley



Board of Directors' Meeting Minutes

November 18, 2020

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday November 18, 2020, via Zoom Conference.

Directors Present: Deborah Avakian, Charles Dicke, Randy Gridley, David Gruber, Tony Hanley, Scott Hindes, Margaret Jacobs, Dennis Mooradian, Trish Otstott, Laura Pilz, Connie Tiret and Laura Wagner.

Directors Excused: Susan Gearey

Staff Present: Mel Matsumoto, Interim CEO, Ken Donnelly, Chief Strategy Officer, Joe Conroy, Controller

Residents' Representative: Bernie Burke, Residents' Council President.

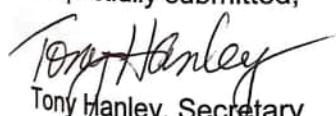
Guests for Certain Agenda Items: Peter Turner, Principal, Alliance Bernstein and Pam Kaufmann, Hanson Bridgett.

- 1. Call to Order:** Chair David Gruber called the meeting to order at 4:03PM.
- 2. Consent Agenda:** Motion by Deborah Avakian, second by Connie Tiret to approve the Minutes of the October 28, 2020, meeting and the Unaudited Monthly Financials. Motion was approved.
- 3. Residents' Council Report:** Bernie Burke, Residents' Council President had sent his report to all Board members in advance of the meeting. Deborah Avakian noted that she appreciated that report in advance. (Attached)

- 4. Investment Policy& Allocation Change:** Chair Randy Gridley introduced Peter Turner and James Ellis of our investment firm, Alliance Bernstein. Bernstein has been our advisor since July 2000. Randy thanked Dennis Mooradian and Charles Dicke for their help and insight on the Investment Committee. Peter Turner gave a power point presentation indicating a change to the allocation. Prior allocations were towards value stocks and bonds. They will introduce passive ETFs and some high income bonds. The proposed shift will retain 70% stocks and of the 30% bonds, 5% will be high yield bonds. The result will be lower costs while maintaining the portfolio earnings. There were no objections.
- 5. Strategic Discussion Update:** Randy Gridley indicated that the Strategic Planning Committee agreed that we will withdraw from any confidential opportunities. Pam Kaufmann of Hanson Bridgett led the Board through a strategic discussion.
- 6. Life Care Contract:** Randy Gridley made a motion to no longer offer Type A, Life Care contracts to new residents, effective immediately. The motion was seconded by Connie Tiret. Motion approved.
- 7. Presentation of Draft Officer Slate: 2021:** Trish Oststott, Chair of the Nominating and Governance Committee, introduced a proposed slate of Officers for 2021, which will be voted on by the Board at their December 2020 meeting. (Attached)
- 8. Report on CEO/ED Search:** Chair of the Executive Compensation Committee, Leslie Van Houten, stated they have been working with Jeffery Bilson of Druthers Agency on a search for a new CEO/ED. There is an understanding of our needs and our timeline.
- 9. Health Center-Governing Policies:** David Gruber and Mel Matsumoto introduced the final draft of the Governing Policies Regarding Health Center Care. The draft was approved.

10. **IL/AL Wellness-Governing Policies (1st Reading):**
David Gruber and Mel Matsumoto introduced the draft of Governing Policies Regarding Independent Living and Assisted Living Wellness Program for review. (Attached)
11. **Verbal Update to Written Staff Report:** Mel Matsumoto echoed Bernie Burke's comments that residents are happy to be back in the dining room for all meals and the team is engaged. A question was raised relative to access to a vaccine. Mel indicated that hospital staff would be first, skilled nursing and senior congregate housing would closely follow.
12. **Corporate Structure:** Chair Connie Tiret asked for approval of creating a separate Public Charity and processing the paperwork necessary to create a 501(c)(3), on behalf of the Finance Committee, which served as motion and second. Motion approved.
13. **Contribution to the Heritage on the Marina:** Chair David Gruber stated he will be sending a letter to all voting Board members requesting a 2020 donation. He asked for 100% participation.
14. **Adjournment:** The meeting was adjourned at 5:31PM.

Respectfully submitted,


Tony Hanley, Secretary



Board of Directors' Meeting Minutes

October 28, 2020

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday October 28, 2020, via Zoom Conference.

Directors Present: Deborah Avakian, Charles Dicke, Susan Gearey, Randy Gridley, David Gruber, Tony Hanley, Margaret Jacobs, Dennis Mooradian, Trish Otstott, Laura Pilz, and Leslie Van Houten.

Directors Excused: Scott Hindes, Connie Tiret, and Laura Wagner.

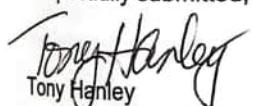
Staff Present: Mel Matsumoto, Interim CEO; Ken Donnelly, Chief Strategy Officer; Joe Conroy, Controller

Residents' Representative: Bernie Burke, Residents' Council President

1. **Call to Order:** Chair David Gruber call the meeting to order at 4:05PM
2. **Consent Agenda:** Motion by Deborah Avakian, second by Laura Pilz to approve the minutes of August 26, 2020 meeting and the Unaudited Monthly Financials. The motion was approved.
3. **Residents' Council Report:** Bernie Burke, Residents' Council President had sent a written report to all Board members in advance of the meeting. Bernie did note the passing of Dr. Al Jonsen. **Report attached.**
4. **Nominating/Governance Committee:** Chair Trish Otstott submitted the following motion: "That upon recommendation of the Nominating and Governance Committee and with the approval of the Heritage on the Marina Board of Directors, Susan Gearey be appointed to serve as a regular member of the Nominating and Governance Committee. The motion was approved. Her term will begin immediately and expire on 31 December 2020.
5. **Affiliation Update (Information):** Chair Randy Gridley reported that the Appraisal of the Property is complete. He also noted that there are significant hurdles to overcome regarding the confidential opportunity. Randy suggested that we hire a land use attorney, whose cost should fall within the prior sum approved by the Board on July 22, 2020. There were no objections.

- 6. Report on 401K Audit (information):** Randy Gridley reported we had a successful audit of our 401K.
 - 7. Corporate Structure (Information):** Reporting for Chair Connie Tiret, Ken Donnelly stated we are looking to apply for a separate 501(c)(3) organization to handle the endowment fund. We recommend that this application be made by the end of 2020. The transfer of funds is still a question. A new Board will be required on activation, which will occur sometime in the future. If there is no objection, we will move forward. There was no objection.
 - 8. Health Center-Governing Policies (1st Reading):** Dave Gruber and Mel Matsumoto presented the 1st reading of Draft #3 (Governing Policies Regarding Health Care). There are two parts. 1) Health Center -2nd Reading and 2) Wellness Policies, which will be presented to the Board at the November meeting. Deborah Avakian and Laura Wagner will review the policy before submission to the Board. It was noted that Laura Wagner will be the Board liaison to the QAPI quarterly meetings.
 - 9. Verbal Update to Written Staff Report:** Mel Matsumoto indicated that we are re-introducing modified versions of activities. The report by Bernie Burke outlined some of the changes.
- 10. Adjournment:** The meeting was adjourned at 4:58PM.

Respectfully submitted,


Tony Hanley



October 27, 2020
Residents' Council Report

Dear Heritage on the Marina board members, to save time, I will present this written report and be available for any questions you may have during the meeting. The last six weeks or so have been positive here. We continue to have meals in our rooms, but that is changing. Because of the good work by the City and County of San Francisco, in containing the virus and the diligent efforts of staff and residents, we have been Covid19 free. As a result, we are now have breakfast in the dining room and residents are very happy to have the opportunity to socialize. Eating alone in rooms was getting depressing to say the least. In addition we have outdoor exercises and yoga classes in the courtyard in the morning and afternoon. The cottage is also being used again for small activities. That is such a cozy space. Our physical therapists who lead the exercises are very good and temper the workout to our aging bodies.

In addition, in the next few weeks the plan is to have lunch and dinner in the dining room. This is a result of the city opening indoor dining with spacing requirements. We will eat in three shifts and be socially distanced properly. Tables and chairs are sanitized after each use. We also have begun to use our mailboxes again. Now to find our keys we have not used for 6 months. I have found out that other retirement homes in town are moving in the same direction, as allowed by the Department of public Health.

We have been allowed to have visitors for one hour a visit, prearranged and outside. We expect that as wet weather approaches, this will somehow move indoors. Visits are monitored and restricted to two visitors at a time.

All these changes are a result of San Francisco being in the least restricted state color assignment. This could change, so we hope our fellow city residents maintain their general good behavior.

The one onerous restriction still with us, is that if we go anywhere overnight we are subject to a 14 day quarantine upon return. At the Vi in San Diego this was partly responsible for 30 some residents leaving. Most had other vacation homes and wanted to use them. This will continue to be a problem in marketing our empty residences. Although we have two new single male residents.

We have not had any deaths for a while, then two in a row. One was Al Jonsen, whose widow Liz is still in the health center. Al was President of the University of San Francisco years ago and had a very full life. He was partly responsible for the growth of the Fromm Institute at USF, that so many residents here have utilized.

Please ask any questions you have at the meeting.

Bernie Burke, President Residents' Council



Board of Directors' Meeting Minutes August 26, 2020

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday August 26, 2020, via Zoom Conference.

Directors Present: Deborah Avakian, Charles Dicke, Susan Gearey, Randy Gridley, David Gruber, Tony Hanley, Scott Hindes, Margaret Jacobs, Dennis Mooradian, Connie Tiret, Trish Otstott, Laura Pilz, Leslie Van Houten and Laura Wagner.

Staff Present: Mel Matsumoto, Interim CEO; Ken Donnelly, Chief Strategy Officer; Joe Conroy, Controller

Residents' Representative: Bernie Burke, Residents' Council President

1. **Call to Order:** Chair Gruber called the meeting to order at 4:05PM
2. **Consent Agenda:** Motion by Laura Pilz, second by Scott Hindes, to approve the minutes of the July 22, 2020 meeting and the Unaudited Monthly Financials. The Motion was approved.
3. **Residents' Council Report:** Bernie Burke, Residents' Council President, reported that we appreciate the work of the staff during this pandemic. Residents are socializing in the Porter Garden and the Morgan Parlor, keeping distance. Thanks to the Garden Committee. Eating in rooms has caused some problems keeping rugs clean. We intend to assist residents getting their ballots to the polling station.

- 4. Affiliation Update:** Chair Randy Gridley reported that we are in the process of completing an appraisal of the property. A feasibility study (marketing) should be completed by the end of September. We would like to reconvene the full Strategic Planning Committee to review all elements of the confidential opportunity.
- 5. Actuarial Study-Summary (Information):** Joe Conroy provided a summary of the Actuarial Study, required to be completed every 5 years by DSS. Our reserves are adequate and our health care capacity meets current residents' requirements. It was noted that one and two bedroom units generate better surplus than studios. The full report is available on the Board Portal under Orientation.
- 6. Facilities-Governing Policies (Action):** David Gruber noted that this policy came out of a Facility Committee meeting and made a motion which was seconded. The Board approved the motion. This policy is attached. In addition Operating (Staff) Policy and Guidelines for Interior Design is attached for review.
- 7. Financial Projection for the Year (If no Pandemic):** Joe Conroy updated the financial projection for the year. Based on the initial budget, we look to have an income vs expense loss of \$4.5M for the year. Revenues are short of budget due to the lack of new entrants during the pandemic.
- 8. Verbal Update to Written Staff Report:** Mel Matsumoto reported that we have tested 167 of 182 identified employees, vendors and both IL and AL residents. Follow up testing on the 15 not tested. We had a payroll audit of Health Center and our nursing hours-per-resident exceeds what is required.

9. Board Education Session: Mel Matsumoto reported that looking at his syllabus, he has covered all subjects concerning a Governing Board. Mel included in the meeting packet some recommendations on Board Committees. He invited the Board to read the relationship between the Board Chair and the CEO/Executive Director. Mel did acknowledge that the staff is expected to report to the Board from time to time regarding Facilities and Health.

10. Adjournment: The meeting was adjourned at 5:11PM

Respectively submitted,


Tony Hanley



Governing Policies Regarding Facilities (For Action August 26, 2020)

1. Repair Standards:

a. Maintenance and repairs will be made in accordance with normal and customary quality standards recommended by reputable trade or other organizations involved in building maintenance and repairs. Parts for repair will be to original equipment standards. If maintenance or repairs in accordance with normal quality standards or parts are not feasible (for example, in the case of previous generation equipment), then repair will be documented with sufficient detail so that future maintenance departments will understand the nature of the repair.

b. The Facilities Department will develop and maintain a list of all warranties of equipment as well as all monthly, quarterly, and annual contracted repair and maintenance services.

2. Preventive Maintenance: HOTM will have a preventive maintenance program, whether in-house or contracted, consisting of (a) inspection and preventive services of equipment at prescribed intervals and (b) servicing of equipment which is operating sub-optimally.

3. 3-bid Requirements for Major Expenditures:

a. For non-routine capital replacement or new equipment expenditures over \$20,000, staff will solicit bids from at least three vendors. Staff will document this process and their final choice of vendor.

b. For ongoing large expenditures, such as unit renovations, staff will solicit bids for planned expenditures in excess of \$150,000 on a biennial basis. Staff will document this process and their final choice of vendor.

c. Exceptions to this policy will be if the replacement or repair is an emergency and delaying would impact the health and welfare of residents and/or staff or result in significant additional costs. In this case, staff will proceed with the replacement or repair, document the process, and report to the Board of Directors as provided in these governing policies.

4. Maximum Unbudgeted Expenditure: "Only the Board may approve an unbudgeted expenditure in excess of \$10,000 or any different amount set from time to time by resolution of the Board." (Bylaws 6.1.2(j)). Staff will recommend a change in maximum unbudgeted expenditure as appropriate as part of the annual budget preparation process for review and recommendation by the Finance Committee to the Board of Directors.

5. Emergency Repairs: Notwithstanding governing policy on Maximum Unbudgeted Expenditure and in accordance with governing policy on 3-bid Requirements for Major Expenditures, staff may exceed the limit when immediate repair is needed in an emergency. An emergency is any situation that is an imminent threat to the health and welfare of residents and/or staff or would result in additional serious cost to HOTM without immediate repair. The CEO/Executive Director or her/his designee will advise the President of the Board of Directors immediately but no later than 24 hours of such expenditure and the full Board within 1 week of the expenditure.

6. **Long Range Capital Replacement Plan:** HOTM will have a long range (20+ years) capital replacement plan (LRCRP) for replacement of major equipment and components of the physical plant. The plan will have at least the following:
 - a. An assessment of current condition of equipment or building component and projected life expectancy;
 - b. A reasonable estimate of current replacement cost, with reasonable inflation factor to predict cost when replacement is needed;
 - c. If deemed appropriate, an additional escalation factor to account for upgrades to replacement cost as projected by building code changes or owner preferences;
 - d. Annual adjustments to the long range capital replacement plan by staff;
 - e. Independent, third-party assessments by a qualified person or firm of major equipment and building components at least every 5 years;
 - f. Annual reporting of the updated LRCRP to the Finance Committee and Board of Directors during budget preparation.
7. **Capital Budgets:** Staff will submit a capital budget for review and approval by the Finance Committee and Board of Directors as part of budget preparation. Upon approval of the capital budget by the Board of Directors, staff may proceed without further authorization by the Board unless the cost of any capital project exceeds 10% of the budgeted cost projection or the aggregate of capital projects exceeds 5% of the total approved budget. The CEO/Executive Director is authorized to re-prioritize or defer capital projects due to costs, timing, regulations, or other reasons. The CEO/Executive Director will report re-prioritizations or deferrals, the reasons for the action, and an estimated new timeline to the Board of Directors.
8. **Interior Design:** Interior design, including décor, furnishings and lighting, will be the responsibility of staff and will balance the following considerations: marketing appeal to present and future cohorts of older persons; comfort and usability for residents and visitors; compatibility with the architecture of HOTM, particularly in the Julia Morgan building; suitability and accessibility in care settings; cost/benefit of interior design upgrades. Staff will create an ad hoc advisory group composed of the important constituencies of HOTM for any major interior design project.

Note: see page 3 for staff operating policy for interior design.

[Note: operating policies and guidelines are normally the responsibility of staff, but because interior design projects are usually flashpoints of controversy in any retirement community and because of the historical involvement of board members in interior design, the working draft of the operating policy is being shared. Feedback is welcome.]

Operating (Staff) Policy and Guidelines for Interior Design DRAFT #1

Periodic replacement and refreshing of décor and furnishings in public areas will be part of the long range capital replacement plan of HOTM. (See governing policy regarding the long range capital replacement plan.) All areas will not be on the same replacement cycle; frequency will depend on degree of traffic and importance to maintaining marketing appeal. The key areas will be the main entryway, Morgan Parlor, front office, dining room, and health center. Secondary areas will be hallways (all floors), McGinley Room, and common sitting rooms.

The CEO/Executive Director will name a staff Project Manager (PM) for any major interior design project. The PM will be responsible for shepherding the project from beginning to end, and her/his duties will include the following. Depending on the scope of the project, the CEO/ED and PM may modify the duties. The PM will:

1. Define the scope of work (SOW) with the CEO/ED and develop a project timeline.
2. For a major project, hire an interior designer specializing in senior communities with a history of successful completion of projects; research non-senior communities to broaden perspective; and adjust SOW as desired based on discussions with the interior designer.
3. Create and manage an ad hoc advisory committee reflective of the major constituencies of HOTM, including residents, Board members and staff, which will provide feedback to the PM.
4. Identify with the interior designer the theme or optional themes for the project; ensure its compatibility with building architecture; ensure its compatibility with adjacent areas if they are not part of the project; and get feedback from the ad hoc committee.
5. Develop preliminary project budget for review and approval, normally in the context of regular annual capital budget development. (Depending on scope and budgeted cost, approval may be at CEO/ED level or Board level.)
6. Oversee creation of optional vision boards based on the design theme by the interior designer and get feedback from the ad hoc committee. (Normally the number of optional vision boards would not exceed two, but the PM may vary this depending on the circumstances, keeping in mind the timeline and budget.)
7. Oversee creation of final vision board by the interior designer and develop final budget for approval if it deviates from preliminary budget by greater than 10%.
8. Review ergonomic design of furnishings and décor to ensure it meets the needs of older adults, including seating comfort and accessibility, ease of use of fixtures and handles, height and weight, lighting, and other relevant considerations; and get feedback from ad hoc committee and larger resident population as needed.
9. Present the design plan to residents and other constituencies with assistance as needed from the ad hoc committee.
10. Coordinate activities with the controller to ensure timely progress payments when due.
11. Coordinate activities with all residents and staff to minimize disruption to daily activity.
12. When appropriate, work with administrator-of-record to advise regulatory agencies.

Additional Guidelines

- Assess existing furnishings to determine what can be incorporated into the new design.
- Be aware of donated furnishings in public areas and work with donors for disposition if they cannot be incorporated into the new design. Accept future donations of furnishings only if they can be incorporated into the new design.



Board of Directors' Meeting Minutes July 22, 2020

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, July 22, 2020, via Zoom Conference.

Directors Present: Deborah Avakian, Charles Dicke, Susan Gearey, Randy Gridley, David Gruber, Tony Hanley, Scott Hindes, Margaret Jacobs, Trish Oststott, Laura Pilz, Leslie Van Houten and Laura Wagner.

Directors Excused: Dennis Mooradian, Connie Tiret

Staff Present: Mel Matsumoto, Interim CEO; Ken Donnelly, Chief Strategy Officer; Joe Conroy, Controller.

Residents' Representative: Bernie Burke, Residents' Council President

1. **Call to Order:** Chair Gruber called the meeting to order at 4:05PM
2. **Consent Agenda:** Motion by Laura Pilz, second by Scott Hindes to approve the minutes of the June 24, 2020 meeting.
The Motion was approved.
3. **Affiliation Update:** Chair Randy Gridley gave an update concerning the confidential opportunity. Randy stated that we need to know our own possibilities. To that end we need a Feasibility Study, evaluation of our property, a Business Appraisal and Marketing Study. Tony Hanley made a motion, seconded by Scott Hindes, that the Board approve an expenditure, not to exceed \$75,000 over the next four to six weeks, to conduct these studies. Motion carried.

- 4. Corporate Structure Update:** Ken Donnelly reporting for (Chair) Connie Tiret stated that we are working with Squar Milner LLP, to determine how much of our investment portfolio can be transferred into the new foundation. We meet the support test as an Operating Foundation. The first date to file as a new foundation is January 1, 2021.
- 5. Insurance-Governing Policies:** Mel Matsumoto stated this was an action item, introduced to the Board as First Reading on June 24, 2020. Tony Hanley made a motion, seconded by Randy Gridley, that this policy be approved. Motion carried. (Attached)
- 6. Facilities-Governing Policies (First Reading):** David Gruber introduced the draft of the Governing Policy regarding Facilities and the Operating (Staff) Policy and Guidelines for Interior Design. David suggested that the Board read these drafts and provide any comment. The policy regarding combining apartments will be completed and presented later. Randy Gridley was asked to review the long range cost impact of combining apartments. (Attached)
- 7. Verbal Update to Written Staff Report:** Mel Matsumoto added that we have not received approval from SF Dept. of Public Health to test Assisted and Independent residents for COVID-19. We continue to push. Under item 2(a) of the Progress Report on Interim CEO Goals, we indicate what impact the extra costs to Heritage on the Marina are due to COVID-19. He will provide information at the next Board meeting, on how we would be doing if we did not have these extra costs.
- 8. Board Education Session:** Mel Matsumoto discussed the difference between a Governing Policy (Board responsibility) and an Operating Policy (Staff responsibility) by showing an example of a governing policy on Facilities maintenance. Mel noted that staff can reach out to individual directors who have the special skill or knowledge concerning an issue. Mel also noted that the Board is not just

ceremonial and referred to the sheet-Typical Authority for or Retained by the Board. (Attached) Mel indicated that the only employee of the Board is the CEO/Executive Director, who is held accountable for any actions of employees.

9. Adjournment: The meeting was adjourned at 5:48 PM

Respectively submitted,


Tony Hanley, Secretary



Agenda Item 7
July 22, 2020

Proposed Governing Policies Regarding Insurance

Governance Structure

1. The Board of Directors (BOD) of Heritage on the Marina (HOTM) will charge the Finance Committee (FC) with the responsibility to:
 - a. Review the insurance coverages recommended by staff and HOTM's insurance brokerage firm to ensure their adherence to these governing policies.
 - b. Make recommendations of changes to these governing policies for BOD approval as the need arises.
 - c. Periodically evaluate the insurance broker with staff to ensure HOTM is receiving proper guidance and value and engage a new insurance broker when it deems it necessary.
2. The BOD will receive a briefing at least annually regarding insurance coverages from the FC or staff if that duty is delegated by FC.

Governing Policies

1. Heritage on the Marina (HOTM) will have such insurance coverage that is usual and customary for an organization that is licensed as a continuing care retirement community (CCRC) and skilled nursing facility (SNF) in the State of California.
2. Limits of coverage will be appropriate for HOTM's size, location, value, operations, reserves, and other salient factors as recommended by the insurance broker.
3. Staff will consult with HOTM's insurance broker before renewal of any policy to ensure adherence to these policies and will report the results of that consultation to FC.



DRAFT #2

Governing Policies Regarding Facilities (For First Reading July 22, 2020)

1. Repair Standards:

- a. Maintenance and repairs will be made in accordance with normal and customary quality standards recommended by reputable trade or other organizations involved in building maintenance and repairs. Parts for repair will be to original equipment standards. If maintenance or repairs in accordance with normal quality standards or parts are not feasible (for example, in the case of previous generation equipment), then repair will be documented with sufficient detail so that future maintenance departments will understand the nature of the repair.
- b. The Facilities Department will develop and maintain a list of all warranties of equipment as well as all monthly, quarterly, and annual contracted repair and maintenance services.

2. Preventive Maintenance: HOTM will have a preventive maintenance program, whether in-house or contracted, consisting of (a) inspection and preventive services of equipment at prescribed intervals and (b) servicing of equipment which is operating sub-optimally.

3. 3-bid Requirements for Major Expenditures:

- a. For non-routine capital replacement or new equipment expenditures over \$20,000, staff will solicit bids from at least three vendors. Staff will document this process and their final choice of vendor.
- b. For ongoing large expenditures, such as unit renovations, staff will solicit bids for planned expenditures in excess of \$150,000 on a biennial basis. Staff will document this process and their final choice of vendor.
- c. Exceptions to this policy will be if the replacement or repair is an emergency and delaying would impact the health and welfare of residents and/or staff or result in significant additional costs. In this case, staff will proceed with the replacement or repair, document the process, and report to the Board of Directors as provided in these governing policies.

4. Maximum Unbudgeted Expenditure: "Only the Board may approve an unbudgeted expenditure in excess of \$10,000 or any different amount set from time to time by resolution of the Board." (Bylaws 6.1.2(j)). Staff will recommend a change in maximum unbudgeted expenditure as appropriate as part of the annual budget preparation process for review and recommendation by the Finance Committee to the Board of Directors.

5. **Emergency Repairs:** Notwithstanding governing policy on *Maximum Unbudgeted Expenditure* and in accordance with governing policy on *3-bid Requirements for Major Expenditures*, staff may exceed the limit when immediate repair is needed in an emergency. An emergency is any situation that is an imminent threat to the health and welfare of residents and/or staff or would result in additional serious cost to HOTM without immediate repair. The CEO/Executive Director or her/his designee will advise the President of the Board of Directors immediately but no later than 24 hours of such expenditure and the full Board within 1 week of the expenditure.
6. **Long Range Capital Replacement Plan:** HOTM will have a long range (20+ years) capital replacement plan (LRCRP) for replacement of major equipment and components of the physical plant. The plan will have at least the following:
 - a. An assessment of current condition of equipment or building component and projected life expectancy;
 - b. A reasonable estimate of current replacement cost, with reasonable inflation factor to predict cost when replacement is needed;
 - c. If deemed appropriate, an additional escalation factor to account for upgrades to replacement cost as projected by building code changes or owner preferences;
 - d. Annual adjustments to the long range capital replacement plan by staff;
 - e. Independent, third-party assessments by a qualified person or firm of major equipment and building components at least every 5 years;
 - f. Annual reporting of the updated LRCRP to the Finance Committee and Board of Directors during budget preparation.
7. **Capital Budgets:** Staff will submit a capital budget for review and approval by the Finance Committee and Board of Directors as part of budget preparation. Upon approval of the capital budget by the Board of Directors, staff may proceed without further authorization by the Board unless the cost of any capital project exceeds 10% of the budgeted cost projection or the aggregate of capital projects exceeds 5% of the total approved budget. The CEO/Executive Director is authorized to re-prioritize or defer capital projects due to costs, timing, regulations, or other reasons. The CEO/Executive Director will report re-prioritizations or deferrals, the reasons for the action, and an estimated new timeline to the Board of Directors.
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9. Present the design plan to residents and other constituencies with assistance as needed from the ad hoc committee.
10. Coordinate activities with the controller to ensure timely progress payments when due.
11. Coordinate activities with all residents and staff to minimize disruption to daily activity.
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Additional Guidelines

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BOARD COMMITTEES

VS

STAFF COMMITTEES OR CONSULTATIVE GROUPS

BOARD COMMITTEES	STAFF CONSULTATIVE GROUPS
Duties are defined by bylaws or BOD-approved committee charter.	Work is defined by staff usually ad hoc according to situational need.
Duties are usually high-level policy matters or implementation of governing policies.	Work is usually on-the-ground and pragmatic.
Board members are "agents" of the BOD and each committee is duty-bound to report to the BOD.	Board members are <i>volunteer consultants</i> to staff, offering special knowledge & expertise in the implementation of governing policies. Board members hold no special governing status.
Committee meetings are formal & structured, with minutes kept and submitted for approval and filtered upward to the BOD.	Consultations are usually informal and ad hoc. If they need to be codified, they will move to formal operational policies (staff will develop).

Thematic Principles in Play:

1. The Board of Directors has all of the authority. Individual Directors have none.
2. The Board of Directors has one employee – the CEO. All other employees report to the CEO.



Board of Directors' Meeting Minutes

June 24, 2020

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday June 24, 2020 via Zoom Conference.

Directors Present: Deborah Avakian, Charles Dicke, Randy Gridley, David Gruber, Tony Hanley, Margaret Jacobs, Trish Oststott, Laura Pilz, Connie Tiret, Leslie Van Houten, and Laura Wagner.

Directors Excused: Susan Gearey, Scott Hindes, Dennis Mooradian.

Staff Present: Mel Matsumoto, CEO; Ken Donnelly, Chief Strategy Officer; Joe Conroy, Controller.

Residents' Representative: Bernie Burke, Residents' Council President.

1. **Call to Order:** Chair Gruber called the meeting to order at 4:05PM
2. **Consent Agenda:** Motion by Leslie Van Houten, second by Tony Hanley to approve the Consent Agenda. The Motion was approved.
3. **Affiliation Update:** Chair Randy Gridley gave an update concerning the confidential opportunity.
4. **Corporate Structure Update:** Chair Connie Tiret reported on the Foundation split from the Operating entity, stating they are working with our outside accountant firm and expect to have a more defined resolution by the July board meeting.
5. **Insurance Coverages:** Joe Conroy provided a summary of our current insurance coverage. Joe indicated we need to update our property value. We can expect an increase in premium. No information from our insurance broker regarding coverage for COVID-19 issues. D&O insurance will increase by 5%. (Summary attached)
6. **Indemnification Review:** Mel Matsumoto stated that indemnification of Directors and Officers is included under Section 10 of our current Bylaws. This was pursuant to the presentation given by Counsel Pam Kaufmann at the June BOD meeting. He felt that the Bylaws should be reviewed upon completion of the corporate re-structuring.
(Attached.)

7. **Insurance-Governing Policies (First Reading):** Mel Matsumoto introduced a model on how to deal with establishing Governing Policies regarding insurance. This is a first reading. (Attached.)
8. **Verbal Update to Written Staff Report:** Mel Matsumoto reported that the third round of testing for Health Center employees would take place on June 25th and 26th.
9. **Board Education Session:** Mel Matsumoto introduced two concepts regarding the division of accountabilities between the Board and staff. Based on the reserved authority of the Board and the concept that the Board of Directors as a Board has final authority, while individual Board members do not, Mel felt that both the Health and Facilities Committees, as currently composed, needed restructuring. The staff will develop a draft of Governing Policy for both the Facility and Health Committees. Facilities draft will be presented to the Board in July as a First Reading. (Attached: Typical Authority Reserved for or Retained by the Board and Board Committees vs Staff Committees or Consultant Groups.)

10. **Adjournment:** The meeting was adjourned at 5:03PM.

Respectively submitted,


Tony Hanley

Insurance Coverage Summary							
Coverage	Carrier	Policy Term	Effective Date/Month	Premium	Limit		
Property/Liability Property	Zurich	Annual	October 10	\$ 50,005	\$39.5 Real Property/\$1.2M Personal Property/ \$2.6M Business Income/\$250K Employee Theft		
Business Automobile	Progressive	Annual	August 16	\$ 3,687	\$1M Combined Single Limit		
General Liability/Professional Liability	National Fire	Annual	October 1	\$ 71,785	\$1M Each Occurrence/\$3M General Aggregate Limit		
D&O, EPL & Fiduciary	Arch	Annual	July 10	\$ 17,281	\$5M Aggregate Limit of Liability		
Excess Liability	National Fire	Annual	October 1	\$ 40,199	\$5M Annual Aggregate/\$5M Each Occurrence		
Crime	Travelers	3 Year	July 10, 2019- July 10, 2022	\$ 4,170	\$750K Employee Theft/\$750K ERISA Fidelity/\$750K Forgery/ Alteration		
ERISA	Travelers	3 Year	October 1, 2018- October 1, 2021	\$ 464	\$500K		
Cyber Liability	CFC-Lloyds	Annual	October 19, 2019- October 19, 2022	\$ 7,000	\$2.5M Policy Limit of Liability, Aggregate		
Workers Compensation/Employers Liability	Cypress/BHHC	Annual	January 1	\$ 231,477	\$1M BI Each Accident/\$1M Policy Limit BI by Disease/ \$1M BI Each Employee by Disease		
		Subtotal		\$ 426,068			

Taxes and Fees are not included in the premiums above.

Employee Benefits

Health Insurance	Kaiser	Annual	January 1	\$ 641,460 *
Dental/Life/LTD/AD&D	Lincoln	Annual	January 1	\$ 85,548
			Subtotal	\$ 727,008
			Total	\$ 1,153,076

*Employees pay 5% of premium for deductible plan amount.



Agenda Item 6
June 24, 2020

[EXCERPT OF SECTION 10 OF BOARD BYLAWS]

INDEMNIFICATION OF DIRECTORS AND OFFICERS

10.1 Right to Indemnification. To the fullest extent permitted by law, this Corporation shall indemnify its directors, officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that Section. "Expenses," as used in this bylaw, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

10.2 Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the Board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification. Determination of whether indemnification is available to the person seeking indemnification shall be made by a majority vote of a quorum of the Board who are not parties to the proceeding. If the number of Directors who are not parties to the proceeding is less than two-thirds of the total number of Directors seated at the time the determination is to be made, the determination as to whether the applicable standard of conduct has been met shall be made by the court in which the proceeding is or was pending.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled, and shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

10.3 Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Sections 10.1 and 10.2 in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid, unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

10.4 Insurance. The Corporation shall have the power and shall use its best efforts to purchase and maintain insurance on behalf of any Director, Officer, or agent of the Corporation, against any liability asserted against or incurred by the Director, Officer, or agent in any such capacity or arising out of the Director's, Officer's, or agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under Section 10.1; provided that the Corporation shall have no power to purchase and maintain such insurance to indemnify any Director, Officer, or agent of the Corporation for any self-dealing transaction, as described in Section 5233 of the California Corporations Code.

Agenda Item 7
June 24, 2020

Suggested Governing Policies regarding Insurance

Governance Structure

1. The Board of Directors (BOD) of Heritage on the Marina (HOTM) will charge the Finance Committee (FC) with the responsibility to:
 - a. Review the insurance coverages recommended by staff and HOTM's insurance brokerage firm to ensure their adherence to these governing policies.
 - b. Make recommendations of changes to these governing policies for BOD approval as the need arises.
 - c. Periodically evaluate the insurance broker with staff to ensure HOTM is receiving proper guidance and value and engage a new insurance broker when it deems it necessary.
2. The BOD will receive a briefing at least annually regarding insurance coverages from the FC or staff if that duty is delegated by FC.

Governing Policies

1. Heritage on the Marina (HOTM) will have such insurance coverage that is usual and customary for an organization that is licensed as a continuing care retirement community (CCRC) and skilled nursing facility (SNF) in the State of California.
2. Limits of coverage will be appropriate for HOTM's size, location, value, operations, reserves, and other salient factors as recommended by the insurance broker.
3. Staff will consult with HOTM's insurance broker before renewal of any policy to ensure adherence to these policies and will report the results of that consultation to FC.

TYPICAL AUTHORITY RESERVED FOR OR RETAINED BY THE BOARD

AUTHORITY/DUTY	Corresponding Committee
1. SET MISSION & VISION	
2. APPROVE STRATEGIC PLAN	Strategic Planning
3. HIRE/FIRE AND EVALUATE CHIEF STAFF OFFICER	Eval usu coordinated by ExCom
4. APPROVE OPERATING & CAPITAL BUDGETS	Finance, Audit
5. INCUR DEBT	
6. ACQUIRE OR SELL REAL PROPERTY	
7. SELF-PERPETUATE (NOMINATIONS)	Nominating/Governance
8. ENTER INTO/SETTLE LITIGATION	
9. ESTABLISH INVESTMENT POLICIES	Investment or Finance
10. CREATE GOVERNING POLICIES	

FUNDRAISING



BOARD COMMITTEES

VS

STAFF COMMITTEES OR CONSULTATIVE GROUPS

BOARD COMMITTEES	STAFF CONSULTATIVE GROUPS
Duties are defined by bylaws or BOD-approved cmtt charter.	Work is defined by staff ad hoc according to situational need.
Duties are usually high-level policy matters.	Work is usually on-the-ground and pragmatic.
Board members are "agents" of the BOD and each cmtt is duty-bound to report to the BOD.	Board members are <i>volunteer consultants</i> to staff, offering special knowledge & expertise in the implementation of governing policies. Board members hold no special governing status.
Cmtt meetings are formal & structured, with minutes kept and submitted for approval and filtered upward to the BOD.	Consultations are usually informal and ad hoc. If they need to be codified, they will move to formal operational policies (staff will develop).

Thematic Principles in Play:

1. The Board of Directors has all of the authority. Individual Directors have none.
2. The Board of Directors has one employee – the CEO. All other employees report to the CEO.



Board of Directors' Meeting Minutes

June 10, 2020

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held A Special Meeting on Wednesday, June 10, 2020 via Zoom Conference.

Directors Present: Deborah Avakian, Charles Dicke, Susan Gearey, Randy Gridley, David Gruber, Tony Hanley, Dennis Mooradian, Trish Oststott, Laura Pilz, Connie Tiret and Leslie Van Houten

Directors Absent: Scott Hindes, Margaret Jacobs and Laura Wagner

Staff Present: Mel Matsumoto, CEO and Ken Donnelly, Chief Strategy Officer.

Guest: Pamela Kaufmann-Hanson Bridgett LLP

Residents' Representative: Bernie Burke, Residents' Council President

Call to Order: Chair David Gruber called the meeting to order at 4:10PM

This Special Meeting was held to review a confidential opportunity.

Adjournment: The meeting was adjourned at 4:42PM

Respectively submitted,

A handwritten signature in black ink that reads "Tony Hanley". Below the signature, the name "Tony Hanley" is printed in a smaller, sans-serif font.



Board of Directors' Meeting Minutes May 27, 2020

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, May 27, 2020 via Zoom Conference.

Directors Present: Deborah Avakian, Charles Dicke, Susan Gearey, Randy Gridley, David Gruber, Tony Hanley, Scott Hindes, Margaret Jacobs, Dennis Mooradian, Trish Otstott, Laura Pilz, Connie Tiret, Leslie Van Houten and Laura Wagner.

Staff Present: Mel Matsumoto, CEO; Ken Donnelly, Chief Strategy Officer; Joe Conroy, CFO.

Guest: Pamela Kaufmann –Hanson Bridgett LLP

Resident Representative: Bernie Burke, Residents' Council President

1. **Call to Order:** Vice Chair Gruber called the meeting to order at 4:06PM
2. **Consent Agenda:** Motion by Deborah Avakian, second by Randy Gridley to approve the Consent Agenda, which included the following resolutions:
 - a. Authorized signatories for Wells Fargo Bank Accounts
 - b. Authorized signatories for Wells Fargo Brokerage Account
 - c. Authorized signatories for accounts with BernsteinThe Motion was approved.

3. Election of Board Chair and Vice Chair: Trish Otstott made the following motions:

- a. Tony Hanley be approved to serve on the Nominating and Governance Committee
- b. David Gruber be approved to serve as Chair of the Board.
- c. Deborah Avakian be approved to serve as Vice Chair of the Board.

The motions were approved.

(See attached)

4. Corporate Structure of HOTM Board of Directors' Resolution:

Connie Tiret introduced the Resolution regarding the establishment of a non-profit Charitable Foundation under IRS 501(c)(3). Discussion followed relative to this Foundation.

Randy Gridley made a motion to approve, Dennis Mooradian seconded. The motion was approved.

(See attached)

5. Liability During a Pandemic: Pam Kaufmann explained the potential liability with the current COVID-19, including that we must use due diligence and follow Best Practices. She also stated we should check our insurance coverage.

6. Affiliation Progress-Letter of Intent: Randy Gridley explained the progress of our efforts for possible affiliation with other Senior Living organizations. One of the two organizations who submitted potential affiliations has declined to proceed stating timing concerns with their other organizational priorities. We are working on a Letter of Intent with the remaining organization, to start the process for a potential affiliation. This letter is not a contract. Our sub-committee will complete the final draft and will advise the Board of its contents at a Special Board meeting, or no later than the regular June meeting. We are targeting the July Board meeting for approval of the finished agreement.

7. Staff Reports: Mel Matsumoto presented his working 2020 goals.
(see attached)
A preliminary report on Insurance is on the Board Portal.
(see attached)

8. Board Education Session: Mel Matsumoto began his Board Education with a definition and understanding of the difference between an Operating Board and a Governance Board. He explained the responsibilities of a Governing Board (the HOTM Board). This Board has only one employee, the CEO. All authority rests with the Board as a whole and not on an individual Board member.
(see attached)

9. Adjournment: The meeting was adjourned at 6:11PM

Respectively submitted,


Tony Hanley

Nominating and Governance Committee
Motions
27 May, 2020

MOTION.1: That upon the recommendation of the Nominating and Governance Committee and with the approval of Heritage on the Marina Board of Directors, Tony Hanley be approved to serve as a regular member of the Nominating and Governance Committee.

RATIONALE: Our bylaws state that each Board Committee is required to have a membership of at least two Directors. (Bylaw Article 7 Committees –Section 7.1 Authority of Committees). David Gruber will step down from this committee and Tony has agreed to serve for the remainder of this year.

Upon approval, his term will begin immediately and expire on 31 December, 2020.

MOTION.2: That upon the recommendation of the Nominating and Governance Committee and with the approval of Heritage on the Marina Board of Directors, David Gruber be approved to serve as Chair of the Board.

RATIONALE: David Gruber has performed the duties of Heritage Board Chair since the resignation of the former Board Chair on 26 April, 2020. (Bylaw Article 8 Officers – Section 8.7 Responsibilities of Officers - Paragraph 8.7.2 Vice Chair).

Also, David has the experience of having previously served as Board Chair. Upon approval, his term will begin immediately and expire on 31 December, 2020.

MOTION.3: That upon the recommendation of the Nominating and Governance Committee and with the approval of Heritage on the Marina Board of Directors, Deborah Avakian be approved to serve as Vice Chair of the Board.

RATIONALE: Deb Avakian has been a member of our Board for approximately four years and is prepared to serve in a leadership position. Her background in administration, finance and her high-level leadership positions in other organizations equip her to perform the duties of Vice Chair of the Board. This action will fulfill Bylaw Article 8 Officers - Section 8.1 Designation of Officers.

Upon approval, her term will begin immediately and expire on 31 December, 2020.

**Heritage on the Marina
Board of Directors' Resolution**

WHEREAS, the stated purposes of Heritage on the Marina (the "Corporation") are to (1) to develop and operate housing specially designed for older adults, with arrangements for residents' health care and financial security, and otherwise to promote the interests and serve the needs of older adults, provided that such activities are consistent with this corporation's exempt purposes; (2) to promote the health and well-being of older adults across the continuum of care, services and housing; and (3) to engage in any other charitable activities;

WHEREAS, the Corporation is committed to an innovative, charitable model that serves the needs of seniors, and to use its resources and expertise to enhance the quality of life of seniors across the continuum;

WHEREAS, the Corporation has significant financial assets;

WHEREAS, the Corporation was unable to maintain its public charity status and was required several years ago to convert to a private operating foundation due to its disproportionate investment income;

WHEREAS, the Corporation desires to restore its public charity status and to enjoy the related tax benefits of such status;

WHEREAS, the Corporation does not require the full amount of its financial assets to operate its continuing care retirement community (the "Community") on a fiscally sound and responsible basis, including maintaining reserves to weather unanticipated events;

WHEREAS, the Corporation wishes to form a separate charitable foundation (the "Foundation") to (1) help support the Corporation's charitable purposes, including fostering innovations in senior care; (2) assure that adequate attention and expertise are devoted to fundraising and development; and (3) rebalance the Corporation's portfolio to enable it to restore its public charity status; and

WHEREAS, the Corporation is committed to managing its assets to ensure, to the extent possible, the continued stewardship of such assets; it is THEREFORE:

RESOLVED, that the Corporation's Board of Directors (the "Board") authorizes formation of the Foundation as a California nonprofit public benefit corporation and Internal Revenue Code Section 501(c)(3) organization.

RESOLVED, FURTHER, that the Corporation authorizes the Finance Committee of the Board to take all steps it deems necessary or appropriate to create and perfect the Foundation, including, without limitation, consulting the Corporation's accountants and legal counsel and making all necessary filings.

RESOLVED, FURTHER, that the Corporation authorizes the Finance Committee to make all filings required to initiate the conversion of the Corporation to a public charity.



RESOLVED, FURTHER, that the Board authorizes the expenditure of funds to implement the above resolutions.

RESOLVED, FURTHER, that the Board directs the Finance Committee to report to the Board on a regular basis its progress and completion of the above actions, and specifically to report to the Board the sum of money that the Finance Committee proposes that the Corporation transfer to the Foundation to enable the Corporation to restore its public charity status over a 60-month IRS ruling period.

RESOLVED, FURTHER, that any actions of the Board, the Board officers, the Finance Committee, or any other persons acting on the Corporation's behalf that are authorized by the foregoing resolutions but were taken before the adoption of such resolutions, are hereby separately ratified, confirmed, approved and adopted as acts in the name of and on behalf of the Corporation.

Adopted by the Board:

Chair of the Board of Directors, Signature

Chair of the Board of Directors, Printed Name _____ **Date** _____

Adopted:	Effective Date:
Last Reviewed:	Last Revised:

PRELIMINARY REPORT ON INSURANCE
May 27, 2020

Background

There were a number of insurance-related questions at the April Board meeting. Instead of a full presentation of insurance coverages in May, we thought a more logical sequence was for Pam Kaufmann of Hanson Bridgett to give a high-level opinion about liability, insurance, indemnification, and public policy developments as a foundation to a discussion about insurance.

That said, we have included this preliminary report as a preview of the later discussion. It is in the format of FAQs.

FAQs

How does the pandemic affect our coverages? Pandemics are excluded from coverage, but Heffernan cannot think of a scenario in which we are not covered under (especially) professional practices insurance because COVID-19 would be defined as a pathogen, which is covered. Ultimately, this may be decided by the courts. All businesses are affected by this gray area.

Do we have umbrella insurance? We have equivalent protection with excess liability coverage (\$5M). Umbrella's slightly wider reach is mainly for protection against oddball situations and is not a good buy.

Do we have Directors' & Officers' insurance? Yes, we do (\$5M). Note that excess liability does not extend D&O coverage. We have requested quotes for higher D&O limits and will explore endorsements for specific coverages we might find valuable.

Do we have Earthquake Insurance? No, we do not. It's been several years since we reviewed this so we have asked for pricing for our consideration.

Should we increase our limits overall? This will turn out to be tough judgment calls. On the one hand there has been an increase in the number of class actions and large jury awards that are not being overturned. On the other hand, the market has hardened and likely will continue to harden. This will drive up premiums. We'll have to make cost-benefit choices. We'll share numbers with the BOD.

Issues on the horizon? Workers comp will be a big issue going forward. Governor Newsom's decision re coverage for C-19 could add as much as \$1B in added claims and has caused some major players to leave the California market. This will reduce access and drive premiums higher. Our carrier, Berkshire Hathaway, remains in the market at this point. We will also review our business interruption coverage, with potentially higher limits (but see push-pull of raising limits above).

BOARD OF TRUSTEES' MEETING
March 21, 1991

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Henry Howard on March 21, 1991 at 2:00 p.m. Trustees present were Messrs. Edwards, Howard, Matthews, Morshead, Noble, Otto, Sams, Scollin, Wheary, and White; and Mesdames Avenali, Leonards, and Mustacchi. Mr. Edward Benedict, Administrator, and Miss Barbara Cox, Assistant Administrator, were also present.

Mr. Howard, Chairman, called the meeting to order at 2:10 p.m., welcoming James Wheary, CPA with Price Waterhouse, as a new member of the Board of Trustees. Mr. Howard then requested consideration of the minutes of December 20, 1990, which had been previously distributed. It was moved and seconded (White, Avenali) to approve the minutes. The motion carried unanimously.

Mrs. Mustacchi gave the report of the Board of Managers, asking first that Mrs. Leonards give an update of progress on the computerization of the organization. Mrs. Leonards noted upcoming regulatory requirements mandated by OBRA (Omnibus Budget Reconciliation Act) which she expects the new software to facilitate. Mr. Howard announced that, because of the decision of the Board to computerize the accounting department, the Heritage Controller, Stephanie Oakes has submitted her resignation. Mr. Benedict elaborated by expressing his regret over Ms. Oakes' decision to resign and his gratitude to her for her 10 years of outstanding service as well as her gracious way of handling her departure, which has included assisting in the procurement of a qualified replacement. Mr. White added his commendation of Ms. Oakes, stating that in his 40 years as a Trustee, the tenure of Ms. Oakes has been the best accounting to date. He recommended generous severance compensation as well as a letter of recommendation signed by Mr. Howard. Mr. Benedict requested that due to the training period that will be required for a new Controller, the April deadline for the compiling of information needed for the data base be extended. The consensus was to approve the request.

Mrs. Mustacchi concluded her report by explaining a current situation involving a widow who is resisting The Heritage policy to relocate to a single accommodation upon the death of her spouse. Discussion followed and Mr. Morshead moved that the Trustees reaffirm the customary practice of holding to the policy of requiring the move and authorize the expenditure for a contract revision incorporating language relating to this circumstance. It was moved, seconded, and carried (Scollin, Edwards) that the policy remain and be made contractual. The Managers will proceed by meeting with the resistant resident.



2020 GOALS FOR INTERIM CEO

Version #1 - May, 2020

The pandemic has made traditional goal & objective setting – with its timelines and quantifiable outcomes – difficult because of the multiple uncertainties of the pandemic. This document should be seen as working goals, meant to give the BOD, residents and team members a sense of priorities but with enough flexibility to make rapid adjustments. As we begin to see clarity, we'll add measurable outcomes within each category, though such clarity will likely be uneven.

COVID-19

Provide support and guidance to Hanh Ta as Emergency Incident Commander for HOTM.

[No specific objectives b/c of rapidly shifting landscape]

PLANNING FOR POST COVID-19 ERA

This is more accurately called Post COVID-19 surge era since we will be dealing with C-19 for many months, but as we get past the apex of the curve, we will gradually resume "normal" operations. This requires good and flexible planning starting now.
Objectives:

- Prepare & update on-going analysis of effects of C-19 on financials.
- Develop a marketing plan for post-surge period.
- Prepare for a potential second wave of COVID-19.
- Debrief and make needed adjustments to our emergency operations plan.
- Provide support and guidance to Janet Howell as she manages apartment conversions.

TRANSITION TO PERMANENT CEO OR AFFILIATION

Objectives:

- Develop the skillset and knowledge of key executive team members.
- Assist the Board with its evolution using widely accepted principles and resources (e.g., BoardSource).
- As strategic affiliation plans crystallize, develop a specific transition plan with Ken Donnelly, the incoming affiliation group or CEO/Executive Director, and the Board's Executive Committee (or other designated committee).



BOARD EDUCATION – WORKING SYLLABUS

May, 2020

This working syllabus will guide the board education series over the next several meetings. A board education session of two hours is typical. If we spend 30 min at each board meeting on this, we should be done in September. It may go faster, it may go slower, though I'm sure we'll all be glad if it is the former. Not all components will take the same amount of time. We'll stop at a natural pause point when we approach 30 minutes and pick it up again at the next meeting.

1. An Operating or Founders Board vs. a Governing Board
 - a. Definitions
 - b. Organizational Life Cycle and the Difficulty of Transitioning
 - c. Advantages & Disadvantages of Each Model
 - d. Baseline Principles of a Governing Board
2. Features of a Governing Board (1): Board Responsibilities/Staff Responsibilities
3. Features of a Governing Board (2): Board Committees vs Staff Committees
4. Features of a Governing Board (3): What does it mean to make governing policies?
What is the difference between governing policies and operational policies? (A Case Study)
5. FAQs About Governing Boards
 - a. How do Directors contribute their special knowledge & skills?
 - b. Is a governing board just a ceremonial board?
 - c. Does a governing board mean an imperial CEO?
 - d. If the CEO or staff messes up, how does a governing board hold them accountable?
6. Principles in Action
 - a. How does the Board Chair & CEO work together?
 - b. How do the Board and CEO work together?
 - c. How do Directors interact with staff?
7. Relationship with Residents
 - a. Resident – Board – Staff Triangle
 - b. Special Challenges for Resident Directors
8. Creating a New Board Culture (How to Sustain Changes)
 - a. Role of Board Chair
 - b. Role of Directors
 - c. Regular Self-assessments



Board of Directors' Meeting Minutes April 22, 2020

The Board of Directors of the San Francisco Ladies' Protection Society and Relief Society (the Board) held its monthly meeting on Wednesday April 22, 2020, via Zoom Conference.

Directors Present: Deborah Avakian, Charles Dicke, Susan Gearey, Randy Gridley, Dave Gruber, Tony Hanley, Scott Hindes, David Hines, Margaret Jacobs, Jeanie Kayser-Jones, Dennis Mooradian, Trish Otstott, Laura Pilz, Connie Tiret, Leslie Van Houten and Laura Wagner.

Staff Present: Mel Matsumoto, CEO; Ken Donnelly, Chief Strategy Officer; Joe Conroy, CFO; Hanh Ta, Nursing Home Administrator /Operations Director/Compliance Officer.

Residents' Representative: Bernie Burke, Residents' Council President

1. **Call to Order:** Chair Hines called the meeting to order at 4:00PM
2. **Consent Agenda:** Health Committee minutes under review. With the exception of the March minutes, which will be submitted later, the Consent Agenda was approved.
3. **Chair's Report:** Finance Committee should review the 2020 budget which may need revision due to the Covid-19 issues and report back any adjustments.
4. **CEO's Report:** Mel Matsumoto noted he is working on action items to be presented at the May Board Meeting.

5. Resident Communications and Relations: Bernie Burke reported that residents are holding up well. Staff is working hard and residents appreciate the support. Fromm lectures now available on line for free.

6. Executive Compensation Committee: Chair Leslie Van Houten reported that the committee has finalized the terms of Ken Donnelly's employment and made the following motion.
(See Attached)

The motion was approved by the Directors.

7. Audit Committee Report: Chair Randy Gridley reported that the 2019 audit is now on the Board Portal. Joe Conroy stated minor deficiencies noted are being corrected. Randy Gridley made a motion to approve the Annual Audit report. The Directors' approved the motion.

8. Investment Committee Report: Chair Randy Gridley reported that our portfolio was down 16% in the first quarter. Due to the uncertainty in the financial markets, the Committee recommends that all capital projects, except the previous approval to combine units, be delayed until the market rebounds. Randy noted that under the CARE Plan, those employees under 55 1/2 can withdraw from their 401K plan without penalty.

9. Strategic Planning Committee Report: Chair David Gruber reported that we received three responses to our request for proposal on affiliation. The Committee has recommended that we follow up with two of the three proposals and have instructed Ken Donnelly to communicate with the two for a possible mid-May review. David acknowledged that we must move ahead on the Strategic Plan.

10. COVID-19 Report: Hanh Ta, Incident Commander reported on the actions and policies followed by the Heritage staff in dealing with the coronavirus issue. She and Sandra Peret, Infection Prevention Nurse are in regular communication with residents and are posting information on our website. Han stated we are following CDC, California Department of Health and SF Department of Health guidelines.

11. Health Committee Report: Chair Jeanie Kayser-Jones stated that The Health Committee minutes from the last meeting will be on The Board Portal. In response to question of staff, had stated that That we currently exceed the State requirements regarding hours Per patient.

12. Other Business: A question was raised regarding insurance Coverage. Joe Conroy will review and report back to the Board.

13. Adjournment: The meeting was adjourned at 6:11PM

Respectively submitted,

Tony Hanley
Tony Hanley, Secretary

Heritage

ON THE MARINA

Minutes of the Board of Directors of the San Francisco Ladies' Protection and Relief Society Action Without Meeting

In order to comply with the order from the San Francisco Department of Public Health concerning the Covid-19 pandemic and, among other things, gatherings, on March 12, 2020, Chair David Hines cancelled the March 25, 2020 scheduled meeting of the Board of Directors (the Board). However, because of the need to conduct important Board business, Chair Hines invoked Section 6.16 of the Bylaws, Action Without Meeting, in order for the Board to hire Melvin Matsumoto as interim CEO of Heritage on the Marina (The Heritage). According to this section, all members of the Board must consent to the action and the written consents must be filed with the minutes reflecting this action.

All directors voted in favor of the action set forth below and their written consents are attached.

Action: The Chair Hines emailed all Directors that the Executive Compensation Committee had determined that Mr. Matsumoto was the best qualified candidate to fill the position of Interim CEO of Heritage on the Marina. Included in the email were a job description, resume and a motion that set forth the terms of Mr. Matsumoto's employment. The Chair attached a consent to hire Mr. Matsumoto pursuant to the terms listed in the Committee's motion.

Action: The Executive Compensation Committee respectfully makes the following motion: that Melvin Matsumoto be employed as interim CEO of Heritage on the Marina on terms specified below:

I. Salary

Mr. Matsumoto's base salary for full-time work will be \$25,000 a month. As set forth more fully below, he will begin working part-time on July 1, 2020. Effective July 1, 2020 his salary will be prorated to reflect his part-time schedule; his salary then will be \$16,700 a month. Mr. Matsumoto's salary can be changed only by approval of the Board.

II. Benefits

In accordance with the terms of each plan and/or policy, Heritage employees are eligible for a standard benefit package. The standard benefit package includes health insurance (95% paid by Heritage), dental insurance (100% paid by Heritage), 401(k) employer contribution, life insurance, long-term disability insurance, eight paid holidays and accrued vacation. Mr. Matsumoto's eligibility will be in compliance with the terms of each plan, with the exception that, when his time drops below 75% of full-time as of July 1, 2020, he will continue to be eligible for health and welfare benefits (medical, dental, life insurance and long-term disability insurance).

III. Schedule and Time Off

Prior to July 1, 2020 Mr. Matsumoto will be working full-time. He has requested June 30, 2020 as a day off. This will be treated as a vacation day for which he may use accrued, unused vacation.

After July 1, 2020 Mr. Matsumoto will be working 3 days a week. He will take every Tuesday as one of his days off and he will select one other day off each work. He will keep the Executive Leadership Team apprised of his days off.

IV. Duration

Mr. Matsumoto's start date will be as soon as possible after approval of his employment by the Board and upon completion of the pre-employment requirements for this position. His preferred end date is December 31, 2020. This will be a discussion topic between Mr. Matsumoto and the Board's Chair as that date approaches.

V. Miscellaneous

- Mr. Matsumoto will have a fully equipped office on-site at the Heritage.
- The Heritage will pay for appropriate and reasonable continuing education expenses as required for Mr. Matsumoto to maintain his licenses and certification.
- Mr. Matsumoto will be provided a company credit card as soon as possible following his start date.
- Because of the on-call nature of Mr. Matsumoto's position, he will be required to have a cell phone. Because of this requirement, the Heritage will reimburse his cell phone expenses up to \$110 a month.

In addition to the terms and conditions of employment described above, Mr. Matsumoto will be subject to the other terms and conditions of employment as are generally applicable to other Heritage employees, including at-will employment.

The Directors unanimously approved the motion, and, on March 29, 2020, the Board was notified by the Chair of the unanimous approval of the motion.

Respectfully Submitted,


Tony Hanley, Secretary

III. Benefits

In accordance with the terms of each plan and/or policy, Heritage employees are eligible for a standard benefit package. The standard benefit package includes health insurance (95% paid by Heritage), dental insurance (100% paid by Heritage), 401(k) employer contribution, life insurance, long-term disability insurance, eight paid holidays and accrued vacation. Mr. Donnelly's eligibility will be in compliance with the terms of each plan, with the exception that, when his time drops below full-time, he will continue to be eligible for health and welfare benefits (medical, dental, life insurance and long-term disability insurance).

IV. Schedule

Once Mr. Donnelly has completed the transitioning the interim CEO, he will devote his time to the strategic planning process and will work on average 50% time. The Board and Mr. Donnelly understand that, given the nature of the work, sometimes Mr. Donnelly may work more than 50% time in any given week and sometimes less; but on average, he will work 50% time. Mr. Donnelly agrees to keep the Chair of the Board generally aware of his work schedule.

At this time, the expectation is that Mr. Donnelly will present the Board with an option (or options) for partnering at the Board's July 24, 2020 meeting. If the Board determines to go ahead with a plan to partner, then Mr. Donnelly will be assigned to work with legal counsel to assist in the implementation of proposed partnership and to assist the Board as needed to implement the proposal. This process is anticipated to conclude no later than December 2020. Whenever this process is concluded and/or Mr. Donnelly's services are no longer needed in the implementation process, Mr. Donnelly understands that his employment will end. Should the Board decide not to partner or develop alternate strategies, then Mr. Donnelly's services will no longer be needed, and his employment will end. In all cases, the determination that Mr. Donnelly's services are no longer needed is the Board's to make. The Board will provide Mr. Donnelly at least two weeks' notice prior to the end date.

V. Miscellaneous

- Mr. Donnelly will work off site, coming to the Heritage as needed. He may need access to Heritage staff from time to time and will work out those arrangements with the Interim CEO.
- The Heritage will provide Mr. Donnelly with a laptop and a scanner. At the conclusion of Mr. Donnelly's employment, he will be given and allowed to keep the laptop and scanner provided to him. In such event, Mr. Donnelly will transfer all applicable files, documents and the like to Heritage and remove them from the laptop.
- The Heritage will pay for appropriate and reasonable continuing education expenses as required for Mr. Donnelly to maintain his licenses and certification and pay the RCFE administrator's license fee due in June.
- Mr. Donnelly will be provided a company credit card.
- While Mr. Donnelly is in the process of transitioning the interim CEO and because of the on-call nature of Mr. Donnelly's position at that time, he will be required to have a cell phone. Because of this requirement, the Heritage will reimburse his cell phone expenses up to \$110 a month during the transition period.

VI. Discretionary Bonus

At its discretion, the Board may award Mr. Donnelly a bonus for successfully partnering with the Board on its Strategic Planning. The amount and the timing of the bonus will also be at the Board's discretion.

In addition to the terms and conditions of employment described above, Mr. Donnelly will continue to be subject to the other terms and conditions of employment as are generally applicable to other Heritage employees, including at-will employment.

Board of Directors' Meeting Minutes

February 26, 2020

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, February 26, 2020 at the Heritage on the Marina (the Heritage), Stucky Library.

Directors Present : Deborah Avakian, Charles Dicke, Randy Gridley, David Gruber, Tony Hanley, Scott Hindes, David Hines, Margaret Jacobs, Jeannie Kayser-Jones, Trish Otstott, Laura Pilz, Leslie Van Houten and Laura Wagner.

By Phone: Connie Tiret

Directors Excused: Dennis Mooradian

Staff Present: Ken Donnelly, Chief Executive Officer

Resident Representative: Bernie Burke, Resident Council President

Call to Order: Chair Hines called the meeting to order at 4:00PM

Consent Agenda: The Board approved the consent agenda. The January minutes, the Health Committee Minutes and financial reports. Jeannie Kayser-Jones had some questions regarding the Quarterly Clinical Snapshot. Ken Donnelly will follow up and report at the next Health Committee meeting. Ken also mentioned that an adjusted Financial Snapshot was included in the meeting packet.

Chair's Report: Motion to approve the following extensions for current board members.

1 year extension – rotate off December 31, 2020

Connie Tiret. – David Hines – Jeannie Kayser-Jones

2 year Extension – rotate off December 31, 2021
David Gruber – Laura Pilz – Randy Gridley

3 year Extension – Rotate off December 31, 2022
Leslie Van Houten – Trish Otstott

It was moved and seconded to approve these extensions. Motion Carried.

Chairman Hines reported that he had a conversation with Glenn Hickerson regarding their proposal for a sizable donation, in both his and Jane Hickerson's wills to the Heritage, predicated on the construction of the Atrium. Since the Atrium project is not feasible at this time, the Chair asked David Gruber and Trish Otstott to visit with Glenn Hickerson to determine if there was any alternative projects for which this donation could be attached.

CEO's Report: Ken Donnelly reported Board orientations for Burke, Dicke, Hindes, and Wagner. The Federal (CMS) Survey showed no substandard care and no medication errors, with two minor deficiencies.

State Title 22 Survey showed no deficiencies. Life Safety Survey showed three minor deficiencies. Heritage on the Marina considered top tier of nursing facilities.

Regarding affiliation, four organizations have visited Heritage on the Marina and have been sent an RFP (see February 13, 2020 Strategic Planning Committee minutes) with a deadline of March 20, 2020 for response.

Joe Conroy, CFO, will attend the March Board Meeting to discuss the annual audit.

Resident Communications and Relations: President Burke reported that residents were happy with the food service, but are concerned about so many vacancies. There is support for consolidation of apartments.

Nominating Committee: Chair Trish Otstott proposed the following motion. That Susan Gearey be approved as a full voting member of the Board of Directors. Motion approved. Susan will begin her three year term on March 1, 2020. This brings the Board to 16 voting members.

Strategic Planning Committee: Chair David Gruber reported discussions regarding the combining of certain apartments to make three- two bedroom apartments. The committee agreed to take another look at the financial aspect of these combinations and make a final decision at the February Board meeting.

Executive Compensation Committee: Chair Leslie Van Houten reported that they have met with an Interim CEO candidate suggested by Ken Donnelly, however the candidate, after consideration, decided he did not want to come out of retirement. Our search firm has three possible candidates for the interim position and we will arrange interviews.

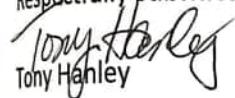
Unit Combination Recommendation: At the request of David Gruber, Randy Gridley went over the financial implications when you combine units. Randy replied, it was a break even for 67 months. If the occupants of the two bedroom unit live beyond 67 months, we begin to lose money, compared to the apartments used in the combination paying separately. Since the apartments that would be combined are studios, marketing has determined that those looking do not want studios. This combination will affect 5 of the 10 vacant studios. There was a motion to approve the three combinations. Motion approved with one abstention.

Other Business: There was no other business.

Adjournment: The meeting was adjourned at 5:45PM.
The next scheduled Board Meeting is to be held on Wednesday March
25, 2020.

There was no Executive Session held.

Respectfully submitted,


Tony Hanley



Board of Directors' Meeting Minutes

January 22, 2020

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, January 22, 2020 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, David Gruber, Tony Hanley, Scott Hindes, David Hines, Margaret Jacobs, Laura Pilz, and Leslie Van Houten.

By Phone: Randy Gridley, Trish Otstott and Connie Tiret.

Directors Excused: Jeanie Kayser-Jones, Dennis Mooradian

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative: Bernie Burke, Residents' Council President

Call to Order: Chair Hines called the meeting to order at 4:00PM

Consent Agenda: The Board approved the Consent Agenda: December 2019 minutes.

Chair's Report: Dave Hines noted that the assignments for the various Board Committees are included in the Board Packet, including the combining of the Investment and Pension committees. All Board members are invited to attend any of the committee meetings.

Resident Communications and Relations: President Burke reported that the improvements in the Porter Garden have beautified the area. Residents are concerned about the number of vacancies, in particular studio apartments, which are a product that cannot be sold. The Facilities Committee will discuss changes at their next meeting.

Strategic Planning Committee: Ken Donnelly will meet with potential affiliation partners over the next several weeks and report at the next

Strategic Planning Committee. A discussion about the need to communicate progress to residents and staff will also be on the agenda for this meeting.

Executive Compensation Committee: Leslie Van Houten, Chair, stated they have met with the search firm, who has a list of potential interim CEO's. They would be under the payroll of the search firm.

Motion : was made to pursue interview of search firms list and any candidates that Ken Donnelly may bring forward. Motion approved.

Nominating Committee: Chair Trish Otstott proposed the following motions.

Motion: That Dr. Laura Wagner be approved as a full voting member of the Board of Directors. Motion approved

Motion: That Charles "Charlie" Dicke be approved as a full voting member of the Board of Directors. Motion approved.

Both will begin their 3-year terms on February 1, 2020.

A proposed statement of current Board member terms was tabled until the February meeting.

Other Business: In light of a potential affiliation, the Finance Committee has been charged with reviewing the legal structure of the San Francisco Ladies' Protection & Relief Society with our legal counsel and reporting back to the Board.

Adjournment: The meeting was adjourned at 5:45PM. The next scheduled Board meeting is to be held on February 26, 2020.

There was no Executive Session held.

Respectfully submitted,

Tony Harley
Tony Harley



Board of Directors' Meeting Minutes December 11, 2019

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, December 11, 2019 at Heritage on the Marina (the Heritage), John Killeen Fitness Center.

Directors Present: Deborah Avakian, Paul Cesari, David Gruber, Molly Hauser, Jane Hickerson, Scott Hindes, David Hines, Randy Gridley, Margaret Jacobs, Jeanie Kayser-Jones, Trish Otstott, Laura Pilz, and Leslie Van Houten

Directors Excused: Connie Tiret

Staff Present: Ken Donnelly, Chief Executive Officer; Joe Conroy, Chief Financial Officer

Residents' Representatives Present: Tony Hanley, Out-going Residents' Council President, Bernie Burke, Incoming Residents' Council President.

I. Call to Order

Chair Hines called the meeting to order at 4:00 p.m. He thanked CEO Donnelly for his 7+ years of service to Heritage on the Marina. He also thanked the three retiring board members, Jane Hickerson, Molly Hauser and Paul Cesari, for their years of service on the Board.

II. Consent Agenda

The Board approved the Consent Agenda: the November 2019 minutes and the Strategic Planning Committee minutes.

III. Residents Communications and Relations Report

Outgoing Residents' Council President and Director Hanley welcomed the Board members to the annual holiday party held that same evening.

IV. Budget Discussion for FY 2020

Controller Conroy lead the discussion on the proposed budget for 2020. In advance of the meeting, the Board was provided with the draft 2020 budget and the 2020 Business Plan Assumptions. Conroy explained that there would be a 3.7-million-dollar deficit even though costs will remain about the same. Revenue will decrease next year because of the seven vacant studio apartments. He noted that the two studios in the Assisted Living section likely will not be filled because of decrease in interest in apartments of that size. In addition, among other things, there is a need for additional personnel as well as increase in the health premiums and GL/professional liability insurance. The 2020 Business Plan Assumptions contains greater detail.

A discussion ensued on some of the particulars.

The 2020 Budget was approved upon motion by the Board.

V. Leadership Discussion

Leslie Van Houten, chair of the Executive Compensation Committee reported on the status of the search for an interim Executive Director/CEO. She referred to the Work Plan prepared by CEO Donnelly and sent to the Board in advance of the meeting. Leslie reported on the meeting by the search committee held with Mel Matsumoto who at the time of the meeting was seriously considering the opportunity to be the Heritage's interim CEO/ED. All groups who had met with Mr. Matsumoto including residents and senior leadership reported positively about him. Should Mr. Matsumoto determine that he is not interested in the position, there is one other candidate who has been approached, and the Board can also engage the firm, Witt Kieffer. Witt Kieffer has a group that specializes in placing interim leaders in the Health Care industry.

VI. Nominating Committee

Committee Chair Trish Otsott presented the Board with the following slate of officers:

CHAIR: Dave Hines

VICE CHAIR: David Gruber

SECRETARY: Tony Hanley

TREASURER: Connie Tiret

The Board, upon motion, approved the slate of Officers for 2020.

VII. Adjournment

The meeting was adjourned at 5:20 p.m.

VIII. Executive Session

The Board met in Executive Session from 5:35 p.m. to 5:55 p.m. at which time the Executive Session was adjourned.

IX. Reconvening of Regular Session and Adjournment

The Board reconvened its regular session at 5:56 pm to entertain the following motion:

Once interim leadership is in place, that CEO Donnelly be retained in a different role--to help transition the new interim leader and to partner with the Board on Strategic Planning--subject to mutual agreement on terms and conditions of employment.

The motion was approved by all the directors present with the exception of one abstention.

This session was adjourned at 6:05 pm. The next scheduled Board meeting is to be held on January 22, 2020.

Respectfully submitted,

Leslie L. Van Houten

Leslie L. Van Houten



**Board of Directors' Meeting
Minutes
Wednesday, November 20, 2019**

Directors Present: Deborah Avakian, Paul Cesari, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, Margaret Jacobs, Dennis Mooradian, Trish Oststott, Connie Tret,

Directors Excused: Jeanie Kaiser-Jones, Laura Pilz, Leslie Van Houten

Staff: Ken Donnelly, CEO; Hanh Ta, Nursing Home Administrator and Operations Director

Residents' Representative: Tony Hanley, Residents' Council President

Guest: Jennifer Elko of Strategic Management Services LLC

1. **Call to Order:** Board Chair, David Hines, called the meeting to order at 4:05 p.m.

2. **Consent Agenda:** The Consent Agenda (September minutes, Marketing Report, September 2019 Financial Packet, September Clinical Snapshot, CEO Report) was unanimously approved on a motion by Molly Hauser and a second by Paul Cesari

3. **Residents' Representative:** Residents' Council President, Tony Hanley invited all Board members to attend the Annual Meeting of the Residents' Council on Friday, December 13, at 9:30 a.m. in Friendship Hall.

Margaret Jacobs reminded Board members to sign up for meals with residents.

4. **Bylaws Discussion:** Paul Cesari discussed the revised Bylaws, calling attention to the following changes:

- **6.3 Election and Terms of Office of Directors.** Directors elected subsequent to January 1, 2020 may serve for no more than three (3) consecutive terms. The term of any director serving in the last year of his/her three (3) year term who is also serving as an officer shall be extended to December 31 of that year.
- **6.4 Qualifications of Directors.** Any adult who is interested in its charitable work may serve as a Director. ("who resides within the geographical area served by the corporation" was deleted)

Paul cautioned the Board about making changes to the Bylaws to accommodate the needs of an individual Board member.

David thanked Paul and Laura for their work on the Bylaws which were unanimously Approved, as amended, on a motion by David Gruber and a second by Deb Avakian.

§ **Strategic Planning Committee:** Chair David Gruber summarized the ideas from the October 23rd retreat. The Committee is putting together a list of things we want to preserve and things that we are willing to give up in an effort to partner or affiliate with another organization. The main focus of the Strategic Planning Committee will be to establish guidelines for Ken as he meets with potential affiliates.

Both Randy and Deb commented that "affiliations/mergers" were the big themes at the LeadingAge Conference this year. Randy added that this doesn't mean giving up our investment portfolio, autonomy or control, etc.

Ken referred to the "Affiliation Workplan" (**Attachment 1**) which contains two voting dates for the Board's decision: the first in July and the second in November.

§ **Compliance Program Training:** Compliance Officer, Hanh Ta, introduced Jennifer Elko of Strategic Management Services, LLC. Jennifer and Hanh presented the Committee with a 32-page "Compliance and Ethics Program" (**Attachment 2**) and a 24-page "Code of Conduct" (**Attachment 3**) which they developed. Since our Health Center became Medicare Certified and we receive federal funds, we are required to have such a program in place. As stated on page 3 of the Compliance and Ethics Program, the program is an ongoing process aimed at ensuring an organization and its employees comply with applicable laws and regulations. As Medicare's Conditions of Participation states, a *'compliance and ethics program that is effective in preventing and detecting criminal, civil and administrative violations...and in promoting quality of care...'* Heritage on the Marina must provide mandatory training for all staff by the end of December 2019.

1. **Executive Compensation Committee:** Randy informed the Committee that Ken had Drafted a Job Description for an Interim CEO. (**Attachment 4**) Ken is arranging interviews with two potential candidates the first week of December. Both prospects have 30-40 years of experience in the industry, including serving as Chair of LeadingAge California. If these candidates are not viable, we will engage a consulting firm.

1. **Nominating Committee:** Trish presented two potential Board Members to be elected as a voting member for a three year term. Scott Hides, whose family has been involved with Heritage on the Marina for three generations and has been a generous and loyal donor. She also nominated resident Tony Hanley. (He had been excused prior to this discussion.) Tony has been serving on the Board as the Residents' Council President and representative to the Board. Both gentlemen were elected unanimously.

Margaret commented that the Board/Nominating Committee has been remiss in not recruiting a psychologist or a Social Worker to serve on the Board.

Molly inquired about Charles Dicke; who is a very interested and qualified potential Board member. Trish will arrange a meeting with Charles and David Hines.

§ Other Business: There was no other business.

10. Adjournment: The meeting was adjourned at 6:30 p.m. at which time the Board went into Executive Session. The next meeting will be at 4:00 p.m. on Wednesday, December 11, in the John Killeen Fitness Center, followed by the Holiday Party.

Respectfully submitted,



Patti Gallagher, Marketing Coordinator



Board of Directors' Meeting Minutes September 25, 2019

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, September 25, 2019 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, Molly Hauser, David Hines, Randy Gridley, Margaret Jacobs, Jeanie Kayser-Jones, Dennis Mooradian, Trish Otstott, Connie Tret, and Leslie Van Houten

Directors Absent: Jane Hickerson, Dave Gruber, Laura Pilz and Paul Cesari

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order at 4:02 p.m.

II. Consent Agenda

The Board approved the Consent Agenda: the August minutes, the Marketing Report, the July Financial Snapshot and the Audit of the Heritage's Retirement Plan.

III. CEO's Report

CEO Donnelly updated the Board on the following:

a. The Octavia Street Flats

While the work on the flats is completed, the City still needs to sign off on the sprinkler system. The residents for the 2 flats will move into them in November. The Garden Apartment continues to be marketed, and the work connecting the backyard of the flats to the community is in progress.

b. Friendship Hall Renovation

The original timeline for completing this work was 14 weeks with an estimated completion date of mid-September. Because of an OSHPD issue with the cabling and holes drilled for studs, there is a four-week delay with an expected completion date of mid-October.

c. Risk Management

The federally mandated compliance plan should be completed by the end of October. The Board can expect training to occur by the end of the year.

The SF Department of Public Health conducted a review of the kitchen which received a (perfect) score of 100 for cleanliness and safety.

d. Employee and Resident Satisfaction Survey

CEO Donnelly will make a detailed presentation to the Board on the employee and resident surveys. The highlights are that the residents' overall satisfaction rate was stellar 96% up from 89% last year. The non-Health Center employee satisfaction rated ranged from 70-82%; however, problems still exist in the Health Center where there was low participation and, of those who participated, a low satisfaction rate.

e. The New Director of Environmental Services

The new director is Jon Jolicouer who is expected to start mid-October.

f. Form HS215a

All Board members are required by state law to fill out this form. The form will be distributed by email and collected at the retreat.

IV. Residents' Communications and Relations Report

Resident Council President Hanley noted that only half of the Board was attending the Residents' dinner honoring the Board. Discussion ranged from picking a different month than September when people are often on vacation to checking in advance for prior scheduled conflicts.

v. Bylaws Discussion

Given that both Paul Cesari and Laura Pilz (the Board members leading the review of the revision of the bylaws) were unable to attend the meeting, no formal presentation was made. Instead, the discussion will take place at the November meeting and a review will be made by legal counsel.

However, two bylaw issues were discussed. First, CEO Donnelly again brought section 8.76 which as drafted has the Controller "subject to the oversight of the Treasurer." The current practice is that there is a direct reporting line from the Controller to the CEO.

Additionally, the Board had an impromptu discussion of the appropriateness of having the Residents' Council President automatically join the Board without the vetting process followed for other Board candidates. The issue was tabled for discussion at a later date.

Strategic Planning Update

Co-chair Randy Gridley informed the Board of the status of the Strategic Planning process and the upcoming retreat on October 23, 2019. One of the issues discussed was the participation of non-Board members, staff and other residents, in the process. The recommendation was to welcome staff and the current Residents' Council President and the President-elect during the morning sessions and lunch. The afternoon deliberative session would be for Board members and CEO (only).

CEO Donnelly also reminded the Board of the survey sent out to Board members and asked all Board members to have the survey completed by October 1. He also reported on his conversations with COVIA management about sharing resources such as using a jointly owned and operated employment agency and a coordinated system to train and place CNAs.

VI. CEO Search Update

Leslie Van Houten and Connie Tiret reported on the meeting with Elaina Genser, the person at Witt/Kieffer who leads the team placing CEOs in the health industry, including facilities such as the Heritage. Ms. Genser provided needed feedback including her belief that, at this juncture, the Board is not ready to begin a search until after the retreat. That process will help inform the Board (and hence the search) about direction and the type of leader who will ultimately be needed. She provided a number of options including the use of an interim CEO while the strategic planning process continues. She noted that, given the Society's resources, the Board can undertake a thorough and thoughtful strategic planning process.

VII. Adjournment

The meeting was adjourned at 5:15 p.m. The next Board meeting originally scheduled for October 23, 2019 will not occur due to the Strategic Planning Retreat scheduled for the same day. The next regularly scheduled Board meeting will be held on November 20, 2019.

Respectfully submitted,



Leslie L. Van Houten



Board of Directors' Meeting Minutes August 28, 2019

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, August 28, 2019 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Paul Cesari, David Gruber, Molly Hauser, David Hines, Andy Gridley, Margaret Jacobs, Dennis Mooradian, Trish Otstott, Laura Pilz, Connie Tiret and Leslie Van Houten

Directors Absent: Deborah Avakian, Jane Hickerson and Jeanie Kayser-Jones

Staff Present: Ken Donnelly, Chief Executive Officer, and Joe Conroy, Chief Financial Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order at 4:03 p.m. He and the Board members welcomed new Board member, Dennis Mooradian.

II. Consent Agenda

The Board approved the Consent Agenda: the July minutes, the Committee and Task Team Reports, the Marketing Report, the June 2019 Financial Packet, the June 2019 Clinical Snapshot and the CEO's report.

III. Chair's Report

Chair Hines deferred his report given the heavy agenda.

IV. CEO's Report

CEO Donnelly's report was placed in the consent agenda due to time constraints.

V. Resident Communications and Relations

Residents' Council President Hanley reported that, for the first time, a pet bird has been approved for a resident. He also extended an invitation to all Board members to come to "Open Doors," a fund raiser, which will feature the Francisco Street properties. This event is scheduled on Friday, September 20th in the afternoon. The Residents' Annual Board Appreciation Dinner will take place on Wednesday, September 25th immediately following the Board meeting.

VI. CFO's Report

CFO Conroy reported that the revenues for Heritage on the Marina are not meeting the budgeted expectations. He noted that there were a variety of reasons. For example, in June there were 11 vacant units, more than had been forecasted. Additionally, the number of private pay patients in the SNF averaged 9 when the number budgeted for was 10, and there were a number of the private pay patients' deaths. On the positive side, the number of Medicare patients is better than planned; however, due to the renovation of Friendship Hall we suspended SNF admissions for two weeks, which will have a substantial effect on the July numbers.

VII. The Bylaw Review

Laura Pilz, who together with Paul Cesari is leading the review of the Bylaws, commented that one of the motivations of the review was to look at the operational functionality of the Board. As it turned out, the Bylaws are more streamlined than the way the Board operates. As an example, she noted that many of the committees that do much of the work are not listed in the Bylaws. She suggested that the Board should consider focusing on the form of the organization which in turn could affect the operations of the Board.

Paul Cesari drafted the proposed changes to the Bylaws that had been provided to the Board in advance of the meeting. Paul lead the discussion taking the Board through each proposed change and giving the Board an opportunity to comment on each. Based on the comments and discussion, Paul will produce a final set of Bylaws to be voted on at the September meeting.

VIII. Strategic Planning Update

David Gruber announced that the Board's Strategic Planning Retreat is scheduled for October 23, 2019 at the Inn of the Presidio. As a result, there will be no Board meeting that evening. Among the topics to be discussed are partnering, entering into a joint venture and fundraising. The Board will be provided materials to study in advance of the meeting.

The Board was provided with a copy of a Letter of Agreement to contract with Joanne Handy to lead the Board in its Strategic Planning Retreat. After review and discussion, the Board approved the Agreement.

IX. Nominating Committee Report

Trish Oststott reported on the work of the nominating committee and potential new Board members. The Board also discussed whether and how to add another resident to the Board as voting member.

X. CEO Transition

Leslie Van Houten gave a brief overview of the work of the Executive Compensation Committee to date, related to the transition of the CEO. Chair Hines has charged this committee with overseeing this work. Laura Pilz updated the Board on two potential candidates, one internal and one external, who have expressed an interest in the leadership position at Heritage on the Marina.

The Board agreed that the next step was to engage a search firm to help the Board select the next leader of Heritage on the Marina and charged the Executive Compensation committee with selecting that firm.

XI. Adjournment

The meeting was adjourned at 6:12 p.m. The next scheduled Board meeting is to be held on September 25, 2019.

XII. Executive Session

The Board met in Executive Session from 6:13 p.m. to 6:21 p.m. at which time the Executive Session was adjourned.

Respectfully submitted,

Leslie L. Van Houten

Leslie L. Van Houten



Board of Directors' Meeting Minutes July 24, 2019

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, July 24, 2019 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, David Gruber, Molly Hauser, Jane Hickerson, David Hines, Randy Gridley, Margaret Jacobs, Jeanie Kayser-Jones, Trish Ostott, Laura Pilz and Leslie Van Houten

Directors Absent: Paul Cesari and Connie Tiret

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the regular meeting to order at 4:08 p.m.

II. Consent Agenda

The Board approved the Consent Agenda: the June 2019 minutes, the Marketing Report, the April 2019 Financial Snapshot, the May 2019 Financial Snapshot and the Committee and Task Team Reports (the Strategic Planning Committee and the Health Committee reports).

III. CEO's Report

CEO Donnelly reported on the following:

- Octavia Project. The project is 95% completed and new residents have been secured for both flats; the garden apartment is still available.
- Friendship Hall. The renovation is on track to be completed in August subject to OSHPD approval.

- The Atrium. The permit for the proposed atrium expires in 2019. The permit can be renewed for two years for approximately \$5,000. CEO Donnelly recommended that the permit be renewed for two reasons: 1) funds have been expended to obtain the report and 2) this work would have to be re-done should the Board determine to go ahead with the project. The Board endorsed CEO Donnelly's recommendation to renew this permit.
- Surveys. The resident and employee satisfaction surveys are to go out this week. Once the results are in, CEO Donnelly will present them in detail to the Board.
- Physician Coverage. Dr. Richard Moskowitz is now seeing patients in the Health Center. Dr. Moskowitz is associated with Brown and Toland. In addition, there are on-going negotiations with Verity Medical Group for additional physician coverage.

IV. Resident Communications and Relations Report

Residents' Council President Hanley reported that most residents are delighted that the American Flag is once again being flown now that the proper signage is in place. He noted that a house committee has formed.

Council President Hanley also reminded the Board that a residents' fund raiser, Open Door, will feature the Francisco Flats and will take place on September 20, 2019 from 2 to 4 p.m. Board members, upon making the required donation, are invited to attend. Council President Hanley also noted that the Board Appreciation Dinner will take place following the September 25, 2019 Board meeting.

V. Strategic Planning Update

Dave Gruber, Chair of the Committee, informed the Board that there will be four main areas for further pursuit: joint ventures/partnering; marketing; volunteering and fundraising. The plan is to hire a consultant to help address the strategic planning process in which all of these areas will be considered.

CEO Donnelly noted that he has talked to a consultant whom he recommends and a meeting with her is to be scheduled for August. He also reported that he has met with management of COVIA about utilizing a jointly owned and operated employment agency.

VI. Other Business

a. Compliance Program Training

Jennifer Elko, a consultant hired to advise the Heritage on its federally required Compliance Program, presented a training to the Board entitled "The Board's Role: Oversight of the Compliance Program." The power-point presentation had been presented to the Board in advance of the meeting.

b. Resolution Adopting Program

Consistent with the requirements of federal law, the Board of Directors moved and approved the Resolution on the Board's role in the Heritage's Compliance and Ethics Program. The Resolution was also presented to the Board in advance of the meeting.

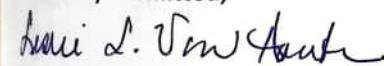
VII. Adjournment

The meeting was adjourned at 5:58 p.m. The next scheduled Board meeting is to be held on August 28, 2019.

VIII. Executive Session

The Board met in Executive Session from 6:00 p.m. to 6:40 p.m. at which time the Executive Session was adjourned.

Respectfully submitted,



Leslie L. Van Houten



Board of Directors' Meeting Minutes June 26, 2019

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, June 26, 2019, at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Paul Cesari, David Gruber, Molly Hauser, David Hines, Randy Gridley, Margaret Jacobs, Jeanie Kayser-Jones, Via telephone: Laura Pilz, Connie Tiret

Directors Excused: Deborah Avakian, Jane Hickerson, Trish Ostott, Leslie Van Houten

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order at 4:05 p.m.

II. Consent Agenda

The Board approved the Consent Agenda: April Minutes, Facilities Committee Minutes, Health Committee Minutes, Strategic Planning Committee Minutes, Pension Committee Minutes, April and May Marketing Reports, 1st Quarter Clinical Snapshot, January Financial Snapshot, February Financial Snapshot, March 2019 Financial Packet on a motion from Paul Cesari and a second from Molly Hauser.

Randy Gridley expressed concern about the number of vacant apartments listed in both Marketing reports. These numbers are high due to residents passing away and transitioning to higher levels of care and to several units needing renovations. On a positive note, there are four applications pending: both the upper and lower flats on Octavia Street and two Studio apartments in the Perry Building.

In early July, there will be a Marketing mailing to 2,000 single people in San Francisco, between the ages of 65 and 80, with an annual income of \$75,000-100,000.

III. CEO's Report

CEO Donnelly gave a presentation on the recently updated Heritage on the Marina website, explaining that the new website is accessible from mobile devices and is more interactive. Their are inspiring testimonials from residents' family members, floor plans and 360 degree views of apartments on Laguna Street, an employee and careers section, and the ability to schedule a tour. There is also an informative FAQ section where commonly asked questions are answered.

The website was very well received with a few suggestions from Board members:

- More mention of non-profit status
- More mention of our sponsor (SLPRS) and our history
- Additional floor plans for Francisco and Octavia Street apartments

CEO Donnelly announced that the Octavia Street renovation is 90% complete. The completion date is June 30th, with a 15 day grace period. The couple moving into upper flat are 73 and 65 years old and have a dog. The couple who applied for the lower flat are 82 and 78. Marketing is working with potential tenants for the one-bedroom Garden apartment. Both flats will be occupied by August. Move-in dates were delayed due to PGE inspections and appliance deliveries.

The Memory Day Care program began in the Cottage on June 4th and has been very well received by the Community. Staff are in place and an average of 6-7 IL and AL Residents are participating daily.

Friendship Hall renovation began on June 10th and will take 12-14 weeks to complete, at a cost of just under \$300,000. Health Center residents and their families were informed of the construction project in writing. While we are intentionally keeping a low census in the Health Center, everything logically is going well.

The "slip and fall" on Bay Street sidewalk by a neighbor on July 31, 2017, was settled for \$40,000, although plaintiff was asking for \$82,000. Our insurance company paid the claim, which is the first claim of its kind.

The signage for the Laguna Street front gates is awaiting appropriate backing plates and will be installed upon arrival. By the next Board meeting, identifying signs and the American flag will be in place.

CEO Donnelly and Nursing Home Administrator, Hanh Ta have been negotiating with Verity Medical Group for additional physician coverage so our residents will have more choices of medical care. Dr. Richard Moskowitz has also joined us and is seeing approximately fifteen residents, particularly those with Brown and Toland insurance.

CEO Donnelly reported that the major themes presented at the LeadingAge Conference in Monterey, held May 20-22, 2019, were labor, consolidation and (mostly for profit) innovation.

- On the Board blog site is a slide presentation on C-Suite succession planning
- A presentation on labor revealed that CNA turnover is as high as 74%, nation-wide
- All nursing positions turnover 50% nationally
- Merger of equals is on the rise. Strong, multi-site organizations are seeking to grow with other strong organizations to be in a position to compete with the rise in for-profit innovators.

The LeadingAge conference in San Diego is October 27-30, 2019. Four slots have been reserved for Board members. In addition to the two Board members who are planning to attend, CEO Donnelly encouraged others to let him know by the end of next week if they want to attend.

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IV. Resident Communications and Relations Report

Residents' Council President, Tony Hanley reported on the first, very successful "Open Door" fundraiser in the Morgan Building on May 17th. He reminded Board members of the second "Open Door" event on July 19, from 2:00-4:00 p.m., when 23 residents in the Perry Building will open their apartments for others to view. The cost is \$10.00 per person and the tour is followed by a reception.

President Hanley cautioned the Board about the timeframe of their Strategic Planning process. He said he thought an outside facilitator and retreat are necessary.

President Hanley commented on the Cottage Day Program, describing it as "somewhat successful" as it gets residents out of their apartments and engaged in activities. As programs evolve, he stated "they are moving in the right direction."

Margaret Jacobs reminded the Board to sign up for a meal in the dining room with a group of residents.

David Gruber commented that he had lunch with a group of residents the day the Cottage Program started. None of the residents he dined with had anything negative to say. All gave glowing reports on the food, service, etc.

Margaret added that "everybody is extremely satisfied and overwhelmingly positive about living here." She added that the reinstated "coffee klatch" at 3:00 p.m. in the dining room has been a very positive thing. She also mentioned that Dr. Moskowitz has been very well received. Margaret commented that the Open Door event was so successful because it was conceived organized and orchestrated completely by residents, with no staff involvement.

V. 1st Quarter Financial Review

Controller Joe Conroy presented the financial results for January – March 2019. The overall Operating revenue is \$173K worse than budget.

- Monthly Care Fees for Life Care and Continuing Care are under budget by \$181,000 due to construction renovations and vacant apartments.
- SNF Private Pay fees are under budget \$35K
- Assisted Living Private Pay fees exceed budget \$28K
- Medicare A and B exceeds budget by \$43K
- Other, subsidy, amortized entry fees, guest charges, other resident fees were better than Budget by \$28K.

Overall operating expense excluding depreciation was \$87K better than budget.

- Staffing, wages and salaries are \$124K better than budget.
- Equipment and long-term maintenance are over budget by \$30K
- Outside services are \$18K over budget in Administration
- Morrison is over budget by \$16K
- Utilities \$19K

The total loss for the first quarter is \$864K versus a planned loss of \$756K, or \$90K worse than plan. This result is, however, \$40K better than the first quarter of 2018.

Connie suggested that we budget more for repairs for equipment, such as elevators, so the budget is more realistic.

VI. Strategic Planning

David Gruber thanked Randy for his work on the Strategic Planning Committee and for determining main subjects to focus on and fine tune. After the SWOT analysis discussed at the Strategic Planning Committee meetings, Randy said we must focus on whatever we can fix. Ken will provide some analysis from other organizations at the next Committee meeting on July 17th at 4:00 p.m. All Board members are welcome to attend. Ken mentioned that this process takes a real commitment by all Committee members and that the Committee/Board cannot depend on him for all its information. All agreed that the Committee is moving closer to hiring a consultant to guide them in the direction they want to go. Both Scott Townsley and Joanne Handy were mentioned as possible consultants. Paul suggested a retreat. Randy added that all Board members should attend LeadingAge conferences as they deal with essential topics such as strategic planning.

VII. Other Business

a) Nominating/Governance Committee

Molly made a motion to immediately approve Dennis Mooradian as a full and voting member of the Board.

Paul cited 6.3 of the Bylaws which state that members are elected to a three year term at the December meeting and begin their service in January of the following year.

The Board can either change the existing Bylaws which would take a couple of months, or have a Special Board Meeting to elect a new Board member.

The July Board Meeting will either begin or end with a "Special Meeting" to present Dennis Mooradian for election to the Board.

Two additional names were mentioned as potential Board Members: Charles Dickey and F. Scott Hindes

Paul and David Hines will work on a draft of revised Bylaws, as there are a number of changes that should be made.

VIII. Adjournment

The meeting was adjourned at 5:30 p.m. The next scheduled Board meeting is to be held on Wednesday, July 24, 2019.

IX. Executive Session

The Board met in Executive Session from 5:35 p.m. to 5:54 p.m. at which time the Executive Session was adjourned.

Respectfully submitted,

Patti Gallagher
Patti Gallagher,
Marketing Coordinator





Board of Directors' Meeting Minutes April 24, 2019

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, April 24, 2019 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, Paul Cesari, David Gruber, Molly Hauser, David Hines, Randy Gridley, Margaret Jacobs, Jeanie Kayser-Jones, Trish Ostott, Laura Pilz and Leslie Van Houten

Directors Excused: Jane Hickerson and Connie Tiret

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order and Executive Session

Chair Hines called the meeting to order at 4:04 p.m. The Board went immediately into Executive Session at 4:04 pm and that session adjourned at 4:43.

The regular meeting was called to order at 4:48 pm.

II. Consent Agenda

The Board approved the Consent Agenda: the minutes for the March meetings (the March 28, 2019 regular meeting and the March 10, 2019 special meeting); the Marketing Report; and the first quarter Clinical Snapshot.

III. CEO's Report

CEO Donnelly reported that the Octavia Street project is between 75%-80% complete. The application process for new residents has begun.

The Memory Day Program is delayed because of Cottage construction issues. The program is slated to begin mid-May.

Friendship Hall construction process is in the permitting phase. Once the fire sprinkler permit is obtained, construction will begin. Construction is expected to take approximately 3 months.

Management is still in negotiations with another medical group to provide additional physician services to our residents.

IV. Residents' Communications and Relations Report

Residents' Council President Hanley reported a change in date for the Residents' Council Semi-Annual meeting; it will be held on Friday May 17th at 9:30 a.m. in Friendship Hall. The residents have created a new fundraiser, Open Door: twelve residents will open their homes to other residents and Board members. The cost for the event will be \$10, and the funds raised will go to the Employee Appreciation Fund.

V. Other Business

Term Limits

Chair Hines passed out two proposed Bylaw changes related to the terms of the Directors and the number of Directors. He also passed out a copy of the applicable legislation. The proposals are slated to be voted on at the May Board meeting.

Strategic Planning

The remainder of the meeting was devoted to an open discussion of strategic planning. Randy Gridley began the discussion with an overview of the Society's financial situation including the use of the endowment to supplement the operations of the Heritage and the impact over the years of continuing the status quo. The Board is invited to participate in the work of the Strategic Planning Committee. The first meeting is set for May 6, 2019.

VI. Adjournment

The meeting was adjourned at 6:20 p.m. The next scheduled Board meeting is to be held on May 22, 2019.

Respectfully submitted,

Leslie L. Van Houten
Leslie L. Van Houten



Board of Directors' Meeting Minutes March 27, 2019

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, March 27, 2019 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian Paul Cesari, David Gruber, Molly Hauser, Jane Hickerson, David Hines, Randy Gridley, Margaret Jacobs, Jeanie Kayser-Jones, Trish Ostott, Laura Pilz, Connie Tiret, and Leslie Van Houten

Directors Absent: None

Staff Present: Ken Donnelly, Chief Executive Officer, Joe Conroy, Chief Financial Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order at 4:00 p.m.

II. Consent Agenda

The Board approved the Consent Agenda: the February minutes, the Committee and Task Team reports (the Facilities and Health Committees for their respective January meetings), and the Marketing report.

III. CEO's Report

CEO Donnelly reported that the Octavia Project is 71% complete.

The Cottage which is to house the Memory Day Care Program is delayed because of construction and other issues. The anticipated opening is now the end of April.

Friendship Hall renovation permit has been approved by OSHPD. OSHPD must also approve the changes in the fire sprinkler program.

CEO Donnelly reported on the demand for settlement regarding an alleged slip and fall on the Bay Street sidewalk, adjacent to Heritage on the Marina.

The State of California Department of Social Services conducted its survey regarding the RFC license. No deficiencies were found.

The CEO is in discussion with two other physician organizations in order to provide additional in-house physician services to our residents.

The website will be upgraded by the end of April; it will have improved functionality.

A former resident, Marian Morrison, donated \$50,000 to Heritage on the Marina in her will.

IV. Residents Communications and Relations Report

Residents' Council President Hanley reported that the Tea on April 3rd is sold out. The "Open Door" fundraisers will be in May, July and September.

The residents are concerned about CEO Donnelly's announced departure at the end of 2019. Representative Hanley noted that the strategic plan will help inform the kind of CEO needed for the organization.

V. Other Business

a. 2018 Fourth Quarter Financial Summary

CFO Conroy provided a document entitled 2018 Financial Result Summary to the Board members. The document outlined the operating revenue and operating expenses for the last fiscal year. In sum, the loss was \$632,000 over

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V. Other Business

a. 2018 Fourth Quarter Financial Summary

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budgeted loss. Nonetheless, this represents an improvement over the past year.

b. Receipt of the 2018 Financial Audit

Randy Gridley reported on the annual full audit. The audit was a clean audit and he expressed thanks to the CFO and CEO for their work resulting in the clean audit. The Board moved to approve the audit.

c. CEO Search

Chair Hines gave the Board and the CEO an opportunity to discuss the position. CEO Donnelly echoed Representative Hanley's comment: the Board needs to determine the strategic needs of the organization in order to have a successful search for new CEO. He also listed some of the characteristics to look for in a new CEO; among them are empathy, curiosity, integrity and a someone willing to learn and keep abreast of the literature in the field.

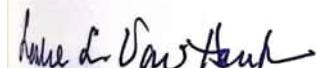
VI. Adjournment

The meeting was adjourned at 5:10 p.m. The next scheduled Board meeting is to be held on April 24, 2019.

VII. Executive Session

The Board met in Executive Session from 5:12 p.m. to 7:07 at which time the Executive Session was adjourned. A special Board meeting will be held on Wednesday, April 10, 2019 at 4:00 p.m.

Respectfully submitted,



Leslie L. Van Houten



Board of Directors' Meeting Minutes February 27, 2019

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, February 27, 2019, at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, Paul Cesari, David Gruber, David Hines, Randy Gridley, Margaret Jacobs, Jeanie Kayser-Jones, Trish Oststott, Laura Pilz, Connie Tiret, and Leslie Van Houten

Directors Excused: Molly Hauser, Jane Hickerson

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order at 4:10 p.m.

II. Consent Agenda

The Board approved the Consent Agenda: January Minutes, Marketing Report, December 2018 Financial Snapshot, Finance Report and Investment Report.

III. Chair's Report

Chair Hines distributed the Directors' Confidentiality Agreement and the Directors' Conflict of Interest Policy to all directors and asked them to sign both documents. He reminded all Board members that "what goes on in here," should be held "close to the vest."

IV. CEO's Report

CEO Donnelly announced that he would be resigning at the end of the calendar year, citing personal, professional and health reasons. He feels he is giving the Board a "long runway" to find his replacement. He will be sending a brief memo to staff and residents.

During the next ten months, he will be focusing on the following projects:

- Strategic Planning
- Octavia Street Renovation
- Recruitment and Retention

CEO Donnelly tours the Octavia Street property every other Thursday, with Board members Paul Cesari and David Gruber. The project is 60% complete, with a completion date of June 26, 2019. The interested prospective residents will be contacted and the application process will begin in March.

The Cottage Renovation and Memory Day Care program is delayed due to unexpected construction issues, such as replacing the heating system. The renovation is scheduled for completion the end of March and the program should begin in April. Activities Director, Karina Tapia, has hired a CNA/ Activities Assistant and is interviewing for a Activity Leader to run this program.

There were a couple of landscaping issues which arose: two arborists recommended removal of the Wisteria, which was growing around the roof-line of the cottage and two diseased plum trees. Residents were upset as they had not been notified prior to the removal. Janet Howell met with the Garden Committee and things are resolved.

Heritage on the Marina had its annual Life Safety Survey. There were 11 insignificant deficiencies of a "D" severity; meaning no immediate jeopardy and minimal potential for harm. Hanh Ta and Henry Martinez, Maintenance Supervisor, will submit "Plans of Correction."

Our lawyers, Lewis Brisbois Bisgaard & Smith LLP, assigned by our insurance company, are handling a claim by our neighbor who was allegedly injured by tripping on uneven pavement on the Bay Street side of the property.

CEO Donnelly and Nursing Home Administrator, Hanh Ta, are negotiating with physicians from Verity Health to become providers so our residents will have more choices of medical care.

The annual Financial Audit was conducted February 11-21. The report will be presented to the Audit Committee on March 18.

The Annual Appeal fundraising letter resulted in \$29,855.00.

In April, our website will be upgraded and made easier for viewers and donors to navigate.

A bronze plaque with our logo, identifying the building will be installed next month. Until then, we will not fly the American flag, in response to our Safety Consultant's recommendation.

V. Residents Communications and Relations Report

Residents' Council President, Tony Hanley reported on the residents' dissatisfaction with our current medical director, citing his lack of attention, especially to the 22 residents for whom he is their primary care physician. The hope is to add a Brown and Toland physician for those residents covered by that health insurance provider.



President Hanley added that Heritage on the Marina staff is "responsive to the needs and concerns of residents." He mentioned the dining staff and the quality of food and service that Morrison provides.

Residents are planning a 3 month fundraising program called "Open Door," whereby prospective residents can visit participating resident's apartments to get an idea of what one can do with different size apartments in the Morgan, and Perry Buildings, as well as Francisco Street apartments.

VI. Other Business

a) Strategic Planning Discussion

Each Board member participated in a discussion on the future direction of the organization. Board Chair, David Hines, encouraged Board members to "think outside the box," when dealing with some of the various questions/options:

- Do we want to grow or stay the same size?
- If we want to grow, how do we go about it?
- Is our 50 year old model of Life Care still economically viable today?
- Where are we and where are we going?

The Board agreed that it they need to focus and to have more analysis done. CEO Donnelly referenced the strategic planning materials on the Board Blog and encouraged members to read them. He added that strategic planning is "not a list of tasks to be done. It is answering the large questions." He also suggested hiring a consultant, a strategic planning expert, to help the Board with their process. Board members were encouraged to attend the California LeadingAge conference in Monterey from May 20-22.

Chair Hines thanked the Board for a good start on the strategic planning process.

VII. Adjournment

The meeting was adjourned at 5:45 p.m. The next scheduled Board meeting is to be held on Wednesday, March 27, 2019.

VIII. Executive Session

The Board met in Executive Session from 5:50 p.m. to 6:10 at which time the Executive Session was adjourned.

Respectfully submitted,

Patti Gallagher
Patti Gallagher,
Marketing Coordinator

Board of Directors' Meeting Minutes January 23, 2019

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, January 23, 2019 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, Paul Cesari, Randy Gridley, David Gruber, Holly Hauser, David Hines, Margaret Jacobs, Jeanie Kayser-Jones, Connie Tiret and Leslie Van Houten

Directors Absent/Excused: Jane Hickerson, Trish Otstott, Laura Pilz

Staff Present: Ken Donnelly, Chief Executive Officer, Joe Conroy, Chief Financial Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order at 4:05 p.m. Chair Hines and the Board welcomed Margaret Jacobs as a new Board member.

II. Consent Agenda

The Board approved the Consent Agenda: the December minutes; the Committee and Task Team reports; the Marketing Report and the November and December Financial Snapshot. All of these items were available in advance of the meeting and are located in January Meeting Packet on the Board Portal.

III. Chair's Report

Chair Hines discussed two topics:

a. The Conflict of Interest and Confidentiality Agreements

Each Board member is to review the above-named documents. The Confidentiality Agreement will be tailored to the Heritage and will be available for signature in the near future. The Conflict of Interest Agreement is ready for signature and, if not signed at this meeting,

should be signed and brought to the next Board meeting. There was a brief discussion about the breadth of the confidentiality requirement, and the Board was reminded that most, if not all, of the matters discussed in the Board meeting are to be held in confidence.

b. The Emergency Operations Plan

Chair Hines reported that the Emergency Operation Plan is final and is posted on the Board Portal.

IV. **CEO's Report**

a. Octavia Street Project

The Octavia Project is scheduled to be completed in a few months with June being the soonest. The process of reaching out to interested prospective residents will begin in the next few months.

b. Memory Day Program

The renovations to the Cottage are underway, and the program is likely to start in March.

c. Risk Management

i. The Medicare survey took place in mid-December; there was no finding of substandard care. However, there were D and E findings of non-compliance. An E finding means there had been the potential for more than minimal harm. The plan of correction is due shortly.

ii. A neighbor fell on a sidewalk in July 2017 adjacent to the Heritage and filed a claim with the City; the City denied the claim; the neighbor's attorney has written a demand letter to the Heritage and that letter was referred to the insurance carrier.

iii. Our security advisor has recommended that the United States flag not be displayed on the property without proper signage to denote that the Heritage is not a government agency. The concern is that the Heritage might be mistaken for a governmental entity and thus be an attractive target. The flag has been taken down temporarily until such time as appropriate signage is installed.

d. Medical Director/Physician Practice

There has been some disappointment with the current medical director regarding his physician practice; management is exploring augmenting physician services for IL residents by providing an option of another group of physicians.

e. Employee Appreciation Fund

The residents raised over \$60,000 for the Employee Appreciation Fund. Each employee receives a check from this fund at the Holidays; with the exception of the CEO and director-level managers.

f. Annual Fund

CEO Donnelly reported that fund raising is slightly ahead of last year.

V. Residents Communications and Relations Report

Residents' Council President Hanley reported on the new leadership team for the Residents' Council.

VI. Other Business

a. 2019 Operating Budget

CFO Conroy presented the modifications to the 2019 budget. The Board then moved and approved the 2019 budget as presented. In advance of the meeting, the Board had been presented with the 2019 Revised Annual Budget and the 2019 Budget Revisions.

b. Capital Budget Presentation

CFO Conroy went through the 2019 Capital Budget staff recommendations; that Powerpoint was made available to the Board in advance of the meeting.

c. Bernstein Year End Review

Randy Gridley informed the Board that the Year End review with Bernstein will be held at Bernstein's office on Wednesday, February 6, 2019 at noon. Board members who wish to attend should inform Randy in advance of the meeting.

VII. Adjournment

The meeting was adjourned at 5:23 p.m. The next scheduled Board meeting is to be held on February 27, 2019.

VIII. Executive Session

The Board met in Executive Session from 5:25 p.m. to 6:10 p.m. at which time the Executive Session was adjourned.

:respectfully submitted,



Julie L. Van Houten

H

Board of Directors' Meeting Minutes
December 12, 2018

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, December 12, 2018 at Heritage on the Marina (the Heritage), in the John Killeen Fitness Center.

Directors Present: Deborah Avakian, Paul Cesari, David Gruber, Jean Fowler, Holly Hauser, David Hines, Randy Gridley, Jeanie Kayser-Jones, Trish Otstott, Jura Pilz, Connie Tiret, and Leslie Van Houten

Directors Excused: Jane Hickerson

Staff Present: Ken Donnelly, Chief Executive Officer, Joe Conroy, Chief Financial Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order at 4:00 p.m.

II. Consent Agenda

The Board approved the Consent Agenda: the November Minutes, the Health Committee Meeting Minutes and the Marketing Report.

III. Chair's Report

Chair Hines reported that he had nothing to add since his previous report at the November meeting held just two weeks prior to this meeting.

IV. CEO's Report

CEO Donnelly thanked everyone for the past year and also noted that he too had nothing to report as there had been no changes since the last meeting.

V. Residents Communications and Relations Report

Residents' Council President Hanley again invited the Board members to attend the upcoming Residents' Council Meeting.

VI. The Nominating Committee Report

Trish Oststott, Chair of the Nominating Committee, presented the following slate of Officers for 2019:

Chair	David Hines
Vice Chair	David Gruber
Treasurer	Connie Tiret
Secretary	Leslie Van Houten

The following Directors were approved for terms ending December 31, 2021.

Jeanie Kayser-Jones
Trish Oststott
Leslie Van Houten

On motion of the Board, the slate of Officers and the terms of Directors set forth above were approved.

VII. Other Business

CFO Conroy presented the budget for 2019 and the background to support the proposed 2019 budget. Because the materials were presented at the Board meeting without sufficient review time, the Board will vote on the budget at the January 2019 meeting. The Board moved to provide the leadership with the authority to operate effective January 1, 2019 until the Board approves the budget for 2019. That motion was approved.

VIII. Adjournment

The meeting was adjourned at 5:25 p.m. followed by the Heritage's Annual Holiday party. The next scheduled Board meeting is to be held on January 23, 2019.

Respectfully submitted,

Leslie L. Van Houten
Leslie L. Van Houten



Board of Directors' Meeting Minutes November 28, 2018

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, November 28, 2018 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Jean Fowler, Randy Gridley, David Gruber, David Hines, Trish Distott, Laura Pilz, Connie Tiret, and Leslie Van Houten

Directors Absent: Deborah Avakian, Paul Cesari, Molly Hauser, Jane Hickerson and Jeanie Kayser-Jones

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order 4:00 p.m.

II. Consent Agenda

The Board approved the Consent Agenda: the October minutes; the 3rd Quarter Clinical Snapshot; the September Snapshot and September Financial Report. The Board questioned the CEO about the increasing overtime in the Health Center. Among the reasons were the vacancies on the night shift, which has recently been filled.

III. Chair's Report

Chair Hines lead the discussion on the Confidentiality Policy for Board members and the Conflict of Interest statements. The Board discussed the vagueness of Confidentiality Policy; the CEO will check with counsel as to the ideal confidentiality policy for Board members.

IV. CEO's Report

CEO Donnelly reported on the following:

a. The LeadingAge Conference

Four staff members attended the annual LeadingAge Conference in Philadelphia. Each attendee focused on different topics of importance to the Heritage: the CEO concentrated on workforce issues; The CFO on disaster and legal preparedness; the NHA/OD on skilled nursing and compliance; and the Wellness Director on Memory Care.

b. The Octavia Project

The completion date has been moved 15 days because of change orders. The date is now projected to be on or about May 31, 2019.

c. The Cottage

Renovation will be completed the end of January; ideally the Memory Care Day Program will start as soon as the renovation is completed.

d. Risk Management

The "G" deficiency from CDPH required a re-survey. At that re-survey, the Plan of Correction was verbally accepted; the written confirmation is due.

V. Residents Communications and Relations Report

Residents' Council President Hanley invited the Board to attend the Residents' annual meeting on December 14, 2018 at 9:30 a.m. in Friendship Hall.

VI. Other Business

a. Combining the Two Units (319 and 320 P)

The motion to combine the two above-described units into one unit was passed.

b. Strategic Planning Discussion

The Board was once again invited to provide Dave Gruber with each member's strategic planning recommendations.

c. Social Accountability Task Team

The Committee recommends that the Heritage not fund Dr. Patrick Arbore for 2019 given the various outstanding expenditures.

d. Resident Board Member

There will be a vacancy on the Board for a Resident member for the upcoming term. As part of the discussion, the Board was provided with an overview of the law on this issue. The Residents' Council will submit one or more names to the Board for nomination to this position.

VII. Adjournment

The meeting was adjourned at 5:37 p.m. The next scheduled Board meeting is to be held on December 12, 2018.

VIII. Executive Session

The Board met in Executive Session from 5:38 p.m. to 6:30 p.m. at which time the Executive Session was adjourned.

Respectfully submitted,

Lorraine L. Van Houten

Lorraine L. Van Houten



Board of Directors' Meeting Minutes October 24, 2018

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, October 24, 2018 at Heritage on the Marina (The Heritage), Stucky Library.

Directors Present: Deborah Avakian, Paul Cesari, David Gruber, Randy Gridley, Jeanie Kayser-Jones, Trish Oststott, Laura Pilz, Jean Fowler, and Leslie Van Houten

Directors Excused: Molly Hauser, Jane Hickerson, Dave Hines and Connie Tiret

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Vice Chair David Gruber called the meeting to order at 4:08 p.m.

II. Consent Agenda

The Board approved the Consent Agenda: the September minutes, the Marketing Report, the Clinical Snapshot for the second quarter and the July Financial Snapshot.

III. CEO's Report

CEO Donnelly reported on the following issues:

- a. The Octavia Street Project
This project is proceeding and is fairly close to being on schedule.

b. The Resident Survey

A summary of the results was presented: there was a 72% response rate with 90% of those responding stating that they would recommend the Heritage to others and 89% stating that they were satisfied over all. The scores represent an 8% and a 4% increase respectively over the last survey. Courteousness and respectfulness of staff garnered the highest scores with management and maintenance responsiveness, and dietary concerns rating the lowest.

c. The Employee Survey

CEO Donnelly reported that employee satisfaction differed depending on location: those in the Health Center (HC), 52% reported that they were satisfied overall; whereas the non-HC employees reported an 83% satisfaction rate. The areas of concern in the HC related to orientation and staff development. As a result, staffing changes were made in the HC to address these concerns. In addition 77% of all employees said that they would recommend Heritage on the Marina as a place to work and 86% would recommend Heritage on the Marina for care.

d. Notice of Intent to Cite

On September 15, 2018, Heritage on the Marina received two Notices of intent to Cite from the California Department of Public Health (CDPH). With regard to one deficiency, the Heritage submitted a Plan of Correction that was accepted and the matter was closed. The other deficiency required a re-survey that just took place; those results were not yet received as of the date of this meeting.

e. Proposal for the Memory Day Program

CEO Donnelly handed out answers to questions raised in the Health Committee regarding management's proposal to use the Cottage to house a Memory Day Program for Heritage residents. The staff has determined that there are 24 residents with mild to moderate cognitive issues (combined AL/IL) out of 86 total residents. The Board engaged in a discussion about the various

issues including the costs, benefits and cost of reverting space to a residence if that eventuality is desired. The Board approved the motion to approve the costs to renovate the Cottage for the Memory Day Program and take the steps necessary to implement the Program by a vote of 8 to 1.

IV. Residents' Communications and Relations Report

Residents' Council President Hanley reported there are still some issues related to the loss of one the physicians from Hampton Health who was the primary physician treating the patients. The staff is working on the issue.

V. Other Business

a. Heritage's Emergency Operations Plan

Ray Boudewyn (Director of Facilities for Northern California Presbyterian Homes and Services) presented the Emergency Operations Plan for Heritage on the Marina. He provided the Board with a PowerPoint presentation and a detailed overview of that plan. He is on retainer to assist the Heritage.

b. Request to Combine Units 319P and 320 P

Randy Gridley led the discussion as to whether, at the request of prospective residents, two units (319P and 320P) should be combined to form one two-bedroom unit. He outlined the cost differential of keeping them as two units vs. combining them into one two-bedroom unit. The fees are such that the revenue is almost exactly the same for the 67-month period of time that the entry fees are amortized; after that period, the Heritage will experience a reduction in revenue of \$38,000 per year. This project assumes that both units would be occupied and generating revenue for that time period. One of the ideas under consideration is adding a "move out" provision that would be triggered when one member of the couple moves out (whether through death or other permanent move). At that point, the Heritage could require the remaining member of the couple to move to a smaller unit. The vote was postponed in order to allow

the Facilities Committee to obtain additional information and to provide the Board with additional answers. Once that information is obtained, the issue would return to the Board for a vote.

VII. Adjournment

The meeting was adjourned at 6:00 p.m. The next scheduled Board meeting is to be held on November 28, 2018.

VIII. Executive Session

The Board met in Executive Session from 6:07 to 6:35 p.m. at which time the Executive Session was adjourned.

Respectfully submitted,



Leslie L. Van Houten
Secretary



Board of Directors' Meeting Minutes September 26, 2018

Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, September 26, 2018 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, Paul Cesari, David Gruber, Jean Fowler, Molly Gasser, Jane Hickerson, David Hines, Randy Gridley, Jeanie Kayser-Jones, Laura Pilz, Bonnie Tiret

Directors Excused: Trish Otstott, Leslie Van Houten

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

Call to Order

Chair Hines called the meeting to order at 4:01 pm.

Consent Agenda

The Board approved the consent agenda as posted.

Chair's Report

Chair relinquished his time due to the shortened length of the Board meeting prior to the Resident Dinner.

CEO Report

Actavia Property - Work started on the construction of the property. A subgroup of the Facilities Committee is meeting twice a month with the architect and contractor.
Cottage/Memory Care Program - permit has been obtained 9/14/18 and is active for months. The Day Care Program plan was presented to the Health Committee. The Health Committee has requested a presentation of the Memory Day program at its next meeting. Detailed plans for the program will be presented to the Board in October.

The CEO briefed the Board on an employee matter.

Nursing hours audit was discussed — confirming current SNF hours are well above required minimum.

Safety Plan Presentation will be delivered at the October Board meeting.
Staff is reviewing the Hampton Health contract.

V. Residents Communication and Relation Report

T. Hanley thanked D. Hines and L. Pilz for their presentation at the Residents' Council Meeting.

The Board discussed the process for nominating a resident representative to the Board. Candidates will submit credentials to the Board Nominating Committee for vetting in the process applicable to all Board candidates.

VI. Other Business

D. Gruber led a discussion from the Facilities Committee regarding the combination of two units in the Perry building to create a two-bedroom couple's unit. The Board determined that under a Life Care contract such a combination presented a financial exposure for the organization. The Board requested additional financial analysis of the fee structure under both a Type A and Type C contracts.

VII. Strategic Planning Discussion

The Board held an open discussion of strategic planning concepts and provided direction to the newly formed Strategic Planning Committee.

VIII. Adjournment

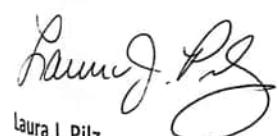
The meeting was adjourned at 5:16 pm.

IX. Executive Session

A brief Executive Session followed.

The Board adjourned at 5:29 pm. to attend the Annual Residents' Board Appreciation dinner.

Respectfully submitted,



Laura J. Pilz



Board of Directors' Meeting Minutes July 25, 2018

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, July 25, 2018 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, Paul Cesari, David Gruber, Jean Fowler, Molly Hauser, Jane Hickerson, David Hines, Randy Gridley, Jeanie Kayser-Jones, Trish Otstott, Laura Pilz, Connie Tiret, and Leslie Van Houten

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order at 4:03 p.m.

II. Consent Agenda

The Board approved the Consent Agenda: the June Minutes; the Committee and Task Team Reports; the Marketing Report; the Financial Snapshot -April; and the Clinical Snapshot -2nd Quarter.

III. Chair's Report

Chair Hines announced the Board Committees for 2018. A list of the committees and their members was distributed. Chair Hines invited all Board members to let him know if they wished to be placed on any committee and noted that all committees are open to all Board members. The Board moved to accept the committees as presented.

Dave Gruber, as chair of the newly formed Strategic Planning Committee briefly discussed the scope of the committee. The last report was done in 2006 and is posted on the Board Portal. A substantial portion of the September meeting will be devoted to Strategic Planning. Following the Board meeting in September will be the Residents' Annual Dinner for the Board.

IV. CEO's Report

CEO Donnelly posted two versions of a report entitled "Follow upon recommendation from consultants report." These reports outline his proposals to address the issues raised in the Sue Barton report regarding, among other things, human resources issues in the Health Center. The reports are posted on the Board portal. The Board engaged in a broad range discussion about some of the points raised in the report.

V. Residents Communications and Relations Report

Residents' Council President Hanley reported on two issues. First, the Residents' Health Panel met with almost all of the residents in Assisted Living. There was high praise for the nursing staff. There were a variety of other issues that were raised that will be addressed by the Health Panel.

Jean Fowler is coming to the end of her term as a Board member. There are four people who have expressed interest in serving. Selection of the next resident Board member will follow the normal nominating and approval process for other Board members.

VI. Other Business

CEO Donnelly presented additional information about the proposal to use the Cottage for a memory care day facility. Three documents are available on the Board Portal including the business plan, financial analysis and a literature search regarding successful elements to a day care memory program. CEO Donnelly will present

a more fleshed out proposal at the next Health Care Committee meeting at August 21, 2018. The CEO was instructed to begin the building permitting process.

Resident's representative Hanley also asked that the minutes reflect that the vote to allow residents to have pets was 70% against the proposal. The June minutes reflected that the report was made but not the outcome.

VII. Adjournment

The meeting was adjourned at 6:30 p.m. The next scheduled Board meeting is to be held on August 22, 2018.

Respectfully submitted,



Leslie L. Van Houten



Board of Directors' Meeting Minutes

June 27, 2018

The Board of Directors (the Board) of the San Francisco Ladies' Protection and Relief Society (the Society) held its monthly meeting on Wednesday, June 27, 2018 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian Paul Cesari, Jean Fowler, David Gruber, David Hines, Randy Gridley, Jeanie Kayser-Jones, Trish Otstott, Laura Pilz, Leslie Van Houten

Directors Absent: Molly Hauser, Jane Hickerson, Connie Tiret

Staff Present: Ken Donnelly, Chief Executive Officer, Joe Conroy, Chief Financial Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order at 4:00 p.m.

II. Consent Agenda

The Board approved the Consent Agenda (the May Meeting Minutes, the Committee and Task Team Reports, the Marketing Report, the March Financial Report and the 1st Quarter Clinical Snapshot).

III. Chair's Report

Chair Hines deferred his time in light of the two long presentations scheduled for today.

IV. CEO's Report

CEO Donnelly also gave a brief report given the time constraints. He provided an update on a risk management issue and outlined topics for the July Board meeting.

V. Residents Communications and Relations Report

Residents' Council President Hanley reported on the outcome of the survey of current residents' position regarding residents of the Heritage to have pets.

VI. Other Business

a. Memory Care Presentation

CEO Donnelly presented a plan to turn the cottage into a day care memory center for residents. CEO Donnelly is charged with developing a plan to present to the Board. Chair Hines asked for volunteers to be a sounding board.

b. Organizational Structure

The Heritage's attorney, Pam Kaufman, gave an attorney-client privileged presentation regarding a potential change in the organizational structure of the Society.

VII. Adjournment

The meeting was adjourned at 6:21 p.m. The next scheduled Board meeting is to be held on July 25, 2018.

Respectfully submitted,



Leslie L. Van Houten



Board of Directors' Meeting Minutes

May 23, 2018

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, May 23, 2018, at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Paul Cesari, David Gruber, Jean Fowler, David Hines, Randy Gridley, Jeanie Kayser-Jones, Trish Oststott, Connie Tiret and Leslie Van Houten (via phone).

Directors Absent: Deborah Avakian, Molly Hauser, Jane Hickerson, Laura Pilz.

Staff Present: Ken Donnelly, Chief Executive Officer and Joe Conroy, Chief Financial Officer.

Residents' Representative Present: Tony Hanley, Residents' Council President.

Guest Present: Deborah Kaminsky, SquarMilner

I. Call to Order

Chair Hines called the meeting to order at 4:00 p.m.

II. Consent Agenda

The Board approved the Consent Agenda (the April Minutes, the Committee and Task Team Reports, the Marketing Report and the February Financial Snapshot).

III. Chair's Report

Chair Hines distributed a book for all members. The book is titled: Step Up! How to Be An Excellent Non-profit Board Member by Bailey and Schmidt. He encouraged members to read the book and stated that all new members will be getting a copy of this book at their orientation.

IV. CEO's Report

CEO Donnelly reported as follows:

1. **Friendship Hall project.**

- a. The plan is to renovate by replacing the flooring, adding a room divider, creating more permanent storage and upgrade the media system. This will involve working with OSHPD and is planned to start this summer and finish by the end of this year.

2. **The renovation of the Octavia Properties** will be getting underway.

- a. The City's Central Permit Bureau required us to resolve the issue of 2 vs. 3 unit building before the permit could be stamped. They asked that all the departments who had previously approved do so again (acknowledging they agree that this is a 3-unit building.)
 - i. All departments have signed off. It is now in a pile on the Central Bureau Permit department head's desk waiting to be stamped completed.
 - ii. When stamped, the architect and contractor will pick up the permit.
- b. Begin demolition in early June.
- c. 10 month contract period.

3. **Risk Management issues.**

- a. Cyber attack - Ransomware follow up.
 - i. Phase II of forensic analysis determined that NO breach of PHI occurred.
 - ii. We verbally informed residents at their council meeting earlier this month.
 - iii. Nothing further is required.

4. **Citation Notice.**

- a. Today we were issued a Notice of Intent To Cite from CDPH. This means they will determine if we receive a citation and/or fines through dual enforcement by Feds (as well as State).
 - i. We self-reported a fall with major injury on 3.26.18 as an unusual occurrence. We are cooperating by sending CDPH required medical and P+P information.

5. **Bequest:** I was notified that HOTM will (eventually) be receiving a \$50,000 bequest from the estate of a recently deceased resident.

6. **Future topics at Board meetings.**

- a. June:
 - i. Memory Care presentation.
 - ii. Further discussion on organizational structure and Private Operating Foundation status.
 - 1. Pam Kaufmann will be asked to present.
- b. July:
 - i. Discussion of Atrium project.

V. Resident Communications and Relations

Tony Hanley reported that the residents are being surveyed to gather their feelings about admitting pets to the campus. Also, residents are adjusting to the Hampton Health Group and to Dr. Fullerton. Residents are anxious to hear from the Board about the results of the consultant's (Sue Barton) report. Lastly, residents are hoping to have a better experience at the annual holiday party. They feel there are too many people and that, perhaps, installation of a tent in the courtyard would be a way to accommodate the crowd.

VI. Audit Committee

Randy Gridley reported on a meeting with the auditors. The audit report issued for the year ended December 31, 2017, included a clean opinion. The Committee recommends approval. *A motion was made, seconded and the audit report was approved.*

VII. Investment Committee

Randy Gridley reported on a quarterly meeting with investment advisor, Bernstein. Bernstein recommended we increase our allocation and exposure to international stocks by five percent. Randy reported that the total allocation guideline for Bernstein will now be: 42% Domestic Stocks, 28% International Stocks, and 30% Fixed Income Bonds. *The Investment Committee approved the change in allocation.*

VIII. Re-certification Project

Joe Conroy, Controller, presented the report completed by A.V. Powell. He stated that income and asset information was collected from approximately 85% of all independent and private pay residents. This was done in order to determine whether a large future increase in liability would be required of Heritage on the Marina for those residents who exhaust their funds and are no longer able to pay part or all of their monthly fee.

Joe directed the members to Table 10.1 in the report. This report indicates that the future amount of subsidy – given the most conservative modeling – would increase to a high level of \$387,000 in ten years and the average over the next forty years will be approximately what we have been budgeting each year currently.

Joe stated that the good news is that the future liability would not "blow up" to an amount 3-4 times the current requirement. When questioned, he also said he wouldn't collect this income and asset information each year. Rather, it would be programmed to be collected every 2-3 years.

Joe was thanked for taking the lead on this project.

IX. Private Operating Status

Deborah Kaminsky was invited into the meeting and introduced. She presented the current calculation in determining the satisfaction of the requirements to which Heritage on the Marina qualifies for its Private Operating Foundation Status.

Please refer to the materials supplied at the meeting. (These are now on the Board portal.)

Ken Donnelly stated that this presentation provides background information on our current status. He said that he plans to invite our attorney, Pam Kaufmann, to the next board meeting to present on the legal structure and any advantages in changing this structure to protect assets. These two presentations provide necessary information when considering future strategic planning.

X. Adjournment

The meeting was adjourned at 5:56 p.m. The next scheduled Board meeting is to be held on June 27, 2018.

Respectfully submitted,



Ken D. Donnelly
(edited by Leslie Van Houten)



Board of Directors' Meeting Minutes--Executive Session May 16, 2018

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held an Executive Session on Wednesday, May 16, 2018 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Paul Cesari, Jean Fowler, Randy Gridley, David Gruber, Molly Hauser, Jane Hickerson, David Hines, Jeanie Kayser-Jones, Connie Tiret, and Leslie Van Houten

Directors Absent: Deborah Avakian, Trish Oststott, and Laura Pilz,

Staff Present: Ken Donnelly, Chief Executive Officer,

I. Call to Order

Chair Hines called the Executive Session to order at 4:00 p.m.

II. Adjournment

The Executive Session was adjourned at 5: 43 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Leslie L. Van Houten".

Leslie L. Van Houten



Board of Directors' Meeting Minutes April 25, 2018

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, April 25, 2018 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Paul Cesari, Jean Fowler, David Gruber, Molly Hauser, Jane Hickerson, David Hines, Jeanie Kayser-Jones, Trish Otstott, Laura Pilz, Connie Tiret, and Leslie Van Houten

Directors Excused: Deborah Avakian, Randy Gridley

Staff Present: Ken Donnelly, Chief Executive Officer,

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order at 4:02 p.m.

II. Consent Agenda

The Board approved the Consent Agenda (the March Minutes, the Marketing Report and the Clinical Snapshot). Dave Gruber gave a brief report on the activity of the Facilities Committee. Jeanie Kayser-Jones reported on the Health Committee.

III. Chair's Report

Chair Hines deferred his time to the CEO.

IV. CEO's Report

CEO Donnelly reported the following:

- All issues relating to the building permits for the Octavia project are resolved and renovations should begin shortly.
- The Art Gallery to be renamed in honor of Tony Lawrence. A reception will be held on May 2nd at 2 p.m.
- The Heritage is collaborating with other agencies including the Marina Senior Center to allow the Heritage's residents to access classes and allow the Center's patrons art to be displayed in our gallery.
- UCSF Intern Program is once again going to be sited at Heritage on the Marina.
- Both Karina Tapia and Hahn Ta have recently been certified; Karina passed the state exam for NHA and will be named Assistant Director and Hanh is now certified in HIPAA and Health Care Compliance.
- The audit reports will be available at next Board meeting. If a hard copy is needed, please notify CEO Donnelly. The results will be posted publicly on the website.

V. The Residents Communication and Relations Report

Tony Hanley reported that the residents are generally very happy both with the health care and residential care. Concerns have been voiced about the lights in the parking lot and replacement of carpet.

VI. Other Business

There was no other business

VII. Adjournment

The meeting was adjourned at 4:26 p.m. The next scheduled Board meeting is to be held on May 23, 2018. An Executive Session of the Board will be held on May, 16. 2018.

VIII. Executive Session

The Board met in Executive Session from 4:30 p.m.-5:45 p.m., at which time the Executive Session was adjourned. Sue Barton, Esq. gave an oral presentation to the Board on her findings during her investigation into the departures of certain staff in 2017 and the climate survey of the Health Center employees.

Respectfully submitted,



Leslie L. Van Houten



Board of Directors' Meeting Minutes March 28, 2018

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, March 28, 2018 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Paul Cesari, David Gruber, Jean Fowler, Molly Hauser, David Hines, Randy Gridley, Jeanie Kayser-Jones, Trish Otstott, Laura Pilz, Connie Tiret, and Leslie Van Houten

Directors Absent: Deborah Avakian and Jane Hickerson,

Staff Present: Ken Donnelly, Chief Executive Officer, Joe Conroy, Chief Financial Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order at 4:03 p.m.

II. Consent Agenda

The Board approved the Consent Agenda (the January minutes, Committee & Task Team Reports, and the Marketing Reports). Note that the February Board meeting was cancelled and thus there are no minutes for February.

III. Chair's Report

Chair Hines deferred his time to CEO Donnelly.

IV. CEO's Report

Among the issues that CEO Donnelly reported on were the following:

- The CMS and State Surveys--The Heritage successfully passed the 3 annual surveys of the Health Center that take place in January and February each year. Details are in the minutes of the Health Committee posted on the Board Portal.
- Resident Satisfaction Survey—CEO Donnelly reported on Resident Satisfaction Survey and the rates of participation. Although the overall favorable ratings were down from last year, the over all satisfaction rate was between 85%-89%. The survey will be repeated in 6 months. One of the issues is the responsiveness of management. Working with Residents' Representative Hanley, the staff will look at whether the question is correctly phrased including whether it recognizes the difference between the fact of the management response and the substance of the management response. It may be that the negative feedback means that management is responding but the response is not the desired outcome.
- Computer Data Attack on March 10-- CFO Conroy has been the lead on handling the interface with law enforcement, cyber security experts and our attorneys. Heritage on the Marina did report the ransomware attack to CDPH and it was satisfied with the response. Neither the electronic health records nor payroll records were affected. Heritage on the Marina has taken steps through the engagement of our cyber security insurance carrier to engage experts to analyze and repair the encrypted files.
- In addition to reporting the above described Unusual Occurrence to CDPH, two another incidents regarding residents were also reported.
- Risk Management Plan—after conferring with our attorneys, the administration has determined that the next step is to up date the Corporate Compliance Manual and make a determination whether any of the items in the draft risk management plan should be included.
- Octavia Street Project—building permit has been approved; the contractor upon picking up the permit, can begin work.

IV. CEO's Report

Among the issues that CEO Donnelly reported on were the following:

- The CMS and State Surveys--The Heritage successfully passed the 3 annual surveys of the Health Center that take place in January and February each year. Details are in the minutes of the Health Committee posted on the Board Portal.
- Resident Satisfaction Survey—CEO Donnelly reported on Resident Satisfaction Survey and the rates of participation. Although the overall favorable ratings were down from last year, the over all satisfaction rate was between 85%-89%. The survey will be repeated in 6 months. One of the issues is the responsiveness of management. Working with Residents' Representative Hanley, the staff will look at whether the question is correctly phrased including whether it recognizes the difference between the fact of the management response and the substance of the management response. It may be that the negative feedback means that management is responding but the response is not the desired outcome.
- Computer Data Attack on March 10-- CFO Conroy has been the lead on handling the interface with law enforcement, cyber security experts and our attorneys. Heritage on the Marina did report the ransomware attack to CDPH and it was satisfied with the response. Neither the electronic health records nor payroll records were affected. Heritage on the Marina has taken steps through the engagement of our cyber security insurance carrier to engage experts to analyze and repair the encrypted files.
- In addition to reporting the above described Unusual Occurrence to CDPH, two another incidents regarding residents were also reported.
- Risk Management Plan—after conferring with our attorneys, the administration has determined that the next step is to up date the Corporate Compliance Manual and make a determination whether any of the items in the draft risk management plan should be included.
- Octavia Street Project—building permit has been approved; the contractor upon picking up the permit, can begin work.

V. Resident Communications and Relations

Residents' Council President Hanley reported on issue of responsiveness of management and noted that there needs to be a vehicle for communicating back to residents when issues are raised whether by individuals or groups. He also reported on the success in getting residents to use pendants.

VI. Other Business

Trish Oststott reported on a potential new board member. Paul Cesari also volunteered to serve on the Audit Committee.

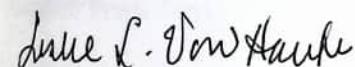
VII. Adjournment

The meeting was adjourned at 5:46 p.m. The next scheduled Board meeting is to be held on April 25, 2018.

VIII. Executive Session

The Board met in Executive Session from 5:48 to 6:05, at which time the Executive Session was adjourned.

Respectfully submitted,



Leslie L. Van Houten



Board of Directors' Meeting Minutes January 24, 2018

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, January 24, 2018 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, Paul Cesari, David Gruber, Jean Fowler, Molly Hauser, David Hines, Randy Gridley, Jeanie Kayser-Jones, Trish Otstott (by telephone), Laura Pilz, Connie Tiret, and Leslie Van Houten

Directors Absent: Jane Hickerson

Staff Present: Ken Donnelly, Chief Executive Officer, Joe Conroy, Chief Financial Officer

Residents' Representative Present: Tony Hanley, Residents' Council President

I. Call to Order

Chair Hines called the meeting to order at 4:01 p.m. He began the meeting by thanking Laura Pilz and Dave Gruber for their service as past Board Chairs and presented each with a plaque commemorating and honoring their leadership.

II. Consent Agenda

The Board approved the Consent Agenda (November and December Minutes, Committee and Task Team Reports, Marketing Report, November Financial Snapshot, December Financial Packet and Quarterly Clinical Snapshot).

III. CEO's Report

CEO Donnelly reported on the successful surveys of the Health Center by the Title 22 and Medicare surveyors. In particular, the Health Center was commended on its leadership and improved systems and the quantity and quality of interactions with residents. He updated us on the fundraising, the status of the building permit for the Octavia project and updates to the website. He also noted that the cottage will now be available, and the Board will need to decide the best use for that space.

IV. Resident Communications and Relations

Tony Hanley reported on the first Residents' Council meeting of 2018.

V. Quarterly Financial Review

CFO Conroy reported on the Quarterly Financial Review. In advance of the meeting, the Board had been presented with the following documents to review: December 2017 Investment and Financial Reports and the November and December 2017 Monthly Snapshots. He reported on the year-end results noting the trend lines on revenues and expenses remain the same. Thus, there were no significant inroads in either increasing revenue or reducing expenses. Among the revenue shortfall was the number of Medicare patient days budgeted for.

However, the number of Medicare patients is improving since the new DON has been on board. CFO Conroy also explained that some of the significant variances over budget in December are reflective of the same trends in the previous month. The Board engaged in a far-ranging discussion about the on-going and increasing deficit and how that affects the long-term plans of the Society.

VI. Risk Management Plan

CEO Donnelly and the Executive Staff presented a draft of the Risk Management Plan for Heritage on the Marina. Board Member Cesari made a preliminary review of the Plan. The Plan is to be reviewed by the soon to be formed Risk Management Committee and eventually by counsel.

VII. Chair's Report

- Committee Restructure**

Chair Hines wants the Board to look at the Committee Structure and determine whether committees can be combined or even eliminated.

- Strategic Planning**

Chair Hines plans for this year include the budget and looking at the functioning of the Executive Committee and review and revision, as needed, of the By Laws.

VIII. Other Business

Randy Gridley reported that the Annual Meeting with Bernstein will take place at 8:30 a.m. on Tuesday January 30, 2018, at Bernstein offices in the Bank of America building; all Board members are invited.

Chair Hines suggested that the Board recognize immediate past members - Andy, Babs, Martha Nell - with certifications along with a dinner party, date to be determined.

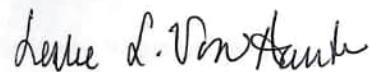
IX. Adjournment

The meeting was adjourned at 5:44 p.m. The next scheduled Board meeting is to be held on February 28, 2018.

X. Executive Session

The Board met in Executive Session from 5:47 p.m. to 6:00 p.m. at which time the Executive Session was adjourned.

Respectfully submitted,



Leslie L. Van Houten

Next Operations Director Hanh Ta introduced the new Director of Nursing, Cathy Bowman. Ms. Bowman briefly addressed the current plans to upgrade nursing skills and increase the staffs' ability to handle high acuity patients. The Board warmly welcomed Director Bowman.

IV. CEO's Report

CEO Donnelly reflected on the past year noting the departures of certain staff and affirming that the current team is very solid. With a strong leadership team in place, 2018 should be a very good year for the Heritage. He thanked Laura Pilz for her leadership during his entire tenure as CEO.

V. The 2018 Operating Budget

Prior to the meeting, the Board members were provided with two documents related to the budget: the 2018 Budget Summary and the 2018 draft budget. At the meeting, CFO Conroy presented the budget that continues to forecast an operating deficit. He stated that, with stability in the Health Center leadership, the Heritage can expect an increase in Medicare patients in the coming year and consequently an increase in revenues. CFO Conroy noted that we have limited ways to increase our revenue. Although the new units are going at market rate, they are limited. Furthermore expenses continue to increase.

CFO Conroy explained the increases in expenses are primarily staff related. Although, there are some staff savings, the net wage, benefit and headcount increases result in an overall increase to the budget. He also informed the Board that the Health Center was not the most expensive cost center, rather it was the other operations.

CFO Conroy highlighted other increases in expenditures such as in food cost, property taxes, utilities, etc. These are set forth in more detail in the documents described above.

Chair Pilz noted that one consideration that the Heritage must face regarding the continued operating deficit is whether our portfolio can absorb and withstand the increase in operating costs. Director Gridley noted that the purchase of two buildings and their renovation has affected the portfolio. The portfolio is net up in terms of total revenue but the focus needs to be on reducing the deficit to reduce the subsidy to

3% in order to achieve a 3% increase in the total portfolio; given a 6% average return under Bernstein's management.

The Board also engaged in a broad ranging discussion about the potential for raising significant funds from donors.

The 2018 budget as presented was adopted by the Board.

VI. Resident Communications and Relations

Martha Nell Beatty updated the Board on the year-end meeting of the residents. Ms. Beatty noted that it was a thank-you session, and she noted that the residents raised more than \$7,000 for the employees. As this was Martha Nell's last meeting, she was thanked for her many contributions and for being the voice of the residents.

VII. The Nominating Committee Report

Trish Oststott informed the Board that Babs Barber and Andy Carlson were also leaving the Board and would be greatly missed; a sentiment echoed by the Board. Thanks were given for their many years of service.

Board approved the new slate of Board Officers:

David H. Hines, Chair

David Gruber, Vice-Chair

Connie B. Tiret, Treasurer

Leslie L. Van Houten, Secretary

Thanks were also given to Laura Pilz and Randy Gridley for their service and leadership.

The following Board members were nominated for terms ending in December 2020: Deborah Avakian, Randy Gridley and Connie Tiret.

VIII. The Social Accountability Task Team Report

The Board approved the motion to underwrite Dr. Patrick Arbore's lecture series through the Institute on Aging in the amount of \$25,000.

IX. Adjournment

The meeting was adjourned at 5:42 p.m. The next scheduled Board meeting is to be held on Wednesday, January 24, 2018.

X. Executive Session

The Board met in Executive Session from 5:43 to 6:00 at which time the Executive Session was adjourned.

Respectfully submitted,

Leslie L. Van Houten

Leslie L. Van Houten



Board of Directors' Meeting Minutes November 15, 2017

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, November 15, 2017 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Carolyn Barber, Andy Carlson, Jean Fowler, David Gruber, Randy Gridley, Molly Hauser, Jane Hickerson, David Hines, Trish Otstott, Laura Pilz, Connie Tiret and Leslie Van Houten.

Directors Absent: Deborah Avakian, Paul Cesari and Jeanie Kayser-Jones.

Staff Present: Ken Donnelly, Chief Executive Officer and Joe Conroy Chief Financial Officer.

Residents' Representative Present: Martha Nell Beatty, Residents' Council President.

I. Call to Order

Chair Pilz called the meeting to order at 4:04 p.m.

II. Consent Agenda

The Board approved the Consent Agenda (the October Minutes, the Committee and Task Team Reports and the Marketing Report).

III. Chair's Report

At the request of Chair Pilz, those staff and board members who attended the Leading Age Conference in New Orleans in October reported on the most important take-aways from the conference that are pertinent to Heritage on the Marina.

IV. CEO's Report

CEO Donnelly reported as follows:

1. The current tax bill has as a feature the elimination of the medical expenses deduction. If the bill is passed with this provision, it will affect Heritage's residents as they currently deduct part of their fees paid to the Heritage on the Marina as medical deductions.

2. Heritage's HR manager, Yuzana Lesley, will be retiring. Her replacement has been hired and the plan is to have her on board for a period of transition.

3. Dave Costello, Director of Environmental Services, announced that he was retiring effective immediately.

4. Tony Lawrence, a 39-year employee, passed away after a brief illness. Ken together with the residents are discussing various plans to honor him for his years of dedicated service. Trish Otstott suggested that the Heritage consider introducing a "Tony" award to be given to employees who reflect his dedication, excellent service and generosity of spirit.

5. The Octavia project has been granted planning approval; the next step is to obtain the building permits and that process will likely be an extended one

6. Hampton Health determined that it was not feasible for it to affiliate with Brown and Toland. There are five residents who have Brown and Toland as their medical group through their health insurance. However, a Brown and Toland physician, Dr. Wang, is following these 5 resident. Dr. Matin had 43 independent assisted living residents as her patients; all 43 are now assigned to a physician.

7. CEO Donnelly reported on the Directors' and Officers' coverage. The policy provides for coverage of up to \$5,000,000 for individual claims and \$5,000,000 for aggregate claims.

V. Variances/Capital Budget

CFO Conroy passed out a document entitled "3Q 2017 Expense/Budget YTD Variance Summary." He explained why the Heritage was over-budget in areas such as food, utilities, professional fees, etc.

The Board received a copy of the Capital Budget in the November Board Packet. CFO Conroy gave a preview of the upcoming projects and campus improvements for this coming year. As each of these projects comes up, the cost will be provided to the Facilities Committee and, as required, will be sent to the Board for approval.

VI. Resident Communications and Relations

Martha Nell Beatty reported that the residents gave \$7,000 to the Employee Appreciation Fund. The amount is a significant increase from previous years and Martha Nell gave kudos to her fellow residents for all their diligent and hard work. Additionally, a new book with photos of all the current residents was shown to the Board members.

VII. Nominating Committee

The Nominating Committee reported on departures from the Board: Carolyn Barber and Andy Carlson will rotate off the Board at the end of this year.

In addition, the Nominating Committee presented the following slate of officers for the coming year to be voted on at the December Board Meeting:

Chair	Dave Hines
Vice Chair	Dave Gruber
Treasurer	Connie Tiret
Secretary	Leslie Van Houten

VIII. Other Business

Trish Ostott informed the Board that the Social Accountability Task Force will have a proposal for the December meeting.

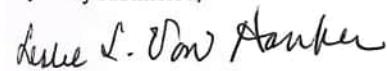
IX. Adjournment

The meeting was adjourned at 5:25 p.m. The next scheduled Board meeting is to be held on December 13, 2017.

X. Executive Session

The Board met in Executive Session from 5:30 p.m. to 5:42 p.m. at which time the Executive Session was adjourned.

Respectfully submitted,



Leslie L. Van Houten



Board of Directors' Meeting Minutes

October 25, 2017

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, October 25, 2017, at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, Carolyn Barber, Paul Cesari, Jean Fowler, Randy Gridley, David Gruber, Molly Hauser, David Hines, Jeanie Kayser-Jones, Trish Ostott, Laura Pilz.

Directors Excused: Andy Carlson, Jane Hickerson, Connie Tiret, Leslie Van Houten

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Martha Nell Beatty, Residents' Council President

I. Call to Order

Chair Pilz called the meeting to order at 4:00 p.m.

II. Consent Agenda

The Board approved the Consent Agenda (September Board meeting minutes, Committee Reports, Marketing Report, September Financial Snapshot and Statements).

III. Chair's Report

Chair Pilz thanked the residents for a wonderful dinner held September 27, 2017.

Chair Pilz said that she had recently read the articles that have been posted to the Board Blog in the Board portal and found them to be very informative.

Chair Pilz reported that the climate survey is underway. This survey is intended to gauge the morale in the Health Center. She said that this will be confidential and attorney privileged. We are hoping for and encouraging full participation from staff. Any findings and reports will be for Board use only. No residents will be interviewed and results will not be shared with them.

Chair Pilz reviewed the topics for the agenda for the remaining meetings for the year. These meetings will principally focus on presentations of the capital and operating budgets for 2018. She also reported that an open house will be held on

November 16. The two units – 307P and 326M – will be open for Board members to tour prior to the next board meeting on November 15.

IV. CEO's Report

CEO Donnelly reported that an e-newsletter will be posted to the Board Blog site tomorrow and released to a 500+ email constituent list on Friday. The e-newsletter will be produced quarterly and include a feature story from a resident or staff member, a preview of an available apartment, news about Club Heritage, and a giving opportunity. Staff will also start working on a traditional year-end appeal mailing.

CEO Donnelly updated members on the status of the Octavia project. He has worked with a construction attorney from Hanson Bridgett and a contract has been completed and signed by the general contractor, V & Co. The project has cleared the Planning Department at the City and County. Our architects will now seek a building permit. The project is anticipated to start renovation the week of November 6. The construction phase will last approximately 10 months.

CEO Donnelly updated members on health services. He said that Dr. Fullerton took over the Medical Director role on October 1. He and his team – Hampton Health, Ltd. Group - have been working well with the staff inter-disciplinary and quality assurance team. Dr. Fullerton has taken over care for the 21 residents in the Health center who were previously being followed by Dr. Matin. Residents living independently and in assisted living are transferring their care to new physicians this month. Of the 44 residents who were patients of Dr. Matin, 29 have transferred care to Hampton Health. Five others have returned to their previous UCSF physicians and four have stayed with Brown + Toland medical group and will be followed by Dr. Fusheng Wang. Six residents are still in the process of choosing a new physician.

CEO Donnelly announced that Cathy Bowman started as the Director of Nursing on October 16. She previously worked at Lytton Gardens and in the Seton medical system.

CEO Donnelly referred members to the new quarterly clinical snapshot in their meeting materials. He explained the four quadrants in the snapshot.

CEO Donnelly reported that resident Dr. Al Jonsen had received the prestigious Henry Knowles Beecher Award for contributions to Ethics and Life Sciences. Staff are reaching out to him in hopes of featuring him in an upcoming e-newsletter article. Donnelly also reported that residents Jack and Frances Hall had decided to move away to be closer to one of their children. A letter from Jack Hall complementary of staff is in the meeting materials.

V. Quarterly Financial Review

Controller Joe Conroy reviewed the financial statements for the quarter ended September 30, 2017. He discussed revenues, including the amount we subsidize residents who can no longer afford to pay full price. He said that he hopes to get the re-certification project information back from our actuaries by year end. This information will inform us on the amount of future subsidies anticipated. He also reviewed expenses which are worse than budgeted by 2.1%. He reviewed selected expenses where variances were large. He clarified that the variance in Health Center wages is actually larger than reported when fees paid to a contracted person to serve as Interim Director of Nursing and costs paid to registry services for replacement staff are taken into account. The Board was not satisfied with incomplete explanations for variance in food cost and IL/AL Medical Expenses. Controller Conroy said he would follow up with more detailed explanations at the November 15 Board meeting.

VI. Investment Committee – Tribune Lawsuit

Vice-Chair Randy Gridley discussed a pending lawsuit against Heritage on the Marina as a shareholder of Tribune stock. After failed attempts by the litigants over the past few years, a settlement offer was extended to all the shareholders. Vice-Chair Gridley explained that there is a similar case before the Supreme Court of the United States which could potentially have an impact on the case brought against us. The offer to Heritage on the Marina was to drop any further action in exchange for \$32,000. (The total transaction in question was the tendering of \$129,000 in stock.) After discussion, a motion was approved to NOT accept the settlement offer.

VII. Resident Communications and Relations

Martha Nell Beatty reported that residents are continuing to adapt to the change in physicians and turnover in the Health Center. She reported that a resident who is often critical of leadership is happy with transferring her care to the new medical group.

Jean Fowler reported that the resident health panel met earlier in the day and were impressed with the new Director of Nursing, Cathy Bowman. She reported on having a productive meeting with Nursing Home Administrator/Director of Operations, Hanh Ta, Cathy Bowman and Social Services Director, Karina Tapia.

VIII. Other Business

There was no other business.

IX. Adjournment

The meeting was adjourned at 5:42 p.m. The next scheduled Board meeting is to be held on Wednesday, November 15, 2017.

X. Executive Session

The Board met in Executive Session from 5:45 to 6:07p.m. at which time the Executive Session was adjourned.

Respectfully submitted,



Ken Donnelly and Laura Pilz





Board of Directors' Meeting Minutes September 27, 2017

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, September 27, 2017 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, Carolyn Barber, David Gruber, Jean Fowler, Molly Hauser, Jane Hickerson, David Hines, Randy Gridley, Jeanie Kayser-Jones, Laura Pilz, Connie Tiret and Leslie Van Houten

Directors Excused: Andy Carlson, Paul Cesari, Trish Otstott

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Martha Nell Beatty, Residents' Council President

I. Call to Order

Chair Pilz called the meeting to order at 4:05 p.m.

II. Consent Agenda

The Board approved the Consent Agenda (the July Minutes; Committee and Task Team Reports; the Marketing Report and the July Financial Snapshot).

III. Chair's Report

Chair Pilz led the discussion on the Atrium project. She reported on the discussion at the Executive Committee regarding the Atrium Project. Given the other pressing issues including the Octavia project, the Executive Committee recommended that the Atrium project be deferred. The planning approval is good for two years with a possibility of a further extension. Chair Pilz recommends that we revisit this next summer. The Board was in agreement to postpone moving forward on the Atrium project at this time and revisit the issue in Summer 2018.

Leslie Van Houten gave a report on the proposed climate survey and fact-finding regarding Health Center issues. The Board will engage Sue Barton, Esq. to do a climate survey of the current Health Center employees and a fact-finding regarding the departure of certain long-term employees.

IV. CEO's Report

CEO Donnelly reported on the following:

1. Health Center Update

a. Staffing Report

CEO Donnelly reported on staffing in the Health Center. Hampton Health, headed by Dr. Fullerton, will provide Medical Director services to the Health Center and will be a provider to those residents who wish to engage them as their private physicians.

Currently the Health Center has a complete complement of nurses and CNA's. A new Assistant Director of Nursing/DSD, Erin Best, has been hired. Cindy Chen has been promoted as an Assistant Director of Nursing /RCC. She is currently serving as the Interim Director of Nursing while the recruitment continues for the DON.

b. Medicare Claim

An audit by Medicare determined that the Heritage needed to repay \$33,000 to Medicare. The Director of Operations, Hanh Ta, lead the response that resulted in a finding that no repayment was owed.

2. Resident Recertification Project

CEO Donnelly gave a status update on the ongoing Resident Recertification Process. To date, 80% of the Residents have completed the paperwork. The Board will be presented with the results at the November Board meeting.

3. IT Update

The Heritage has now contracted with Episcopal Senior Communities (ECS) for IT support services. ECS has service contracts with several life care communities. CFO Conroy spearheaded this project.

4. Octavia Project Update

As a result of a competitive bidding, V& Company has been awarded the bid for renovation of the Octavia Street property. The Board approved expenditures of \$1,277,931.35, the guaranteed contract price, plus a 10% contingency fund of \$127,793.14, a total of \$1,405,724.49. The work is slated to begin mid-October.

V. Resident Communications and Relations

Martha Nell Beatty conveyed the angst amongst the residents about the departure of certain key staff. There are also some concerns from certain of Dr. Matin's patients regarding her departure and transfer of their care to the new physician practice. Of key concern is whether their health insurance will cover the services of Hampton Health. There is positive feedback that Dr. Fullerton's Hampton Health will have a team to serve our residents.

VI. Other Business

Dr. Fullerton of Hampton Health was introduced to the Board. He gave a brief overview of his career and his passion for geriatric medicine. The Board welcomed him to Heritage on the Marina.

VII. Adjournment

The meeting was adjourned at 5:30p.m. Following the Board meeting, the Board members were entertained by the Residents at their Annual Board Appreciation Dinner. The next scheduled Board meeting is to be held on October 25, 2017.

Respectfully submitted,

Leslie L. Van Houten

Leslie L. Van Houten



MINUTES

BOARD OF DIRECTORS' CONFERENCE CALL

August 17, 2017

Laura Pilz called the meeting to order at 9:05 a.m. She took the roll of the participants on the call:

Babs Barber, Jean Fowler, Randy Gridley, David Gruber, Jeanie Kayser-Jones, Martha Nell Beatty, Connie Tiret, Ken Donnelly and herself.

Laura started the meeting by presenting her impressions of the Residents' Council meeting held Friday, August 11, 2017. She also acknowledged the letters received from residents and the phone conversations she has had with some of them. She stated that there were a few vocal residents who shared criticism of staff and the fact that several nurses have left Heritage on the Marina. She also stated that many residents approached her following the meeting to express their support of staff and all that they do to make their lives better. Ken confirmed that he also had several residents express similar feelings. She called on Jean Fowler and Martha Nell Beatty to add their experience of the meeting.

Laura then asked Ken to give an update on recruitment efforts for a new Medical Director and physician. Ken said that shortly after receiving the letter of contract termination from Dr. Matin, he and Hanh made a list of geriatricians to call on. They targeted Dr. John Fullerton, Dr. Elizabeth Landsverk, Dr. Daniel Pound and Dr. Rebecca Conant. Dr. Fullerton and Dr. Landsverk responded right away. Subsequent meetings and conversations with both led to a visit by Dr. Fullerton and two members of his medical practice. His practice, Hampton Health, is interested in taking on patients being cared for by Dr. Matin. His practice includes three geriatricians, a nurse practitioner and several nurses and support staff. They have their own labs, phlebotomy and mobile X-rays. They would come on site as a team to see their patients. This will allow us to re-allocate time previously given to support Dr. Matin to deliver more person-centered care to our independent and assisted residents.

Ken also said that they have temporarily allocated Cindy Chen, RN, to support Dr. Matin in her remaining time here. This was at Dr. Matin's request. Cindy is a longtime RN with us and is splitting her time between the Health Center and Dr. Matin. Cindy is being promoted to Assistant DON and will return to the Health Center full-time once a permanent replacement for the Resident Care Coordinator is in place. Ken also indicated that two strong candidates for Staff Development Director have been interviewed. This will be a key position to train our staff and assess competency. Finally, Ken said that Heritage on the Marina will be ramping up its recruitment and retention strategies. This might include creative sign-on bonuses, educational assistance and stand-by pay. Also, we will be reaching out to our peers to see if there is a possibility of collaboration on hiring and retention to compete with the aggressiveness of hospitals for our nursing talent.

Jean Fowler provided comments on the Residents' Council meeting and tone of the community. Jean acknowledged that there are some residents who continually find issues that make them unhappy and there are also many residents who are very happy living at HOTM. She noted that the recent deaths of long-term residents has heightened the emotional level. Jean suggested we need to identify a senior staff person who the CCRC residents can come to provide to express their needs and issues and have their concerns heard.

Martha Nell Beatty noted that the turnover in the medical staff has been the most disturbing issue. When and how changes are communicated to the residents needs more management and attention so changes are not misinterpreted and subject to rumor. Both Martha Nell and Jean confirmed that an expanded medical team with a choice of physician would be well received by the residents.

Laura called on each person on the call in alphabetical order to allow each an opportunity for questions and comments. What follows is a summary of comments from each member present.

Sabrina Barber – Satisfied with what she heard this morning and asked Ken to confirm that a new medical team would not displace our current Health Center staff.

Candy Gridley – Sounds like we are covering all the bases. It will take some hand holding during this transition. We should not just listen to the 2-3 loudest voices.

Grid Gruber – Heard and agreed with much of what was said. Communication is most important. Still wants a separate Executive Committee when Jeanie returns. Responded that he wants to make certain that he (and his leadership staff) and the Board of Directors are clear on who is communicating with residents and staff. He doesn't want to see staff efforts undermined by residents communicating around him directly to the Board. Randy Gridley agreed and added that Board members should express their concerns to Laura and Laura then would communicate with Ken and they can decide on communication methods to the residents.

Jeanie asked that Jean Fowler and Martha Nell Beatty keep her informed about resident concerns and issues.

Jeanie Kayser-Jones – Glad Ken is moving ahead and identifying possible medical teams to replace Dr. Matin. She asked Jean about a "touchy-feely" person on staff to listen to longtime resident's concerns. (See response by Jean below.)

Jean Fowler – Had spoken earlier. Satisfied with where things are headed. Said that a few of the older "tenured" residents need a "touchy-feely" person to interact with to allow them to feel heard. After brief discussion, it was recommended this be a senior staff person.

Jean Fowler also said that several longtime residents have passed away in recent months. That this has an effect on residents who miss their friends, and on staff to grow close to residents. Ken replied that he is talking with Karina Tapia, Wellness Director, about a Remembrance Service for residents. Perhaps annually. He also will reach out to Dr. Patrick Arbore to see if he can come onsite and address grief and dying with staff.

Connie Tiret – Agrees with the direction being taken. There will be growing pains as we move forward.

Ken asked to say something further. That he is committed to the care of every resident. But he will not manage to the 3-4 residents who will never be supportive of change and new direction. He will manage to the remaining 110+ residents.

Laura thanked everyone for taking time to participate. The meeting was adjourned at 9:55 a.m.

Respectfully submitted,



Laura Pilz and Ken Donnelly



Board of Directors' Meeting Minutes

June 28, 2017

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, June 28, 2017, at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, Carolyn Barber, Andy Carlson, Paul Cesari, Jean Fowler, Molly Hauser, David Hines, Randy Gridley, Trish Otstott, Laura Pilz, and Connie Tiret.

Directors Excused: David Gruber, Jane Hickerson, Jeanie Kayser-Jones, Leslie Van Houten

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Martha Nell Beatty, Residents' Council President

I. Call to Order

Chair Pilz called the meeting to order at 4:00 p.m.

II. Consent Agenda

The Board approved the Consent Agenda (June Board meeting minutes, Health Committee and Pension Committee Reports, Marketing Report, April and May Financial Snapshots).

III. Chair's Report

Chair Pilz reported on the formation and initial meeting of the Future Health Center Task Team. She announced the team members are Deb Avakian, Jeanie Kayser-Jones, Dr. Maryam Matin, Hanh Ta, Ken Donnelly and (Chair) Edwin Cabigao. She also stated the purpose of the task team is to envision the health center of the future. Specifically, if we were to build a new center, what the staffing structure would be, the type of services we would offer, the patient mix, etc.

Chair Pilz said that the annual LeadingAge conference this year is from October 29 - November 1, 2017, in New Orleans. She encouraged those who have an interest to attend to contact her directly. We historically have paid for four board members and four staff to attend.



Chair Pilz asked the members for their preference of whether to meet in July or August. The group stated its preference to meet in July (26th) and not meet again until the September (27th) meeting. She reminded the group that this meeting will be followed by the annual Resident-Board dinner.

IV. CEO's Report

CEO Donnelly referred members to the Medical Marijuana Policy in the materials for the meeting. He explained that the policy only pertains to those living independently or in assisted living. Since the skilled nursing facility is governed by federal regulations, the use of medical marijuana is prohibited. He further stated that this policy was developed honoring Heritage on the Marina's policy of a smoke-free and drug-free workplace. Therefore, the use of medical marijuana by residents cannot be smoked or vaped. Please refer to the policy.

CEO Donnelly briefly discussed his Executive Team is working on a risk management plan for the organization. This will eventually involve working with Board committees and will ultimately be presented to the Board. The types of risks that will be analyzed will fall into categories such as strategic, operational, reputational, legal, compliance and financial. He hopes to complete a plan for presentation and discussion by the end of this year.

CEO Donnelly updated members on the status of the Octavia Street and Atrium projects. The Octavia Street project is currently seeking bids from contractors. The Facilities Committee will be meeting in July to discuss and award the construction work to a bidder. With permits secured, the construction is anticipated to start by early fall. The Atrium project will be presented in more detail at the July 26th board meeting.

CEO Donnelly announced the hiring of a new Director of Nursing, Janna Baker-Baez will start after we receive her background clearance and completing pre-employment requirements. He then spoke of the hiring challenges for the Health Center. He reiterated from exit comments about the reasons why five registered nurses have left our staff within the last several months. He also talked about the changes contemplated to reduce the administrative staffing in the center. He and Chair Pilz spoke of the recent analysis of Health Center operations and the opportunity to improve the operating performance there. CEO Donnelly concluded his report by announcing a nice \$15,000 donation from a grateful family for the "fine care given to his spouse in the health center."

V. Resident Communications and Relations

Martha Nell Beatty thanked Laura Pilz and Randy Gridley for attending and presenting at the June 16th Residents' Council meeting.

She commented that a number of residents have approached her about concerns with turnover in the Health Center.

She also stated that she will be forming a committee to represent resident concerns about the introduction of new furniture in the building. (This is a result of recently placing a donated antique in the place of a long-standing cabinet.) She said this small group will work with Marketing.

V. Pension Committee

Vice-Chair Gridley discussed the Heritage on the Marina 401(k) plan and the need to approve a new plan document. *A resolution was approved to accept the presented plan document.* He also stated that because we now exceed the number of participants in the plan, we will need to have an annual audit.

VII. Other Business

Trish Otstott reported that the Social Accountability Task Team had secured the services of Dr. Patrick Arbore to present to the Napa Senior Advisory Commission on August 3, 2017, here at Heritage on the Marina. He will also be speaking on the topic of The Aging Brain: Myths and Facts on August 21, 2017, at the IOA Weinberg Auditorium. Anyone interested from the Board should access the website. It is expected to have over 100 audience members for this presentation.

CEO Donnelly said that he will invite staff and residents to the August 3 presentation. It was also suggested to include the two presentations in the next issue of "Happenings" newsletter.

VIII. Adjournment

The meeting was adjourned at 5:00 p.m. The next scheduled Board meeting is to be held on Wednesday, July 26, 2017.

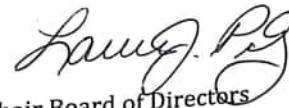
IX. Executive Session

The Board met in Executive Session from 5:00 to 5:10 p.m. at which time the Executive Session was adjourned.

Respectfully submitted,



Sean Donnelly, CEO and Laura Pilz, Chair Board of Directors





Board of Directors' Meeting Minutes May 24, 2017

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, May 24, 2017, at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Carolyn Barber, Andy Carlson, Paul Cesari, David Gruber, Jean Fowler, Jane Hickerson, David Hines, Randy Gridley, Jeanie Kayser-Jones, French Ostott, Laura Pilz, Connie Tiret, and Leslie Van Houten

Directors Absent: Deborah Avakian, Molly Hauser

Staff Present: Ken Donnelly, Chief Executive Officer; Joe Conroy, Controller

Residents' Representative Present: Martha Nell Beatty, Residents' Council President

I. Call to Order

Chair Pilz called the meeting to order at 4:06 p.m.

II. Consent Agenda

The Board approved the Consent Agenda. (The April minutes, the Health Committee Report for March 2017, the Marketing Report and the March Financial Reports). The Board was provided with the March 2017 Monthly Snapshot.

III. Chair's Report

Chair Pilz asked the Board to be prepared to determine at the June meeting whether to set the summer recess for July or August.

IV. CEO's Report

The Nurse Call project is complete, and the OSHPD inspection set for May 25, 2017. The dining room will be refreshed the week of June 5th with new drapes and paint. New chairs that were approved by the residents will be delivered and installed as well during this week. The Atrium and Octavia Street projects are on schedule. Octavia Street is to be permitted to proceed with the renovations shortly. The next step will be the RFP to determine the contractor and the plan is to have contractor

in place by the end of the summer. The Atrium Project including cost and financing is slated for discussion at the July or August meeting. CEO Donnelly reported on the demographics of the residents and noted that 47% of the residents are over 90. Chair Pilz noted that, given the aging population of our residents, we will likely have a number of vacancies to be filled and the Board will need to take that into account in its long and short term planning.

CEO Donnelly walked the Board through the residents' fee structure and how the increase in fees is determined. In making this determination, Heritage on the Marina is compared to its peers, the San Francisco Towers and the Sequoias and, to lesser degree, the Carlisle. There is some consideration of national organizations fee structures; although Heritage's location in San Francisco and the Marina make the Heritage not comparable to these organizations.

CEO Donnelly also gave the Board a primer on the two contract types, A and C. He noted that we have space for 17 residents in Assisted Living with 10 spaces reserved for the residents of Heritage on the Marina, and 7 available for people from outside of the community. In the Health Center, of the 32 beds available, 15 are available for Medicare, private pay or HMO patients. The remainder are reserved for Heritage on the Marina residents. Currently 27 out of the 32 beds are occupied. Documents related to this discussion are posted on the Board's portal.

V. Quarterly Financial Review

The Board was provided with a document entitled Expense Budget /Budget Variance Summary—first Quarter. Controller Conroy reported that the biggest shortfall is the number of private pay residents in the Health Center. The budget was premised on having 12 private pay patients in the Health Center. However, there have been on average only 10.6 private pay patients resulting in the shortfall. With the increase in the private pay daily rate, the shortfall may be decreased by the end of the fiscal year. The biggest contributor to our deficit is overtime, primarily in the Health Center. CEO Donnelly noted that, for various reasons, overtime for the first quarter is the highest it has been but that we are making progress on reducing overtime.

VI. Investment Update

Vice Chair Gridley reported that Bernstein has predicted a 6% increase in the portfolio going forward. That permits 3% to go back into the portfolio while using 3% to offset the ongoing deficit. The Bernstein estimates have been remarkably spot on. Vice Chair Gridley noted that, while the 3% to reduce the deficit is a good number, the expenditures are exceeding that number. Vice Chair Gridley laid out the investment strategy which is to not time the market but rather stay in balance as necessary, and look at the long run.



VII. Resident Communications and Relations

Martha Nell Beatty reported on the semi-annual Residents' Council meeting at which Controller Conroy presented on the fee increases. Ms. Beatty complimented him on the presentation noting that the presentation was so thorough that there were no questions. She also proposed that the residents host a dinner honoring the Board on September 27, 2017, following the September Board meeting.

VIII. Other Business

There was no other business.

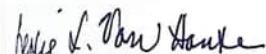
IX. Adjournment

The meeting was adjourned at 5:53 p.m. The next scheduled Board meeting is to be held on June 28, 2017.

X. Executive Session

There was a brief executive session that adjourned at 6:05 p.m.

Respectfully submitted,



Leslie L. Van Houten
Secretary



**Board of Directors' Meeting
Minutes
April 26, 2017**

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, April 26, 2017 at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, Carolyn Barber, Paul Cesari, David Gruber, Jennifer Fowler, Molly Hauser, Jane Hickerson, David Hines, Randy Gridley, Trish Otstott, Laura Pilz, Connie Tiret, Leslie Van Houten

Directors Absent: Andy Carlson, Jeanie Kayser-Jones

Staff Present: Ken Donnelly, Chief Executive Officer

Resident Representative Present: Martha Nell Beatty, Resident Council President

I. Call to Order

Chair Pilz called the meeting to order at 4:05 p.m.

II. Consent Agenda

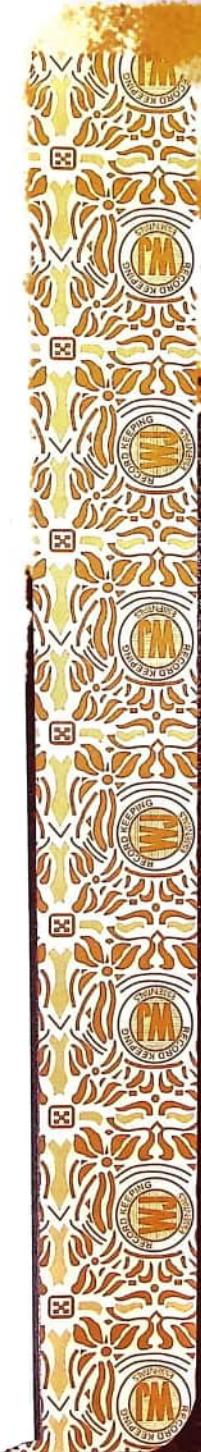
The Board approved the Consent Agenda (the February and March minutes, Committee Task Team Reports, the Marketing Report, February Financial Snapshot, and Quarterly Report-IOA). The February and March minutes were approved as corrected.

III. Chair's Report

Chair Pilz reported on the Master Plan Task Team. She reported that the Octavia project is moving according to schedule. As to the Atrium, she reports that on a feasibility point of view, the project is one that can be done. The issue will be funding. The funding plan is to be presented at the July Board meeting.

IV. CEO's Report

With regard to the federal survey of the Health Center, the CEO reported that Heritage on the Marina was found to have one major deficiency related to a fall with injury. The



The CEO noted that a finding of a major deficiency results in a re-survey. That occurred and the re-survey found that the Health Center was in compliance in all instances.

The CEO also reported that Edwin Cabigao was hired as a consultant to review practices at the Health Center (systems, staffing structure, policies and procedures, admissions processes). In light of the departure of the Director of Nursing, Edwin also agreed to serve as the interim Director of Nursing.

The CEO presented an update on the organization of the Health Center, including the health care provided to independent residents. Counting the staff on contract, there are approximately 48 staff members most of whom are full-time. The CEO noted that the staff who provide health care make up approximately 50% of the entire Heritage staff.

The CEO reported on the update of the nurse call system; the current system is outdated; the new system is expected to be up and running by the end of May.

Fifty-three out of 91 units are renovated with 10 currently being renovated. When that work is done then approximately 2/3s of the units will have been renovated. The remaining 1/3 of the un-renovated units are occupied.

I. Audit Committee

David Hines reported on the annual audit. Generally the audit results were positive. The auditors recommended that the Chair review the monthly charges by the CEO to the corporate credit card. The process has been implemented; however, the Chair is currently reviewing all expenditures. The Board approved the audit report for 2016.

II. Resident Communications and Relations

Martha Nell Beatty reported that two representatives from the Department of Social Services did their tri-annual preannounced visit. They met with the CEO and then were given a tour by Martha Nell.

She also reported that a committee has been interested in the question of food waste in the dining room. Initially, it did not appear that the leftover food could be provided to others in need. However, it now appears that Heritage on the Marina will be able to work with "Food Runners," an organization that distributes food to organizations who assist the underserved.

III. Other Business

The CEO reminded the Board about the Board Blog. The Board may send any articles for posting to Patti Gallagher. A number of articles have been posted already for the Board's review.

Adjournment

Meeting was adjourned at 5:20 p.m. The next scheduled Board meeting is to be held
May 24, 2017.

Executive Session

Board met in Executive Session from 5:23 p.m. to 6:02 p.m. at which time the
Executive Session was adjourned.

Respectfully submitted,



Alice L. Van Houten





Board of Directors' Meeting Minutes

March 22, 2017

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, March 22, 2017, at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Andy Carlson, David Gruber, Jean Fowler, Molly Hauser, David Hines, Randy Gridley, Jeanie Kayser-Jones, Trish Oststott, Laura Pilz, Connie Tiret, and Leslie Van Houten

Directors Absent: Deborah Avakian, Carolyn Barber, Jane Hickerson

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Martha Nell Beatty, Residents' Council President

I. Call to Order

Chair Pilz called the meeting to order at 4:05 p.m.

II. Consent Agenda

The Board approved the Consent Agenda (The Committee and Task Team Reports, and the Marketing Report, and the January Financial Snapshot). The February minutes will be presented at the next meeting.

III. Chair's Report

Chair Pilz again discussed with the Board the utility of the new portal and announced plans to add the committees and the committee assignments to the portal.

IV. CEO's Report

The Board approved the motion concerning the Investment Account Signatures. The approved signatories are: Ken Donnelly, Joe Conroy, Connie Tiret and Randy Gridley.

CEO Donnelly reported on the results of federal audit of the Health Center; overall the Heritage had less negative findings than the California average although there was one finding of substance. The Director of Operations is taking the lead on the plan of corrections.

The Life Safety Audit found 6 minor deficiencies, all of which were corrected during the survey. Again, the Heritage had fewer deficiencies than the California average.

The CEO also reported on the formation of the Health Center Leadership Team designed to help determine, among other things, how to work together and support each other, reduce call-offs, etc. In addition, a Registered Dietician has been hired to be on staff 2 days a week.

The construction update included information that the Health Center electrical project was completed and has been approved by OSHPD. The next OSHPD related project is the upgrade of the nurse call system. This project will start March 27. Three units have been or are in the process of being updated and residents are ready to move in. There was also an update on the status of the courtyard atrium. The Board will be presented with background information at the July meeting in order to make a decision on whether to go forward with the project. With regard to Octavia flats, construction drawings will be available the end of April; the permitting process with the City will begin after that.

V. Audit Committee Report

Dave Hines reported on the annual audit report and the results were excellent. The final draft came this morning. The report is available on the portal after Item 10. The Board is to review and vote on acceptance of the audit at the April meeting.

The report recommended that the Heritage credit card held by the CEO be reviewed by the Chair or in the Chair's absence, the Chair of the Audit Committee on a monthly basis. This policy is being implemented effective this month.

VI. Resident Communications and Relations

Martha Nell Beatty shared her time with Jean Fowler. Jean reported on the first successful "Breakfast with the Residents" by a Board member, Dave Gruber. As a reminder, each of us has an assigned month.

VII. Other Business

There was no other business.

VIII. Adjournment

The meeting was adjourned at 4:55 p.m. The next scheduled Board meeting is to be held on April 26, 2017.

IX. Executive Session

The Board met in Executive Session from 5:00 p.m. to 6:37 p.m. at which time the Executive Session was adjourned.

Respectfully submitted,

Leslie L. Van Houten
Leslie L. Van Houten



Board of Directors' Meeting Minutes February 22, 2017

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, February 22, 2017, at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, Andy Carlson, David Gruber, Jean Fowler, Molly Hauser, Jane Hickerson, David Hines, Randy Gridley, Jeanie Kayser-Jones, Trish Ostott, Laura Pilz, Connie Tiret, and Leslie Van Houten

Directors Absent: Carolyn Barber

Staff Present: Ken Donnelly, Chief Executive Officer

Residents' Representative Present: Martha Nell Beatty, Residents' Council President

I. Call to Order

Chair Pilz called the meeting to order at 4:10 p.m.

II. Consent Agenda

The Board approved the Consent Agenda (The January minutes and the Committee and Task Team Reports). The January Financial Reports were delayed due to the start of the 2016 Audit. They will be placed on the Board portal by the end of February.

III. Presentation by Patrick Abore, Ph.D.

As reported in the January meeting, the Board had approved a grant to the Institute on Aging to fund in part the work of Patrick Abore, a renowned specialist in isolation of the aged and its effects, including suicide. Dr. Abore thanked the Board for its generous grant to help support his outreach activities. Dr. Abore delivered a powerpoint presentation on his work, the history of the Bay Area's successful suicide prevention program for the elderly and other important topics on isolation and loneliness in the senior population. Dr. Abore also engaged the Board in a lively question and answer session.

IV. Chair's Report

Chair Pilz queried the Board on the success and user-friendliness of the newly implemented Board Portal and encouraged Board members to provide feedback to the staff.

V. CEO's Report

A. Compliance Surveys

CEO Donnelly reported that Heritage on the Marina had undergone four surveys in the last 30 days:

1. Staffing Survey—no deficiencies as the average Nursing Hours Per Patient Day (NHPPD) was between 5 and 6 with the minimum being 3.2.
2. Survey of the Independent Units from Department of Social Services (DSS) Community Care Licensing—the report is coming but orally informed that there were no deficiencies.
3. State survey of the Health Center—the oral report is that the results were overall good with one potential issue.
4. DSS Life Safety Survey—6 deficiencies were found, all minor, and corrected.

B. Resident and Employee Surveys

A summary of information was presented to the Board in the monthly Board packet. The participation rate was 47% of employees and 76% of the residents. Employees were concerned about communications and motivation from leadership; residents' concerns related to parking and sufficiency of help with dietary needs.

C. Audit

The Annual Audit was held in February.

D. Annual Giving

CEO Donnelly reported that donations were up this year both in quantity (18% more gifts) and amount (54% increase) and that there were 44 new donors. Gifts in excess of \$1,000 doubled both in the number of donors and amounts.

E. Project Report

1. The Octavia Flats
The design drawings are complete and an elevator is included.

2. The Atrium
The target date for presenting the Board with the cost of going forward with the Atrium project at the July meeting. If approved, the RFP would go out in October with the selection of the General Contractor and building permits in January.
Action: It was moved and approved that the Land Survey and Civil and Engineer and Geotechnical Engineer be engaged at a cost between \$10,860 and \$14,000.

VI. Resident Communications and Relations
Martha Nell Beatty provided her report.

VII. Other Business

There was no other business.

VIII. Adjournment

The meeting was adjourned at 5:45 p.m. The next scheduled Board meeting is to be held on March 22, 2017.

IX. Executive Session

The Board met in Executive Session from 5:45 p.m. to 6:00 p.m. at which time the Executive Session was adjourned.

Respectfully submitted,



Leslie L. Van Houten, Secretary



Board of Directors' Meeting Minutes

January 25, 2017

The Board of Directors of the San Francisco Ladies' Protection and Relief Society (the Board) held its monthly meeting on Wednesday, January 25, 2017, at Heritage on the Marina (the Heritage), Stucky Library.

Directors Present: Deborah Avakian, Carolyn Barber, Andy Carlson, Jean Fowler, David Gruber, Molly Hauser, David Hines, Randy Gridley, Jeanie Kayser-Jones, Trish Ostott (by phone), Laura Pilz, Connie Tiret, and Leslie Van Houten

Directors Absent: Jane Hickerson,

Staff Present: Ken Donnelly, Chief Executive Officer, and Joseph Conroy, Controller

Residents' Representative Present: Martha Nell Beatty, Residents' Council President

I. Call to Order

Chair Pilz called the meeting to order at 4:04 p.m.

II. Consent Agenda

The Board approved the Consent Agenda (the December Board minutes, The Committee and Task Team Reports, the November and December Financial Statements (with the exception of the December Snapshot), and the Marketing Report).

III. Chair's Report

Chair Pilz lead a brief discussion on the new Board Portal, and Board members made some suggestions to improve its functionality and access. Chair Pilz also mentioned that the committees in charge of the courtyard project are meeting and the work is progressing. The Board should have a report on the cost of the proposed courtyard project by early summer.

IV. CEO's Report

CEO Donnelly reported on corrections to the December Snapshot. The occupancy was revised, and the corrected December Snapshot is now posted on the Board portal. The CEO also reported on the annual donations which included a substantial increase in donations and 44 new donors.

The OSHPD project is now started and is ahead of schedule. The target completion date is the end of February to be followed by the replacement of the nurse call system.

V. Resident Communications and Relations

Martha Nell Beatty reported that the Residents' Council is the beneficiary of \$2,500 from a fee paid by a drug company to use the interior of the Heritage in an advertisement to be used internally by the company. The other \$2,500 of the \$5,000 fee will go to benefit the residents in the Health Center (Technology Fund).

VI. 2017 Capital Budget Presentation

Prior to the Board Meeting, the Facilities Committee was presented with the Staff's recommendations for the 2017 Capital Budget. Controller Conroy walked the Board through the projects most of which are carry-overs from last year. The Controller highlighted the most active projects including the replacement of the RCFE call system in the independent and assisted living sections.

The Board will be asked for approval on a project-by-project basis.

VII. Social Accountability Task Force Follow-up

Trish Ostott announced that Dr. Arbore will make a presentation at the beginning of the Board's February meeting. The Board, staff and residents are invited to his February 4, 2017 presentation at the IOA building on Geary and Arguello. Details to follow.

VIII. Nominating Committee Report

The Nominating Committee moved and the Board approved Paul Cesari as a member of the Board. The Board was provided with his CV for review prior to the Board meeting.

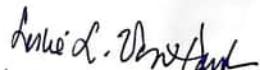
IX. Adjournment

The meeting was adjourned at 4:55 p.m. The next scheduled Board meeting is to be held on February 22, 2017.

X. Executive Session

The Board met in Executive Session from 5:00 p.m. to 6:37 p.m. at which time the Executive Session was adjourned.

Respectfully submitted,



Leslie L. Van Houten

MANAGERS - ANNUAL REPORTS
1941 - 1955

The Eighty-eighth Annual meeting of the Directors and Board of Managers of the San Francisco Ladies Protection and Relief Society was held at the Home on February 5th, 1942, at two o'clock. The president, Mrs Craig, presided.

Those present were: Mesdames: Deering

Lyon

Kerrick

Humphrey

Cambridge

Hindes

Clough *

Porter

The Misses Allspaw

Beaus

Rolph *

Woods

Messrs.: Cornwall

Livermore *

Hutchinson.

The reading of the minutes of last year's meeting were omitted.

Mrs Clough read the treasurer's report.

December 31st, 1941, Balance: \$ 5,022.02

Receipts: \$ 25,200.00

Home: \$ 4,616.22

Convalercent: \$ 5,508.00

Donations: \$ 1,604.00

Total receipts: \$ 42,022.24

December 31st, 1941, Balance: \$ 6,469.00

In the Special account:

December 31st, 1941, Balance: \$ 3,927.46

Disbursements: \$ 1,801.00

December 31st, 1941, Balance: \$ 2,126.46

The Corresponding Secretary reported that she had written twenty-two letters during the year, chiefly of appreciation for gifts or services to the Home.

Mr Livermore then spoke, first of all in

appreciation of the work done in the Home, and then hoping that we should not have to be disturbed by having to move (by a wartime demand) by saying that the Trustees had tried to conserve the assets of the invested funds, with the values

fluctuating greatly, and had had the advice of the Investment Council, as usual, and that they considered the portfolio to be in good shape. They would watch and change the investments, as necessary.

Mr Hutchinson reported that he had visited the Mountain View Cemetery and that the Mausoleum was in good condition, and that a few repairs, such as mending the coping, had been made. At Camp Smith there is a caretaker who looks in at it, from time to time, and it is in good condition. The Kelly property, in Sacramento, will soon have a small distribution.

Mrs Craig asked Mr Hutchinson for the charter, in writing, as to the procedure for elections. He said that he would draw this up.

The Trustees withdrew.

Mrs Craig appointed as judges for the elections:

Mrs Deering and

Mrs Krick

as Tellers: Mrs Towne and

Mrs Cambrou

Mrs Humphreys read the report of the Nominating Committee for the officers and members of the Board of Managers, for 1942.

Mrs Krick moved that the nominations be closed.
It was so ordered.

Mrs Deering moved that the secretary cast the ballot.
It was so ordered.

Mrs Craig appointed an Emergency Committee of:

Mrs Krick, Miss Alleyn and Mrs Perry, to consult with officers of the Board, in the moment of emergency.

Mrs Humphreys moved, Mrs Towne seconded the motion that we confirm their election. It was so voted.

Mrs Deering will copy from the original By-Laws and bring them up to date, in a folder of their own, the original books to be placed in the Bank.

The meeting adjourned
Margaret James Parker, Secretary.

The Eighty-ninth Annual Meeting of the Directors and Board of Managers of the San Francisco Ladies Protection and Relief Society, was held at the Home on February 4th, 1943, at two o'clock, the President, Mrs Craig, in the chair.

Those present were. Meddames: Craig

Clough
Perry

Knight Smith

Scott Smith

Stuart Smith

Dixon

Humphreys

Kreck

Hindes

Towne &

Porter

The Misses: Alleyne

Bearns

Ralph &

Woods

No Directors.

The minutes of the last Annual Meeting were read and accepted.

The Corresponding Secretary said that she had written a number of letters during the year, answering letters of sympathy and others, and expressing gratitude for kindness to the Home.

Mrs Clough, the Treasurer, read the Auditor's report on the financial standing, and it satisfactory comparison with that of last year.

The Treasurer's report was accepted, as read.

The annual election was held.

Judges: Mrs Stuart Smith

Mrs Bruce Porter

Tellers: Mrs Dixon

Mrs Alleyne

Miss Woods read the report of the Nominating Committee. Mrs Towne moved, Mrs Dixon seconded the motion, which carried, that the nominations be closed.

Miss Woods moved, Mrs Dixon seconded the motion, which carried, that the Secretary cast the ballot.

Mrs Dixon read a report from Mr Hutchinson.

The five Mausoleum in the Mountain View Cemetery.

and the plot, are in excellent condition.
the distribution from the John Kelly estate, will
be made in February. The Society's share is \$ 275.27.
Everything was in good shape at Camp Smith.

The application for the license to conduct an
institution for the aged was filled in by Mrs Craig.
Mr Hutchinson had answered the questions from the
Social Welfare Department of the State.

Mrs Krick voiced the regret of the Board to the
outgoing president, Mrs Craig, and thanked her for
her devotion and splendid service.
The Board reconvened. Mrs Krick took the chair
as the new president, and made a beautiful
short speech.

The meeting adjourned.
Margaret James Parker, Secretary.

The Ninetieth Annual Meeting of the Directors and Board of Managers of the San Francisco Ladies Protection and Relief Society was held at the Home on February 3rd, 1944, at two o'clock, the President, Mrs Krick, presiding.

Those present were: Mrs Dames Clough, Craig, Vaughan, Tonue, Perry, Lyon, Haines, Humphreys, Pierson, Stuart Smith & Porter.
The Misses Alleyn, Ralph & Woods.

The Trustees: Mr Livermore, President, Judge Johnson & Mr Caldwell.

It was voted that the reading of the Minutes of the last annual meeting be omitted.

Miss Ralph read the treasurer's report for the year, also the auditor's report. Both reports were approved.

Mr Livermore addressed the meeting. He said that the fund was in good shape and complimented the Board of Managers on the way they have run the institution through difficult times. The Finance Committee and Investment Council, as heretofore, shifted the securities from time to time, resulting in a little profit. Mr Krick, the new Trustee, he said would have invaluable advice to offer in the handling of the fund. A good many war bonds had been purchased.

Mr Caldwell reported on the Van Ness Avenue property lease. The tenants, the Texal Oil Corporation, have ratified their agreement, and will pay the increased rental from \$2500 to \$3,250, a month, provided for in the ninety-nine year lease. Their attorneys have tried to find a loop-hole, but have not succeeded. It is very binding. The man who let

and the plot, are in excellent condition.
the distribution from the John Kelly estate, will
be made in February. The Society's share is \$275.27.
Everything was in good shape at Camp Smith.

The application for the license to conduct an
institution for the aged, was filled in by Mrs Craig.
Mr Hutchinson had answered the questions from the
Social Welfare Department of the State.

Mrs Krick voiced the regret of the Board to the
outgoing president, Mrs Craig, and thanked her for
her devotion and splendid service.
The Board reconvened. Mrs Krick took the chair
as the new president, and made a beautiful
short speech.

The meeting adjourned.
Margaret James Porter, Secretary.

The Ninetieth Annual Meeting of the Directors and Board of Managers of the San Francisco Ladies Protection and Relief Society was held at the Home on February 3rd, 1944, at two o'clock. The President, Mrs Kruick, presiding.

Those present were: Messdames Clough

Craig

Vaughan

Towhe

Perry

Dyon

Hindes

Humphreys

Pierson

Stuart Smith *

Porter

The Misses

Allynne

Ralph *

Woods

The Trustees: Mr Livermore, President
Judge Johnson &
Mr Caldwell.

It was voted that the reading of the Minutes of the last annual meeting be omitted.

Miss Ralph read the Treasurer's report for the year, also the auditor's report.
Both reports were approved.

Mr Livermore addressed the meeting.
He said that the fund was in good shape and complimented the Board of Managers on the way they have run the institution through difficult times. The Finance Committee and Investment Council, as heretofore, shifted the securities from time to time, resulting in a little profit. Mr Kruick, the new Trustee, he said would have invaluable advice to offer in the handling of the fund. A good many war bonds had been purchased.

Mr Caldwell reported on the Van Ness Avenue property lease. The tenants, the Texal Oil Corporation, have ratified their agreement, and will pay the increased rental from \$2500 to \$3,250, a month, provided for in the ninety-nine year lease. Their attorney have tried to find a loop-hole, but have not succeeded. It is very binding. One unusual feature

of this lease is that every fifteen years the rent is reviewed and might be increased, but never diminished. As the lease was drawn up in 1928, this present increase is the first change to be made. During the first twenty-five years, the company is supposed to build the main office for the Texas Corporation, a structure costing \$500,000, on this land. They have the next ten years in which to fulfill this obligation.

Judge Johnson said that he wished that a larger income could be obtained, in order to spread our work further, and build on, to have more space for the work which he praised as being excellent.

Mrs Krick told of a few outstanding events in the year, summarizing briefly, and paying a tribute to Miss Ash. The Trustees then withdrew.

The corresponding secretary reported that she had written 17 letters, mostly of thanks for gifts. The secretary read the annual report.

The election was held.

Mrs Krick appointed. Judges: Miss Woods & Mrs Fypon
Tellers: Mrs Hindes & Mrs Pierson

The secretary read the ballot.

Mr Craig moved, Miss Ralph seconded the motion, that the nominations be closed. It was so voted. It was moved and carried that the secretary cast the ballot.

The meeting adjourned and reconvened as a new Board.

Miss Ralph read the list of investments.

Mrs Krick said a few words.

The meeting adjourned.

Margaret James Carter, Secretary.

February 8th, 1945.

The ninety-first annual meeting of the Directors and Board of Managers of the San Francisco Ladies Protection and Relief Society was held at the Home at two o'clock, the President, Mrs Krick, presiding. Those present were, Mesdames: Cambon (Honorary) Craig Perry Lyon Heides Stuart Smith Pierson Towne Humphreys Clough Vaughan Scott Smith's Porter Alluye Ralph Woods Mr Livermore Judge Johnson Mr Hutchinson Mr Krick & Mr Caldwell.

Miss Woods moved, Miss Ralph seconded the motion that the reading of the minutes of the last annual meeting be omitted. It was so ordered. Miss Ralph read the Treasurer's report.

January 31st, Balance: \$6,748.36

January 31st, Special account: \$4,184.00

The Treasurer's report was accepted.

Mr Livermore said that the chief news was of the sale of the Franklin Street to Van Ness Avenue property, which he had previously described to us. He also said that Mr Krick was an invaluable addition to the finance Committee, and that Mr Cornwall's advice as to the real estate and the handling of the lease, had been remarkable.

Mr Livermore said, in conclusion, that the investments were in very good shape and satisfactory.

Mr Cornwall then spoke and said that we were to be congratulated upon the sale of

of this lease is that every fifteen years the rent is reviewed and might be increased, but never diminished. As the lease was drawn up in 1928, this present increase is the first change to be made. During the first twenty-five years, the company is supposed to build the main office for the Texas Corporation, a structure costing \$500,000, on this land. They have the next ten years in which to fulfill this obligation.

Judge Johnson said that he wished that a larger income could be obtained, in order to spread our work further, and build on to have more space for the work which he praised as being excellent.

Mrs Krick told of a few outstanding events in the year, summarizing briefly, and paying a tribute to Miss Abt. The Trustees then withdrew.

The corresponding secretary reported that she had written 17 letters, mostly of thanks for gifts. The secretary read the annual report. The election was held.

Mrs Krick appointed. Judges: Miss Woods & Mrs Fypon
Tellers: Mrs Hindes & Mrs Pierson

The secretary read the ballot.

Mr Craig moved, Miss Ralph seconded the motion, that the nominations be closed. It was so voted. It was moved and carried that the secretary cast the ballot.

The meeting adjourned and reconvened as a new Board.

Miss Ralph read the list of investments.

Mrs Krick said a few words.

The meeting adjourned.

Margaret James Parker, Secretary.

February 8th, 1945.

The ninety-first annual meeting of the Directors and Board of Managers of the San Francisco Ladies Protection and Relief Society was held at the Home at two o'clock, the President, Mrs. Krick, presiding.

SAN FRANCISCO LADIES
PROTECTION AND RELIEF SOCIETY

ANNUAL MEETING
February 8, 1945

Mrs. E. V. Krick
Miss Edith W. Allyne
Mrs. George A. Clough
Mrs. J. H. Humphreys
Miss Elizabeth Jane Rolph
Mrs. Donald Craig
Mrs. Bruce Porter

Miss Rowena Beans
Mrs. George Beaver
Miss Martha Brown
Mrs. Grace Wilson Fairlie
Mrs. Stetson G. Hindes
Mrs. Ralph Lyon
Mrs. Warren Perry

President
First Vice-President
Second Vice-President
Third Vice-President
Treasurer
Corresponding Secretary
Recording Secretary

Mrs. Philip H. Pierson
Mrs. Reginald Knight Smith
Mrs. Scott Knight Smith
Mrs. Stuart F. Smith
Mrs. James W. Towne
Mrs. Reginald Vaughan
Miss Lottie Woods

HONORARY MEMBERS

Mrs. Carroll G. Cambron Mrs. James H. Deering

BOARD OF DIRECTORS

President
Norman B. Livermore

Bruce Cornwall
John Cushing
Dr. Morton R. Gibbons

James S. Hutchinson
Judge Walter Perry Johnson
Edwin V. Krick

January 31st, 1945
January 31st, Special account: \$4,184.00
The treasurer's report was accepted.

Mr. Livermore said that the chief news was of the sale of the Franklin Street to Van Ness Avenue property, which he had previously described to us. He also said that Mr. Krick was an invaluable addition to the finance committee, and that Mr. Cornwall's advice as to the real estate and the handling of the lease, had been remarkable. Mr. Livermore said, in conclusion, that the investments were in very good shape and satisfactory. Mr. Cornwall then spoke and said that we were to be congratulated upon the

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the lease. The costs of operating the Society were higher to-day, however, and the value of the dollar, in the next year, was uncertain. He said he would like the block to be of service to the community, to become perhaps a center of some sort. Some funds have to be put into the improvement of the property so there will be an interval, but after a while we can expect again to receive a good income from it.

Mr Hutchinson said that the family of Mr Hawes had removed the remains from the Laurel Hill Cemetery so that Mausoleum is gone.

The Lux' Mausoleum is in good condition. Mr Hutchinson asked if the election of the Trustees is on record at the City Hall. This can now be done. Judge Johnson paid a warm tribute to the handling by Mr Livermore and Mr Cornwall of the Texas Company deal. He said that it was a notable accomplishment and that they were much too modest about it.

Mrs Brick told of the principal events of the year, and said that we plan to paint the whole house very soon. She thanked the Trustees for coming and for all their care throughout the year. Then the Trustees withdrew.

For the election, Mrs Brick appointed:

Judges: Mrs Scott Smith &
Mrs Vaughan

Tellers: Mrs Pierson &

Mrs Dyer

Mrs Perry, for the nomination committee read the ballot. Mrs Clough moved and Mrs Perry seconded the motion, which carried, that the nominations be closed.

Mrs Woods moved, Mrs Cambrou seconded the motion that the secretary cast the ballot. This was done with a unanimous show of hands.

The meeting adjourned.

The meeting reconvened with a new Board. Miss Roelt read some of the list of investments from the Trustees portfolio.

Mrs Brick made a brief address.

The meeting adjourned

Margaret James Parker, Secretary.

February 7th, 1946

The ninety-second annual meeting of the Directors and Board of Managers of the San Francisco Ladies Protection and Relief Society was held at the Home at two o'clock, the President, Mrs Krick, presiding. Present were, Mesdames: Clough

Craig
Perry
Hindes
Humphrey
Lyon

Towne
Stuart Smith

Vaughn
Fairlie &
Porter

The Misses Alloue
Ralph *
Woods

The Trustees: Mr Livermore

Mr Krick

Proxies were received from Mrs Peterson
Mrs Standis *

Miss Beans

The reading of the minutes of last year's meeting was omitted.

Mr Livermore spoke of the financial situation, thinking it very good. The half million dollar, from the sale of the lease, had been temporarily invested in short term United States bonds, so that there was very little income from it, but there was some return from the remaining tenants on the block. The Trustees were waiting for the opportunity to let the property on a long term lease. They were working, with the help of the Investment Counsellor, to keep a good balance of investments and securities. Mr Livermore said that the Trustees were grateful to Mr Krick for his advice and help in these matters.

Mr Krick spoke, and said that the work for the Home was a pleasure, but that it was wise to be very careful because of the rising cost of operating.

The Secretary read the letter Mr Hutchinson

COMMITTEES 1946

FAMILY:

Chairman: Mrs. Stuart F. Smith
Mrs. Clough, Mrs. Hindes, Mrs. Pierson — *Mrs. Bea*

CONVALESCENTS:

Chairman: ~~Mrs. Perry~~ *Mrs. Rickey*
Mrs. Vaughan, Mrs. Beaver, ~~Mrs. Craig~~ *Mrs. Landis*

FINANCE AND BUDGET:

~~Chairman~~ Mrs. Clough
Miss Allyne, Miss Rolph

HOME FURNISHINGS:

Chairman: Mrs. Fairlie
Mrs. Lyon, Mrs. Towne *Mrs. Craig*

CONSTRUCTION AND REPAIRS:

Chairman: Miss Allyne
Mrs. Clough, Mrs. Hindes

GARDEN:

~~Chairman~~ *Mrs. Landis*
~~Mrs. Bruce Porter~~ *Mrs. A. Clegg*
Mrs. Hindes, ~~Mrs. Landis~~

OFFICE AND RECORDS:

Mrs. Porter

NOMINATING:

Chairman: ~~Mrs. Lyon~~
~~Mrs. Pierson, Miss Woods~~ — *Mrs. Vaughan.*

MEMBERSHIP:

Chairman: Mrs. Hindes
Mrs. Perry, Mrs. Fairlie

CEMETERY:

Chairman: Miss Woods
Miss Beans

SAN FRANCISCO LADIES
PROTECTION AND RELIEF SOCIETY

ANNUAL MEETING
February 7, 1946

Mrs. E. V. Krick
Miss Edith W. Allyne
Mrs. George A. Clough
Mrs. J. H. Humphreys
Miss Elizabeth Jane Rolph
Mrs. Donald Craig
Mrs. Bruce Porter

Miss Rowena Beans
Mrs. George Beaver
Miss Martha Brown
Mrs. Grace Wilson Fairlie
Mrs. Stetson G. Hindes
Mrs. Philip F. Landis
Mrs. Ralph Lyon

President
First Vice-President
Second Vice-President
Third Vice-President
Treasurer
Corresponding Secretary
Recording Secretary

Mrs. Warren Perry
Mrs. Philip H. Pierson
Mrs. Reginald Knight Smith
Mrs. Stuart F. Smith
Mrs. James W. Towne
Mrs. Reginald Vaughan
Miss Lottie Woods

HONORARY MEMBERS

Mrs. Carroll G. Cambron

Mrs. James H. Deering

BOARD OF DIRECTORS

President
Norman B. Livermore

Bruce Cornwall
John Cushing
Dr. Morton R. Gibbons

James S. Hutchinson
Judge Walter Perry Johnson
Edwin V. Krick

sent, in his absence. Everything was in good order.
 Mrs Krick told some of the year's events, and analysed the costs of running the Home. She paid a tribute to Miss Ash, and thanked the Trustees for all their help.

The Trustees withdrew.

Miss Ralph read the Treasurer's report.

December 1st, Balance: \$ 6,748.00

Year's receipts: \$ 56,289.00

Year's disbursements: \$ 53,247.00

December 31st, Balance: \$ 2,923.99

The treasurer's report was accepted.

The secretary read the annual report, which was accepted.

For the annual election,

Judges: Miss Woods

Mr Towne

Tellers: Mrs Furdie

Mr Vaughan

Mr Vaughan moved, Mr Perry seconded the motion, that the nominations be closed. It was so voted.

The secretary read the ballot.

Miss Woods moved, Mrs Hindes seconded the motion that the ballot be accepted and that the secretary cast the ballot. It was so ordered.

The meeting adjourned.

Margaret James Porter, Secretary.

February 20th, 1947.

The Ninety-Third annual meeting of the Directors and Board of Managers of the San Francisco Ladies Protection and Relief Society was held at the Home at two o'clock, the President, Mrs Krick, presiding. Present were, Madames: Fairlie

Towne
Pierson
Humphreys
Hedges
Craig
Perry
Lyon
Stuart Smith
Knight Smith
Landis
Miller
Vaughan
Camberon (Honorary)
Porter

The Misses: Allepe
Beano
Brown
Ralph ♀
Woods

The Trustees: Mr Livermore
Mr Krick
Mr Hutchinson ♀
Mr Gibbons

It was voted to omit the reading of the minutes of last year's meeting.
Miss Ralph read the Treasurer's report.

For 1946, receipts: \$77,233.00

Expenditures: \$75,898.00

The surplus of \$1,335.00 had been transferred to the Trustees.

The total cost of operating had been \$61,166.00
The Treasurer's report was approved.

Mr Livermore addressed the meeting.
Mr Livermore congratulated the Board of Managers on their good management in such expensive times, and described the funds. A certain income was derived from the rentals in our block of real estate,

Mr. Benedict presented the Administrator's report stressing the importance of timeliness in revising the life care contract because of changes in the statutes governing life care facilities. The law firm of Hanson, Bridgett, Marcus, Vlahos, & Rudy is currently preparing a draft as authorized by the Board of Managers. He added that, in addition to the new state requirements, this would be the proper time to amend the contract in certain other ways, areas concerning transfers, terminations, and secondary health insurance.

Mr. Morshead, Chief Financial Officer, presented the financial report for the first quarter of 1991, noting that the portfolio is currently running ahead of projections, but that unknown future medical costs could substantially alter the outlook for the future unless contract provisions are made accordingly. Discussion followed and Dr. Sams will look into possible protective language that could be incorporated into the contract for the future.

Mr. Edwards gave an update of the current status of the Sammons Corporation lease (of the Cathedral Hill Hotel and the adjacent office building) which is currently being marketed by the lessee for 33 million. He stated that there is very little in their package prepared by Damner Pike & Co. that supports the price. As the Hotel industry is soft at present, the position of the Society should be to continue to wait but to be aware that the lease marketing is underway.

Mr. White reported that the downstairs flat at 1536 Francisco Street is coming available next month. He recommended that we employ Hill and Company as a rental agent to locate a replacement tenant on a month-to-month basis or lease not to exceed one year, and to provide an up-to-date estimate of a proper asking rent.

In anticipation of the Society's Annual meeting at The Heritage on May 9, 1991, Mr. Howard requested that Mr. Otto convene a meeting of the nominating committee to propose a slate of officers for the upcoming year.

There being no further business, the meeting was adjourned at 3:40 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary

DW:km

BOARD OF TRUSTEES MEETING
December 20, 1990

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Henry Howard on December 20, 1990 at 2:00 p.m. Trustees present were Messrs. Bennington, Edwards, Noble, Otto, and White, and Mesdames Avenali, Leonards, Mustacchi, and Stark. Mr. Edward Benedict, Administrator, and Miss Barbara Cox Assistant Administrator, were also present.

In the absence of Mr. Howard, Chairman, Mr. Morshead called the meeting to order at 2:10 p.m. and requested consideration of the minutes of September 20, 1990 which had been previously distributed. It was moved, seconded, and carried (White, Avenali) to approve the minutes.

The motion was made proposing that Mr. James T. Wheary be made a member of the Board of Trustees following meetings with members and a visit to The Heritage. It was moved, seconded, and carried (White, Mustacchi) that he be elected.

Mr. Morshead announced that the Board Christmas party for residents will be held tonight and that Mr. John Creighton Murray will perform on his violin and fires will be lit in the renovated fireplaces.

Mr. Benedict presented the Administrator's report first summarizing the costs pertaining to earthquake repair. The total expense was \$220,585 including the supplemental roof work, done in conjunction with the chimney restoration and the cost of repairs to the adjacent property at 1536 Francisco Street. He then itemized the expenses year to date for projects mandated by the Age and Depreciation Study. Next, he listed items to be completed in 1991 and proposed consideration of a plan to install rubber liners in the Morgan Building roof gutters. Discussion followed and it was decided that the Finance Committee would reach a decision after receiving three bids.

Mr. Morshead, Chief Financial Officer, presented the financial report for 1990 year to date which projects an \$18,000 greater loss than was budgeted. He pointed out that unused funds in the endowment account have been rolled back in the past, but since the deferred maintenance plan has been in effect there is less cash available so that the roll back will not occur.

Mrs. Mustacchi gave the report of the Board of Managers stating that all the Board Committees are working hard. The Board received a \$500 gift from the Residents (from their White Elephant Sale) to go toward making the library more comfortable. There is a possible prospect for the Ferguson Fund in the offing. The computerization project is progressing well. Mrs. Leonards reported that it will eventually allow more hands-on nursing time in the Health Center.

SAN FRANCISCO LADIES PROTECTION AND RELIEF SOCIETY

REPORT OF THE NOMINATING COMMITTEE

FEBRUARY 18, 1947

BOARD OF MANAGERS:

President:	Mrs. Edwin V. Krick
Vice-Presidents:	Mrs. Warren Perry Mrs. James W. Towne Mrs. J. H. Humphries
Treasurer:	Miss Elizabeth J. Rolph
Recording Secretary:	Mrs. Bruce Porter
Corresponding Secretary:	Mrs. Donald Craig.

Miss Edith Allyne
Miss Rowena Beans
Mrs. George L. Beaver
Miss Martha L. Brown
Mrs. George A. Clough
Mrs. Grace Wilson Fairlie
Mrs. Stetson G. Hindes
Mrs. Philip F. Landis
Mrs. Ralph Lyon
Mrs. John J. Miller, Jr.
Mrs. Philip Pierson
Mrs. Reginald Knight Smith
Mrs. Stuart F. Smith
Mrs. Reginald Vaughan
Miss Lottie Woods

HONORARY MEMBERS:

Mrs. James H. Deering
Mrs. Carroll G. Cambron

TRUSTEES:

BOARD OF DIRECTORS:

President:	Norman B. Livermore
------------	---------------------

Bruce Cornwall
John E. Cushing
Dr. Morton R. Gibbons
James S. Hutchinson
Judge Walter Perry Johnson
Edwin V. Krick

until the right date of it could be made.
The capital (\$550,000) from the purchase of the old
lease was still in short term government bonds
paying 1% of one per cent, till it could be profitably invested.

Miss Woods spoke of our gratitude to the Trustees
for their wise management of our finances.

Mr Hutchinson gave a brief report.

The Bay Mausoleum is in very good shape.
We pay for perpetual care.

We still have our camp at Santa Cruz because the
only offer to buy it was too low to be considered.
The Horace Hawes remains, and all the others
concerning us, in the Laurel Hills Cemetery, were
removed to a lot we secured in Cypress Lawn.

Mrs Krick said a few words of welcome to the
Trustees, and told the "high lights" of the past year.
The trustees then withdrew.

The secretary read the annual report which
was accepted.

For the election Mrs Krick appointed,

Judges: Mrs Faudis &
Mrs Craig

Tellers: Mrs Miller &
Mrs Vaughan

The ballot prepared by the nominating Committee
was presented.

Miss Woods moved, Mr Clough seconded the motion
that the nominations be closed. It was so ordered.

Mrs Woods moved, Mrs Knight Smith seconded the
motion that the Secretary cast the ballot. It was so ordered
The annual meeting adjourned.

The meeting reconvened with the new Board for 1947.
Mrs Krick said a few words of welcome and
appreciation.

The meeting adjourned
Margaret James Porter, secretary.

February 5th, 1948

The ninety-fourth annual meeting of the Directors and Board of Managers of the San Francisco Ladies Protection and Relief Society was held at the Home at two o'clock, the President, Mrs Krick, presiding. Present were, Messames: Craig

Cambrown (Honorary)
Knight Smith
Humphreys
Towne
Stephenson
Pierson
Fairlie
Tyson
Hindes
Clough
Perry
Stuart Smith
Miller
Laudis &
Porter.

The Misses: Allepe
Beans
Brown

Ralph &
Woods

The Trustees: Mr Caldwell
Mr Krick
Mr Moore &
Mr Feicester.

Mrs Krick greeted the meeting and spoke with regret of the death of Judge Walter Perry Johnson. It was voted that the reading of last year's minutes be omitted.

Miss Rolph read the treasurer's report.

For 1947 - Receipts: \$ 58,268.36

Disbursements: \$ 52,882.18

For the Francis Street plate, \$ 1,719, and \$ 1,075.

December 31st, balance: \$ 2,592.70

The treasurer's report was accepted.

Mr Caldwell, the president of the Trustees, spoke. He congratulated us on the year's good management. In view of the high prices he thought we had

SAN FRANCISCO LADIES
PROTECTION AND RELIEF SOCIETY

ANNUAL MEETING
February 5, 1948

Mrs. Edwin V. Krick
Mrs. John J. Miller, Jr.
Mrs. Warren C. Perry
Mrs. James W. Towne
Mrs. J. H. Humphreys
Miss Elizabeth Jane Rolph
Mrs. Donald Craig
Mrs. Bruce Porter

Miss Edith W. Allyne
Mrs. George L. Beaver
Miss Rowena Beans
Miss Martha L. Brown
Mrs. George A. Clough
Mrs. Grace Wilson Fairlie
Mrs. Stetson G. Hindes
Miss Lottie G. Woods

President
First Vice-President
Second Vice-President
Third Vice-President
Fourth Vice-President
Treasurer
Corresponding Secretary
Recording Secretary

Mrs. Philip F. Landis
Mrs. Ralph Lyon
Mrs. Philip H. Pierson
Mrs. Knight Smith
Mrs. Stuart F. Smith
Mrs. John T. Stephenson
Mrs. Reginald Vaughan

HONORARY MEMBERS

Mrs. Carroll G. Cambron

Mrs. James H. Deering

BOARD OF DIRECTORS

Bruce Cornwall
John E. Cushing
Dr. Morton R. Gibbons
James S. Hutchinson

Edwin V. Krick
Ferard Leicester
Norman B. Livermore
Joseph A. Moore, Jr.

COMMITTEES 1948

<u>FAMILY</u>	CHAIRMAN	Mrs. Stuart F. Smith Mrs. Stephenson, Mrs. Clough Mrs. Hindes, Mrs. Pierson, Miss Beans
<u>CONVALESCENTS:</u>	CHAIRMAN	Mrs. John J. Miller, Jr. Mrs. Vaughan, Mrs. Beaver, Mrs. Landis
<u>FINANCE AND BUDGET:</u>	CHAIRMAN	Mrs. Warren C. Perry Miss Allyne, Mrs. Clough, Miss Rolph
<u>HOME FURNISHING:</u>	CHAIRMAN	Mrs. Grace Wilson Fairlie Mrs. Lyon, Mrs. Craig
<u>CONSTRUCTION AND REPAIR:</u>	CHAIRMAN	Miss Edith Allyne Mrs. Clough, Mrs. Hindes
<u>GARDEN:</u>	CHAIRMAN	Mrs. Philip F. Landis Mrs. Hindes, Miss Allyne
<u>OFFICE AND RECORDS:</u>		Mrs. Bruce Porter
<u>NOMINATING:</u>	CHAIRMAN	Miss Lottie Woods, Mrs. Vaughan, Mrs. Beaver
<u>MEMBERSHIP:</u>	CHAIRMAN	Mrs. Stetson G. Hindes Mrs. Perry, Mrs. Landis
<u>CEMETERY:</u>	CHAIRMAN	Miss Lottie Woods Miss Beans
<u>POLICY:</u>	CHAIRMAN	Mrs. George A. Clough

Came out remarkably well. The finances were in good shape, with no changes to report. The future is uncertain, so we must proceed just as wisely as we can, year by year.

The other Trustees had no comments to make except that Mr Krick was also congratulatory.

Mr Krick presented Mrs John Stephenson, the new member of the Board.

Mr Krick gave an account of the year's "high-lights," making a warm tribute to Miss Ade.

The Trustees then withdrew.

The secretary read the annual report, which was accepted.

For the election : Judges: Mrs Clough

Mrs Lyon

Tellers: Mrs Pierson

Mrs Stephenson

Mrs Pierson read the ballot.

Miss Woods moved, Mrs Towne seconded the motion, that the nominations be closed. It was so ordered.

Mrs Knight Smith moved, Miss Alleyn seconded the motion, that the secretary cast the ballot, as read. It was so ordered.

Mr Krick accepted being president, again, to our great happiness.

The meeting adjourned.

The meeting reconvened, as a new Board.

Mr Krick spoke of possible extension, more building, in the future, and hoped that everybody would suggest the Home as a good object for bequests, in people's wills. Perhaps we could make some building plans and thus arouse more interest. Everybody used to think of another name (in addition to the long one we now have) for the home.

Mr Krick graciously thanked the Board for their work and cooperative help through the year.

The meeting adjourned

Margaret J. Ward Porter, Secretary.

February 3rd, 1949.

The ninety-fifth annual meeting of the Trustees and Board of Managers of the San Francisco Ladies Protection and Relief Society was held at the Home, at two o'clock, the president, Mrs Krick presiding. Present were, Mesdames : Cambon (Honorary)

Craig
Clough
Hindes
Landis
Miller
Pierson
Knight Smith
Stuart Smith
Stephenson

The Misses Allayne
Rolph &
Woods

The Trustees: Mr Cornwall &
Mr Leicester.

Proxies were received from those unable to be present.
Mrs Krick opened the meeting and asked Mr Landis to act as secretary pro tem, as the secretary was ill.

The reading of the minutes of last year's meeting was omitted.

Miss Rolph read the treasurer's report for 1948.

Receipts: \$64,508.16

Disbursements: \$ 57,869.62

December 31st, balance: \$ 3,638.54

The treasurer's report was accepted.

Mr Leicester moved, and Mrs Hindes seconded the motion, that:

"Whereas this corporation, the San Francisco Ladies Protection and Relief Society, is a corporation formed and existing under the laws of the State of California, and having its principal place of business in the City and County of San Francisco, in said State, and it has been in existence continually ever since the year 1854, in which year it was incorporated; and Whereas, said corporation desires to continue its existence, under the provisions of the Corporations Code of the State of California applicable thereto;

Now, therefore, it is hereby resolved by the vote of the members, representing a majority of the voting

COMMITTEES 1949

CHAIRMAN	Mrs. Stuart F. Smith Mrs. Stephenson, Mrs. Clough, Mrs. Lyon Mrs. Hindes, Mrs. Pierson, Miss Beans
CHAIRMAN	Mrs. John J. Miller, Jr. Mrs. Landis, Mrs. Stephenson, Miss Rolph Mrs. Beaver
CHAIRMAN	Miss Elizabeth J. Rolph Mrs. Miller, Miss Allyne, Mrs. Clough
CHAIRMAN	Mrs. Grace Wilson Fairlie Mrs. Lyon, Mrs. Craig
<u>PAIR</u>	CHAIRMAN Miss Edith Allyne Mrs. Clough, Mrs. Hindes
	CHAIRMAN Mrs. Philip F. Landis Mrs. Hindes, Miss Allyne
	CHAIRMAN Mrs. Bruce Porter
	CHAIRMAN Mrs. George Beaver Mrs. Stephenson, Mrs. Stuart Smith
	CHAIRMAN Mrs. Stetson G. Hindes Mrs. Perry, Mrs. Landis
	CHAIRMAN Miss Lottie Woods Miss Beans
	CHAIRMAN Mrs. George A. Clough Miss Woods, Mrs. Stuart Smith

SAN FRANCISCO LADIES
PROTECTION AND RELIEF SOCIETY

ANNUAL MEETING
FEBRUARY 3, 1949

Mrs. Edwin V. Krick
Mrs. John J. Miller, Jr.
Mrs. Warren C. Perry
Mrs. James W. Towne
Mrs. J. H. Humphreys
Mrs. George A. Clough
Mrs. Donald Craig
Mrs. Bruce Porter

Miss Edith W. Allyne
Mrs. George L. Beaver
Miss Rowena Beans
Miss Martha L. Brown
Mrs. Grace Wilson Fairlie
Mrs. Stetson G. Hindes
Mrs. Philip F. Landis

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Recording Secretary

Mrs. Ralph Lyon
Mrs. Philip H. Pierson
Miss Elizabeth J. Rolph
Mrs. Knight Smith
Mrs. Stuart F. Smith
Mrs. John T. Stephenson
Miss Lottie G. Woods

HONORARY MEMBERS

Mrs. Carroll G. Cambron

Mrs. James H. Deering

BOARD OF DIRECTORS

Bruce Cornwall
John E. Cushing
Dr. Morton R. Gibbons
James S. Hutchinson

Edwin V. Krick
Ferard Leicester
Norman B. Livermore
Joseph A. Moore, Jr.

power, that the said corporation elects to continue its existence under the provisions of the Corporation Code of the State of California applicable hereto; and the Chairman and Secretary of this meeting are, and each of them is, hereby authorized and directed to sign a certificate of the proceedings of this meeting setting forth a copy of this resolution, and which, certificated, is also to be signed by a majority of the Directors of said corporation, and is thereafter to be filed by the Secretary of this Corporation in the office of the Secretary of State of the State of California; and said Secretary of this Corporation is further authorized and directed, after so filing said certificate, to obtain a certified copy thereof from said Secretary of State, and to file same in the office of the County Clerk of the City and County of San Francisco, State of California." It was so voted.

Mr Cornwall, President of the Trustees, gave a detailed report of the investment of \$300,000. in a building, in Reno, Nevada. This building has been leased by the Trustees to the Farmer's Store for a period of fifty years at $5\frac{1}{2}\%$ net. The Farmer's Store agree to pay all repairs, etc. for the period of the lease. This two-story building is located on the best shopping block in Reno, across from the new main hotel. It is built of brick on a 50x150 foot lot and is about 50 by 100 feet. The Trustees passed a resolution to put aside 2% of the $5\frac{1}{2}\%$ return on this investment in a sinking fund to be reinvested for the Society.

Mr Krich said that no move had been made to fill Judge Johnson's place on the Board of Trustees, and asked the Trustees to appoint someone during the year. The Trustees then withdrew.

The Secretary read a letter from Mr Hutchinson regretting his inability to attend the meeting, and reporting on the satisfactory condition of the Lux Mausoleum.

The Secretary read the annual report which was accepted with grateful appreciation and placed on file.

For the election, Judges: Miss Ralph & Mrs Hindes

Tellers: Mrs Pierson
Mrs Miller.

The Secretary read the ballot.
Mrs Knight Smith moved, Miss Woods seconded the motion, that the ballot be accepted as read, and that the Secretary cast the ballot. It was so voted.
Mrs Krick thanked Miss Ralph for her work as Treasurer, and welcomed Mrs Cleugh to that office. She spoke of her appreciation of the assistance of the Board.

The meeting adjourned.

The meeting reconvened with the Board for 1949. Mrs Krick told of the costs of running the Home and expressed her appreciation of the splendid way Miss Ash had managed during a year of constantly increasing prices.

It was moved by Mrs Cameron and seconded by Mrs Knight Smith that the Board send a message of love and recognition of their devoted service to Mrs Humphreys and Miss Beans. It was so voted.
Mrs Gray was asked to write the letters.

A rising vote of appreciation was given Mrs Krick by the Board, and Mrs Cameron and Miss Woods paid a warm tribute to her work as president. Mrs Krick thanked us for our faith in her. The meeting adjourned.

As many of the Board as were able to stay went to Ben's flat for a delicious Chinese tea.

Respectfully submitted,
"Barbara Olney Laddis"

Secretary of the Meeting.

January 9th, 1950

The Ninety-sixth Annual meeting of the Board of Directors and Board of Managers of the San Francisco Ladies Protestant and Relief Society was held at the Home at two o'clock, the President, Mrs. Nick, in the chair.

Present were Mrs. Clough, Mrs. Knight Smith, Mrs. Craig, Mrs. Lunn, Mrs. Stuart Smith, Mrs. Landis, Mrs. Lyne, Mrs. Stevenson, Mrs. Byrne, Mrs. Heides, Mrs. Miller, Mrs. Pleasant, Mrs. Postor, Miss Brown, Miss Woods, Miss Ralph.

These unable to come sent in their proxies.

The Directors: Mr. Bruce Cornwall, Mr. Edwin V. Nick, Mr. David L. White, Mr. Joseph A. Moore, Jr.

Mrs. Nick welcomed the directors and spoke of the loss of Dr. Gibbons, and the election, today, of Mrs. Barrett Heides.

It was voted that the reading of last year's minutes be omitted.

Mrs. Clough read the treasurer's annual report.

Balance December 31st 1949 \$3,638.54

Total Receipts \$72,757.11

Total Disbursements \$64,315.00

Balance January 1, 1950 \$12,060.00

Mrs. Craig moved, Mrs. Penny seconded the motion, which carried, that the treasurer's report be accepted.

Mrs. Nick called upon Mr. Cornwall to speak. Mr. Cornwall said that there was nothing in advancing finances to report, that the Trustees have and will not be in the "in". There is only about \$3,000 in surplus which is all right. They could have invested some of the money which is in one percent Government Bonds, for larger returns, but it seemed wiser to hold it in reserve in case of a sudden opportunity. We have inflation at present, and we do not know how long it will last, and the future is uncertain. Our resources are in a good financial condition, and our conservative handling of them seems the wisest way. Mr. Cornwall congratulated the Board of Managers upon their excellent financial management. Mr. Moore and Mr. White said that they were glad to be on the Board of Directors and hoped to be of service. Mr. Nick spoke of the happiness of being connected with such valuable work, and also congratulated the Board in their good financial management. The future looks secure.

Mr. Nick described some of the year's accomplishments. She first talk of the improvements and purchases, then described the work for the "Family" and convalescents. "In

souls." 181 patients had been treated during the year. Mrs. Nick concluded by thanking the Sisters for their care for us. Then the Directors withdrew.

The Secretary read the annual report, which was approved. Mrs. Nick appointed Mrs. Craig as Mrs. Stevenson to act as teller for the election. She secretly read the ballot. Miss Woods moved Mrs. Perry seconded the motion, that the nominations be closed. It was so voted. Mrs. Knight moved and Miss Woods seconded the motion that the secretary cast the ballot. It was so voted.

Miss Woods congratulated the Board on continuing to have Mrs. Nick as president and thanked her for all her devoted, tireless service.

Mrs. Hendis moved a standing vote of thanks to Mrs. Nick. This was seconded by Mrs. Pieron, and carried fulfilled.

The meeting was adjourned.

The meeting reorganized as the new Board for the coming year. Mrs. Nick said that the president and vice-president names appoint the chairman of the committees and that they could choose their own committee members.

The meeting adjourned.

Margaret James Pastor, Secretary.

The above minutes were written by Margaret James Pastor and copied into this record, after Mrs. Pastor's death by Barbara Olney Landis

February 9th, 1950

The Ninety-sixth Annual meeting of the Board of Directors and Board of Managers of the San Francisco Ladies Protective and Relief Society was held at the Home at two o'clock, the President, Mrs. Krick, in the chair.

Present were Mrs. Clough, Mrs. Knight Smith, Mrs. Craig, Mrs. Lunn, Mrs. Stuart Smith, Mrs. Landis, Mrs. Lyne, Mrs. Stephens, Mrs. Byrne, Mrs. Heides, Mrs. Miller, Mrs. Peterson, Mrs. Porter, Miss Braun, Miss Woods, Miss Ralph.

Those unable to come sent in their proxies.

The Directors: Mr. Bruce Cornwall, Mr. Edwin V. Krick, Mr. David L. White, Mr. Joseph A. Magee, Jr.

Mrs. Krick welcomed the Directors and spoke of the loss of Dr. Gibbons, and the election, today, of Mrs. Barrett Heides.

It was voted that the reading of last year's minutes be omitted.

Mrs. Clough read the Treasurer's Annual report.

Balance December 31 st 1949	\$3,638.54
Total receipts	\$72,757.11
Total disbursements	\$64,315.00
Balance January 1, 1950	\$12,060.00

Mrs. Craig moved, Mrs. Petty seconded the motion, which carried that the treasurer's report be accepted.

Mrs. Krick called upon Mr. Cornwall to speak. Mr. Cornwall said that there was nothing in advancing finances report, that the Trustees have done well not to be in the "bank". There is only about \$3,000.00 in surplus which is all right. They could have invested some of the money which is in one percent Government Bonds, for larger returns, but it seemed wiser to hold it in reserve in case of a sudden opportunity. We have inflation at present, and we do not know how long it will last, and the future is uncertain. Our resources are in a good financial condition, and our conservative handling of them seems the correct way. Mr. Cornwall congratulated the Board of Managers upon their excellent financial management. Mr. White and Mr. White said that they were glad to be on the Board of Directors and hoped to be of service. Mr. Krick spoke of the happiness of being connected with such valuable work, and also congratulated the Board on their good financial management. The future looks secure.

Mrs. Krick described some of the years accomplishments. She first told of the improvements and purchases, then described the work for the "Family" and convalescents. "The

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SAN FRANCISCO LADIES
PROTECTION AND RELIEF SOCIETY

ANNUAL MEETING
FEBRUARY 9, 1950

Mrs. Edwin V. Krick	President
Mrs. John J. Miller, Jr.	First Vice-
Mrs. Warren C. Perry	Second Vice-
Mrs. James W. Towne	Third Vice-
Miss Elizabeth J. Rolph	Fourth Vice
Mrs. George A. Clough	Treasurer
Mrs. Donald Craig	Corresponding S
Mrs. Bruce Porter	Recording S
Miss Edith W. Allyne	Mrs. Philip
Mrs. George L. Beaver	Mrs. Ralph
Miss Rowena Beans	Mrs. Philip
Mrs. William K. Bowes	Mrs. Regina
Miss Martha L. Brown	Mrs. Stuart
Mrs. Leo D. Byrne	Mrs. John T
Mrs. Stetson G. Hindes	Miss Lottie

HONORARY MEMBERS

Mrs. Carroll G. Cambron Mrs. J. H. Humphreys Mrs. Jan

BOARD OF DIRECTORS

Bruce Cornwall	Edwin V. Kr
John E. Cushing	Ferard Leic
Barrett G. Hindes	Norman B. I
James S. Hutchinson	Joseph A. M
David L. White	

my name is

January 8th, 1951

The ninety-seventh Annual meeting of the San Francisco Ladies Protection and Relief Society was held at the Home at two o'clock, the President, Mrs. Krick, presiding.

Present were: Mrs. Perry, Mrs. Pierson, Mrs. Miller, Mrs. Krick, Mrs. Lynn, Mrs. Stuart Smith, Mrs. Craig, Mrs. Byrne, Mrs. Caperton, Mrs. Stephenson, Mrs. Levine, Mrs. Bowes, Mrs. Landis, Miss Pepple, Miss Woods. Lisse unable to come sent in their prayers.

Present were the Trustees: Mr. Joseph A. Moore, Jr., Mr. Bruce Cornwall, Mr. Edwin V. Krick, and Mr. Barret G. Hindes.

Mrs. Krick greeted the Trustees and introduced our new Board member, Mrs. William H. Beales, and our new Trustee, Mr. Barret G. Hindes.

The reading of the minutes of the last annual meeting and the Treasurer's report were deferred until after the Trustee withdrew.

Mrs. Krick explained our request for a monthly increase of \$1,500 from the Trustees. We are living in a welfare state where everything is regulated by the Government. The Home is really two complete institutions under one roof. One entire wing is used for the care of elderly gentlemen, most of whom are on the state pension, and the other wing is used for the care of disabled women and children. As we operate the latter wing as a rest home, it is subject to all the costly rules and regulations of the State Board of Health.

During the past year we had to raise our nurses to meet the requirements set by the State Department of Public Health. The chief increase in our expenses has come from higher prices for wages, food, and provisions. At the recommendation of the Finance Committee, it was agreed that the budget could not be cut but the increase in the income from the Home could be made by raising our rates for the Convalescent Department on a sliding scale from \$5 to \$15 a day, according to the patient's ability to pay.

Mrs. Krick announced that Miss Rosetta Deans had left \$5,000 to the Home.

Mrs. Krick introduced the new President of

the Trustees, Mr. Joseph A. Moore, Jr. Mrs. Nease said that our Society should look forward to another century of service. The total income of the Society was \$429,865 in 1950. The cost of operating the Home was \$78,699. Income received from the "Family and Convalescent Department was \$21,295 making the net operation of the Home, \$57,404. It is agreeable to give us a capital advance of \$8,000 to keep our checking account at \$5,000, and an increase of \$18,000 a year for our operating expenses, is being considered, but we are at a point where any further increase will cut into our capital. It was fortunate that during 1950 our dividends were unusually high so we are able to meet the present financial emergency, but the time may come when we are not able to do this.

Mr. Cornwall gave a description of the Home when he visited it as a child with his mother. It was then a home for orphans. It is expensive to operate now because the Convalescent Department is like a hospital. Mr. Cornwall suggested that we try to keep the ratio between the limit cost of the patient's care and the amount the patient pays. He expressed the hope that we may get more income from our property in Van Nuys avenue.

Mr. Hedges said he was glad to be connected with the Home and gave the Board a word of greeting from his mother.

Mrs. Kirk told the Trustees how deeply grateful we were to them and that we felt they had a bulwark behind us.

The Trustees then withdrew.

The Secretary read the minutes of the Ninety-six annual meeting. They were approved as read.

Miss Ralph read the Treasurer's report.

Balance December 31, 1949 \$12,080.53

Total Receipts \$14,710.79

Total Disbursements \$13,569.66

Balance December 31, 1950 \$1,141.13

Mrs. Penny, Mrs. Lynn, and Mrs. Craig ratified the Treasurer's report.

Mrs. Kirk spoke of the work Mrs. Anderson does for the Home. The full the time he gives is his gift to the Home.

Mrs. Craig read the following letters from:

- ① Judge Edgar Zook telling us of a gift of \$5,000 from Miss Paulina Beans in memory of her sister.
 ② Mr. Hutchinson expressing his regret at being unable to attend the Annual Meeting, and reporting that the Lucy Mausoleum plot is in excellent condition.
 ③ Mrs. E. Lawrence Beans thanking us for the flowers we had sent to the Edgewood celebration of their one hundredth anniversary.

The Secretary read the Annual Report. Mrs. Lown moved, Mrs. Birne seconded, and the Board approved a motion that this report be accepted.

Mrs. Lynn and Mrs. Craig were appointed judges of the Annual Meeting, and Mrs. Peirson and Mrs. Beans were appointed tellers.

The Secretary read the ballot. Mrs. Craig moved and Mrs. Peirson seconded, and the Board approved a motion that the nominations be closed. The Secretary cast the ballot. Mrs. Lown moved and Mrs. Stephenson seconded a motion that the meeting be adjourned. It was a vote and so ordered.

The meeting recessed as the new Board for the coming year.

Mrs. Hinch paid tribute to Miss Ash. She spoke of the way Miss Ash keeps track of the many regulations and of her gracious and kind action to the work at the Home. Mrs. Hinch thanked the Committee Chairmen and members of the Board for their work. It was moved by Mrs. Peirson and seconded by Mrs. Craig and voted that messages be sent from the Annual Meeting to Miss Ellyne, Mrs. Hendes, and Mrs. Humphreys.

Miss Fonda spoke of the blessings that fall on the Society, and expressed our gratitude at having a leader who can carry on our traditions.

The Vice-Presidents were asked to stay and meet with the President after the meeting to appoint the chairmen of the committees.

The meeting adjourned.

Respectfully submitted,
 Barbara Olney Landis,
 Secretary.

Mrs. Krich then introduced Mrs. Joseph A. Massie, Jr., President of the Board of Directors. Mr. Massie expressed his pleasure at being a member of the Society and told us that the Trustees were gratified that a saving had been achieved during the year.

Miss Ralph read the Treasurer's report.

Balance in Bank - December 1, 1950

\$ 1,141.13

Total Receipts

\$91,454.83

Total Disbursements

\$73,774.91

Balance in Bank December 31, 1951

\$18,851.05

Mrs. Massie then introduced the Trustees.

Mrs. Krich told the Trustees that we are considering publishing the History of the Society written by Miss Anna Beans.

The Trustees withdrew.

The Secretary read the minutes of the ninety-eighth annual meeting. They were accepted as read. The Secretary then read the ninety-eighth annual report. This was accepted as read.

It was decided to defer to a later meeting the matter of publishing the History of the Society.

Mrs. Beans and Mrs. Stevenson were appointed judges of the meeting and Mrs. Lyon and Miss Jean will appointed tellers.

The Secretary read the ballot. The President, Mrs. Krich, asked if there were any nominations from the floor. None being none, Mrs. Perry moved, Mrs. Lyon seconded and the Board approved a motion to have the Secretary cast the ballot. The meeting adjourned.

The meeting reassembled as the new Board for the coming year.

It was moved by Mrs. Craig and seconded by Mrs. Knight Smith and voted by the Board that the following motion be ratified:

Resolved that the Bank of California National Association be and it is hereby selected as a depository for the funds of this corporation.

Funds shall be drawn from said depository in checks of this corporation signed by any two of the following officers:

Sarah A. Krich

President

Jay W. Perry

Vice-President

Sisterence A. Miller

Vice-President

Elizabeth J. Ralph

Vice-President

Bethana Oliver Landis

Secretary

February 7th, 1952

The ninety-eighth annual meeting of the San Francisco Ladies Protection and Relief Society was held at the Home at two o'clock, the President of the Board of Managers, Mrs. Krich presiding. Present were: Mrs. Canham, Mrs. Craig, Mrs. Krich, Mrs. Knight Smith, Mrs. Miller, Mrs. Bevans, Mrs. Dyre, Mrs. Perry, Mrs. Allen, Mrs. Kruse, Mrs. Stetson Smith, Mrs. Landis, Miss Aly, Miss Woods, Miss Ralph, Miss Jane. Mrs. Pierson and Mrs. Beau were unable to attend and sent proxies.

Present were the Trustees: Mr. Bruce Cornwall, Mr. Joseph A. Moore, Jr., Mr. David White, Mrs. Edwin V. Krich, Mrs. Barrett Hirdes.

Mrs. Krich greeted the Board of Managers and the Trustees and explained to the new members of the Board of Managers that these two Boards form the Society.

Mrs. Krich then introduced the four new members of the Board of Managers: Mrs. Edward Heffelf, Mrs. James H. Allen, Mrs. Ellen Hirdes Kruse and Miss Margaret Jane.

Mrs. Krich paid tribute to Mrs. Stetson Hirdes, who passed away on August 30, 1951, and expressed her pleasure that Mrs. Hirdes' daughter, Mrs. Kruse, was a member of the Board of Managers. Mrs. Krich told the Society that Mrs. Allen was the second generation of the Gibbons family to serve the Society.

The reading of the minutes of the last annual meeting was deferred until after the Trustees withdrew.

After the Financial Report was read, Mrs. Krich explained that there is a net gain for the year of \$16,558. Last year when we asked the Trustees for \$3,000 and an increase of \$1,500 a month for operating expenses we had allowed for all possible contingencies. Of the amount \$4,000 is being used for repairs on the building and \$4,000 has been kept in the bank to insure a balance of \$5,000. We are not returning the surplus money to the Trustees at this time because we hope to have a celebration in 1953 to commemorate the hundredth anniversary of the Society; also, one member of the "Family" requires expensive care in a convalescent home; the Red Cross has requested us to find a haven for the "Family" and the staff in case of an emergency; the general expenditures in the Home require additional

Berlak G. Gibbons

Treasurer

Mrs. Kirk thanked all members of the Board for their work throughout the year and expressed her gratitude to Mrs. Perry for the duty she had carried on in the absence of the President in the fall.

The meeting adjourned with a prayer.

Respectfully submitted,

Barbara Ohley Landis
Recording Secretary.

February 5th, 1953

The ninety-ninth annual meeting of the San Francisco Ladies Protection and Relief Society was held at the home at two o'clock, the President of the Board of Managers, Mrs. Perry, presiding. Present were Trustees: Cambon, Craig, Knight-Smith, Lyon, Stuart Smith, Allen, Greer, Miller, Pieroni, Byrne, Beeson, Heider, Perry, Lawne, Heides. The misses: Allene, Woods, Ralph, Zane. Mrs. Besner was unable to attend and sent a proxy.

Present were the Trustees Messrs: Moore, Heides, Beeson, White.

The President, Mrs. Perry, opened the meeting with a moment of silent prayer in memory of Mr. Edwin V. Creek. After greeting the Trustees, Mrs. Perry introduced the new members of the Board of Managers, Mrs. Allene Heider, whose father, Mr. Sheldon Kellogg, had been the attorney for the Society for many years.

The minutes of the last annual meeting were ordered deferred until after the Trustees withdrew.

The Treasurer, Miss Zane, read the financial report.

Balance in Bank - December 31, 1951	\$ 18,851.05
Total Receipts	\$ 82,674.06
Total Disbursements	\$ 75,167.03

Balance in Bank December 31, 1952 \$ 16,830.68

This report was ordered placed on file.

Mrs. Perry introduced Mr. Moore, President of the Board of Directors. Mr. Moore said he was proud to be associated in the management of this institution which was entering its second century, and felt confident that because the has sufficient income, it should continue to operate along the same lines.

Mr. Moore introduced a new member of the Board of Directors Mr. Bradley B. Brown, who stated that it was a great privilege to be associated with the Society and hoped he could be useful.

Mr. Moore then introduced Mr. Barrett Heides and Mr. Davis White, who expressed their pleasure at being able to serve the Society.

Mr. Moore extended Mr. Cornwall's greetings and regret that he could not attend the meeting because of a trip to Honolulu. Mr. Moore then reported that the other Trustees were out of town.

Mrs. Perry told the Society that we had been able to operate for forty dollars a month less than last year, because the "Family" has been in good health. Our lowest expense had been \$175 a month for the care of one member of the "Family" who, because of a mental condition,

had been served for fourteen months at the Casa Bella Rest Home at Los Gatos.

During the year it had been necessary to paint and repair the gutters around the building, to put new limestone in the pitcher, and to cover with stainless steel the drain boards on the north side of the pitcher. Expenses in the garden had been heavy as all the cypress trees had been cut down and much shrubbery had been removed.

Mrs. Perry stated that we are publishing a history of the Society which was written by Miss Reserve Beards and edited by Carol Green Wilson. We have contracted for one hundred copies at a cost of \$1250 to be completed in time for the one hundredth anniversary of the Society. The anniversary will be celebrated with a large reception at the Home on April 18th.

Mr. Heidus suggested that the printer be instructed to hold the plates of the History of the Society for one year to enable us to order more copies if necessary.

Mrs. Perry told the Trustees that our automobile is faulty. Mr. Mason suggested that we sell it now in order to obtain a better automobile.

Mrs. Perry concluded by saying that the Board of Managers planned to return to the Trustees money to be reinvested, after expenses had been paid for publishing the History of the Society, the one hundredth anniversary celebration, a new automobile, and for some painting and refurnishing in the Home. Mrs. Perry then thanked the Trustees for giving so much of their time.

Mr. Mason thanked Mrs. Perry in behalf of the Board of Directors, and the Trustees with love.

The Secretary read the minutes of the ninety-eighth annual meeting. They were accepted as read.

The Secretary then read the ninety-ninth annual report. This was accepted as read.

Mrs. Pierson and Mrs. Lyon were appointed judges and Mrs. Craig and Mrs. Allen were appointed tellers.

The Secretary read the ballot. Mrs. Stevenson moved, Mrs. Byrne seconded and the Board approved a motion closing the Administrations. The Secretary then cast the ballot. Mrs. Town moved and Mrs. Miller seconded a motion that the meeting adjourned. It was a vote and so voted.

The meeting was recessed as a new Board for the coming year.

Mrs. Perry thanked the Committee Chairmen and members of the Board for their work. The Vice-Presidents

SAN FRANCISCO LADIES
PROTECTION AND RELIEF SOCIETY

ANNUAL MEETING
FEBRUARY 5th, 1953

BOARD OF MANAGERS

Mrs. Warren C. Perry	President
Mrs. John J. Miller, Jr.	First Vice-President
Miss Elizabeth J. Ralph	Second Vice-President
Mrs. Ellen Hindes Krusi	Third Vice-President
Mrs. James W. Towne	Fourth Vice-President
Miss Margaret Zane	Treasurer
Mrs. Philip F. Landis	Recording Secretary
Mrs. Donald Craig	Corresponding Secretary
Mrs. James H. Allen	Mrs. Philip H. Pierson
Miss Edith W. Allyne	Mrs. Ralph Lyon
Mrs. George L. Beaver	Mrs. Reginald Knight Smith
Mrs. William K. Bowes	Mrs. Stuart F. Smith
Mrs. Leo D. Byrne	Mrs. John T. Stephenson
Mrs. William Hilbert	Miss Lottie G. Woods
Mrs. Edwin V. Krick	Mrs. William Nye, Jr.

HONORARY MEMBER

Mrs. Carroll G. Cambron

BOARD OF DIRECTORS

Bradley B. Brown	James S. Hutchinson
Bruce Cornwall	Ferard Leicester
John E. Cushing	Norman B. Livermore
Barrett G. Hindes	Joseph A. Moore, Jr.
David L. White	

were asked to stay and meet with the Presidium after the meeting to appoint the Committee Chairmen. The meeting was adjourned with a prayer.
Respectfully submitted,
Barbara Alice Daniels
Recording Secretary.

February 4, 1954

The 100th Annual Meeting of the San Francisco Ladies Protection and Policy Party was held at the Home at 2:00 PM; Mrs. Weston Party, presiding. Present were Trustees: Johnson, Knight Smith, Ethelyn Smith, Allen, Kuski, Miller, Craig, Lyon, Peterson, Givens, Lewis, Gilbert, Charles Smith, Dennis, Knott, Night, McAllister, Landis; the Misses Alyne and Polley. The trustees present were: Daniels, Brown, White, Leicester Graham.

Mrs. Party opened the meeting with a tribute to the memory of Mr. Northern Lathmore, who had served the Society for 35 years.

After greeting the trustees, Mrs. Perry introduced the new members of the Board of Directors, Mrs. William Henshaw, Mrs. and Mrs. Charles Edwards, Mrs. M.

The trustees of the last annual meeting were reelected until after the trustees withdrew.

The Treasurer read the financial report:

To Tel Rec'd	\$16,838.68
" Disbursements	86,115.11
Balance in Bank - Dec. 31, 1952	91,654.22
This report was ordered placed on file.	11,291.57

Mrs. Perry then introduced Mr. Hinckley, President of the Board of Trustees. Mr. Hinckley stated his pleasure in welcoming a new member of the Society and introduced Mrs. Leicester Graham.

Mrs. Perry gave the new trustee a copy of the report of the San Francisco Ladies Protection and Policy Party. The report of a very successful meeting, in which 1500 people registered, was fairly well attended. The average age of 80 years old was passed, Jackson bills and

pres. de Leon had been placed in the Casa Bella Sanatorium. Mrs. Lorna De Leon is a new member of the family.

During the year there had been many improvements in the Home. All dining room and kitchen had been painted, glass doors put in the showers, new fire alarm boxes, and a new bigger communication installed. The year had seen the purchase of a new automobile, a French store, and furniture for the sun rooms. Mrs. Leon had given a sofa, Mrs. Night a shade for the lamp, Mrs. Lewis an arm chair for the hall. On Oct 18th the 100th anniversary of the Society had been celebrated with a reception sponsored by the people. Gifts and good wishes showered on the Home, and gifts of money amounted to \$1700. Mrs. Leon presented the Statuary for the engraved illustrations and a handsome leather bound guest book. The reception cost \$1000. The history of the Society, "In Our Work," compiled from the minutes by Miss Adelpha Pease and edited by Carol Green Wilson, had been completed in time for the reception.

In spite of these expenses, we had been able to return \$10,000 to the trustees. The main reason for this surplus had been the added income from the increased rates of the laundry department. However, free care is continuing to be given to those who require it.

A donation of honor of Miss Ruth Ford, Miss Helen Moore had been given to the Sanatorium. After 20 years of service to the Home, at that time Miss Ruth's salary had been raised to \$400 a month, and Miss Moore who is on half time due to her salary increased to \$225 per month.

Mrs. Perry spoke of the generous gift of stock from Mr. Nathan Phillips; and the bequest of Miss Sarah Johnson of Mill Valley and some furniture from Miss Polley and Mrs. Leinhardt upon their death. During the year Mrs. Eddie A. Morris had been elected of Hornung Life Insurer in tribute to her many years of service and devotion to the Society. Mrs. Morris resigned in January because of ill health. She had been joined with regret.

In conclusion, Mr. Hildes gave his report on interesting affairs in the Board of Trustees who considered questions of the Board concerning the Hawley will, and policies of the Society. He also asked Mr. Hildes for the report of the Board of Trustees.

Mr. Hildes stated that the funds of the Society have improved more than usual because of the selectivity of its members. Treasury bonds have been sold at par & these make bigger yields. All savings of the First Lent Fund now totalled \$77,500, or \$3,500 more than the gross income for the previous year.

Mr. Hildes further stated that on looking at the all available funds of the home - the size of the establishment - it relation to the number of people cared for - he wondered if some addition to the building could be had for the Society to care for more people without much additional expense. However it would not be possible to build this addition from capital funds without reducing the Society's income beyond a "good and intelligent" balance. Noting that donations for the year, exclusive of those for the 100th Anniversary totalled only \$481, Mr. Hildes suggested that the Society should have a broader base to build larger whilst retaining its donations. Mr. Hildes stated that the less they lose the more likely the number of donations will be to the Society, and suggested an effort to create a new interest in the work of the organization, or was interested in only 35 people in the Society, or present there are 100.

In conclusion Mr. Hildes stated that he would like to see the number of members broadened so that our work, it will be necessary in order to increase funds to care for the building to have some money added to our trust fund. A new wing and so forth.

Mr. Hildes asked of the Trustees for their opinions on how to raise funds for the building for the Society which provided a

need unmet by any other organization. Mr. Green expressed the belief of Rot that it would be a mistake to restrict the number of members, and stated that as organization grows and prosper only as it keeps up with the needs of the community and should not wait to get an active part in the community.

Mr. White said he had no objection to Rot as his Hildes had covered every topic, but added that he was glad to have Mr. Hildes as President of the Board of Trustees.

Mr. Green started his pleasure at being at the meeting and had nothing to add to Mr. Hildes' report. Mrs. Penry wanted the Trustees to be told of the Board of Managers, and the Trustees as Andrew Steiner very much liked the minutes of the 9th Annual meeting. They were accepted for read.

The Secretary then read the 100th Annual report. This was accepted or read.

Mrs. Penry and Mrs. Bonner were appointed judges of the annual meeting, and Mrs. Craig and Mrs. Clark were appointed Tellers.

The Secretary read the ballot. Mrs. Stevenson moved and was carried to close a motion that the organizations be closed. The Secretary then cast the ballot. After a motion seconded and carried the meeting was adjourned.

The meeting was reconvened as a new Board for the coming year.

Mrs. Penry pointed the Finance Chairman and members of the Board for their work. The Vice President was asked to stay and meet with the President after the meeting to report the Committee Chairman.

The meeting was adjourned with a prayer.

Respectfully Submitted,
Robert E. Hawley, President
Recording Secretary.

Annual meeting, Jan. 3rd. 1955

The Annual Meeting of the San Francisco Ladies Protection & Relief Society was held at the Home on Jan. 3rd. at 2 o'clock Mrs. Warren Perry presiding. Present were: Mesdames Hilbert, Cambron, Craig, Towne, Miller, C. Smith, Krick, Lyon, Stephenson, Bowes, S. Smith, Nigh, Byrne. Miss Woods, Ralph, Zane. The Mssrs. Hindes, Cornwall, Leichester, Moore, and Graham.

The Treasurer, Mrs. Hilbert read the yearly report.

Income	\$86,673.05
expenses	76,244.51
depreciation	10,428.54
net savings	2,554.31
	7,874.23

Mrs. Perry read the President's report for the year. The L.P. Board membership lost 2 members by resignation; Mrs. Piersdn. and Mrs. Allen. Excused from the Annual meeting were Miss Allyne who is in the hospital with a broken leg; Mrs. Landis who is ill; and Mrs. Krusi, now Mrs. Bruck, is in Honolulu on her honeymoon. Mrs. Cambron and Miss Lottie Woods are honorary members of the Board.

The Family has kept fairly well during the year though we lost 2 members by death, Mrs. Biggs, and Miss Houtchin. Mrs. De Mari is still at Casa Bella, in Saratoga. Mrs. Coburn was married during the year. Mrs. Lenox, and Miss Hoeft have moved to the Home during the year.

Numerous improvements were made in the Home in spite of which there was a net saving of \$7874. The Board voted to return to the Trustees \$10,000 for reinvestment. The Convalescent Department continued to do an excellent job, and was almost always well filled, charging between \$1.50 to \$5 per day.

Mr. Hindes was introduced and read the Trustees report to the Board. here added. Later Mr. Hindes spoke about the proposed merger with the Crocker Home. The Crockers have turned down the L.P.& R. plan to add a wing onto 3400 Laguna and then to complete the merger. Instead the Crockers want an immediate merger or none at all. Mr. Hindes pointed out that if the L.P.& R accepts these terms the Board of Managers would have to run 2 homes until such time as the wing is completed. However sufficient ladies on the Crocker Board and Mr. Hill and Mr. Murphy of the Crocker Trustees would be willing to continue to serve in the interim.

Mr. Cornwall then spoke at some length that we as a Board should keep the control in any merger, and that the character of the institution and Board should remain the same. Mr. Cornwall feels, as do our Trustees, that the merger is financially feasible, and that both institutions would benefit. Mr. Cornwall believes that it is time for the L.P.& R. Society to become a larger society, and that taking care of 39 people with a 2 1/2 million endowment is not realistic.

Mr. Graham recommended the merger, and felt that the opportunity to be of greater service to the community might be lost if not accepted now.

REPORT OF NOMINATING COMMITTEE - JANUARY 3, 1950

Mrs. Edwin V. Krick	President
Mrs. John J. Miller, Jr.	First Vice-President
Mr. Warren C. Perry	Second Vice-President
Mrs. James W. Towne	Third Vice-President
Miss Elizabeth J. Ralph	Fourth Vice-President
Mrs. George A. Clough	Treasurer
Mrs. Donald Craig	Corresponding Secretary
Mrs. Bruce Porter	Recording Secretary
Miss Edith W. Allyne	Mrs. Ralph Lyon
Mrs. George L. Beaver	Mrs. Philip H. Pierson
Miss Rewena Beans	Mrs. Knight Smith
Miss Martha L. Brown	Mrs. Stuart F. Smith
Mrs. Leo D. Byrne	Mrs. John T. Stephenson
Mrs. Stetson G. Hindes	Miss Lottie G. Woods
Mrs. Philip F. Landis	

HONORARY MEMBERS

MRS. CARROLL G. CAMBON MRS. JAMES H. HUMPHREYS MRS. JAMES H. DEERING

BOARD OF DIRECTORS

Bruce Cornwall	Edwin V. Krick
John E. Cushing	Ferard Leicester
James S. Hutchinson	Norman B. Livermore
Joseph A. Moore, Jr.	
David L. White	

Annual meeting, Jan. 3 d. 1955

The Annual Meeting of the San Francisco Ladies Protection & Relief Society was held at the Home on Jan. 3rd. at 2 o'clock Mrs. Warren Perry presiding. Present were: Mesdames Hilbert, Cambron, Craig, Towne, Hill, C. Smith, Krick, Lyon, Stephenson, Bowes, S. Smith, Nigh, Byrne. Miss Woods, Ralph, Zane. The Mssrs. Hindes, Cornwall, Leichester, Moore, and Graham.

The Treasurer, Mrs. Hilbert read the yearly report.

Income	\$86,673.05
expenses	76,244.51
depreciation	10,428.54
net savings	2,854.31
	7,874.23

Mrs. Perry read the President's report for the year. The L.P. Board membership lost 2 members by resignation; Mrs. Piersdn, and Mrs. Allen. Excused from the Annual meeting were Miss Allyne who is in the hospital with a broken leg; Mrs. Landis who is ill; and Mrs. Krusi, now Mrs. Bruck, is in Honolulu on her honeymoon. Mrs. Cambron and Miss Lottie Woods are honorary members of the Board.

The Family has kept fairly well during the year though we lost 2 members by death, Mrs. Biggs, and Miss Houtchin. Mrs. De Mari is still at Casa Bella, in Saratoga. Mrs. Coburn was married during the year. Mrs. Lenox, and Miss Hoeft have moved to the Home during the year. Numerous improvements were made in the Home in spite of which there was a net saving of \$7874. The Board voted to return to the Trustees \$10,000 for reinvestment. The Convalescent Department continued to do an excellent job, and was almost always well filled, charging between \$1.50 to \$5 per day.

Mr. Hindes was introduced and read the Trustees report to the Board - here added. Later Mr. Hindes spoke about the proposed merger with the Crocker Home. The Crockers have turned down the L.P.& R. plan to add a wing onto 3400 Laguna and then to complete the merger. Instead the Crockers want an immediate merger or none at all. Mr. Hindes pointed out that if the L.P.& R accepts these terms the Board of Managers would have to run 2 homes until such time as the wing is completed. However sufficient ladies on the Crocker Board and Mr. Hill and Mr. Murphy of the Crocker Trustees would be willing to continue to serve in the interim.

Mr. Cornwall then spoke at some length that we as a Board should keep the control in any merger, and that the character of the institution and Board should remain the same. Mr. Cornwall feels, as do our Trustees, that the merger is financially feasible, and that both institutions would benefit. Mr. Cornwall believes that it is time for the L.P.& R. Society to become a larger society, and that taking care of 39 people with a 2 1/2 million endowment is not realistic.

Mr. Graham recommended the merger, and felt that the opportunity to be of greater service to the community might be lost if not accepted now.

Mr. Moore also spoke in favor of the merger.

The question was raised by Mrs. Towne whether the Trustees care of old people. The Trustees felt it to be important, but pointed out that for a period it might be financially possible to have a Convalescent Dept. However in building the annex plans should be made so such a department could be realized at a later date if desired.

Mr. Leicester felt that this merger was an opportunity to be grasped immediately.

Mr. Hindes again pointed out that all remarks made by the Trustees were personal thoughts, and not recommendations to the Board.

The gentlemen withdrew.

The Annual meeting continued.

The Secretary read the minutes of the Annual Meeting of 1953

Mrs. Craig and Mrs. Towne were appointed tellers.

The Secretary read the nominations.

m. by Miss Rolph, s. by Mrs. High and c. that the nominations be closed. The Secretary read the ticket.

m. by Miss Rolph, s. by Mrs. C. Smith that the meeting adjourn.

The meeting reconvened.

Mrs. Perry thanked the Board and Committee Chairmen for their support and work of the year.

Miss Rolph expressed the feeling of the Board when she said how glad the Board ~~was~~ is to have Mrs. Perry as president for 1955.

A discussion followed concerning the merger. Mrs. Krick summed it up, and asked the Board to stand back of its former motion to accept the merger. It was m.s. and carried with one not voting.

action
The Secretary read the 102nd report.

New business. Mrs. Perry plans to form a new committee for entertainment in the Home. It was announced that on Mar. 1st. the Board will honour Mrs. Bruck at lunch. The vice-presidents were asked to remain after the meeting to help form committee.

There being no further business the meeting adjourned.
Respectfully submitted,

W.C. Bassett Jr.

TRUSTEES - REG. MEETINGS
1977 - 1992

BOARD OF TRUSTEES' MEETING
June 17, 1993

Add to
our
book

A regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Andrew Edwards, CB Commercial Real Estate Group, Embarcadero Center West, San Francisco, California on June 17, 1993 at 2:00 p.m. Trustees present were Messrs. Bennington, Edwards, Howard, Morshead, Sams and White; and Mesdames Baker, Mitchum, Moller, and Richards. Ms. Kaye Moore, Administrative Secretary, was also present. Trustees absent were Messrs. Nobel, Otto, Scollin, and Wheary.

Mr. Edwards, Chairman, called the meeting to order at 2:10 p.m., requesting consideration of the minutes of March 17, 1993, which previously had been distributed. Upon motion duly made, approval of the minutes was unanimous.

In the absence of Administrator, Mrs. McGinley, Mrs. Moller said that she would combine the report of the Administrator with the report of the President of the Board of Managers. In summary, she reported that monthly care fees were increased 4% effective July 1 and that entrance fees remain the same until January. Mr. Morshead noted that projected revenues are based on Cost of Living Increase (CPI) plus 1%. In the case of the coming year, this would be 4%. Maintenance projects include structural adjustment of the parapet on the Morgan building to meet earthquake standards, roof work, and the refrigeration project. It is anticipated that this latter project will require an additional \$13,000 over \$35,000 budgeted.

She reported that the Director of Nursing Services, Mrs. Roberts, resigned after one year of service due to ill health. Mrs. McGinley filled the position temporarily with Mrs. Sara-Jo Faucher while a search is conducted for a permanent Director of Nurses. Mrs. Faucher will serve a minimum of two months. She is familiar with The Heritage as she has been interning here through the UCSF graduate school of nursing program in gerontology.

Mr. Stuart Morshead, Chief Financial Officer, presented his report stating that we are on our "game plan." He and Controller, James Freund, ran the financial model again last week which serves as an excellent guideline, telling us that we are looking better than we did a year ago. The Managers have done an excellent job in cost containment. If costs are kept under control and the vacancy problem is solved we will continue to be in good financial condition. He further reported that our auditor now feels there is no question about our charitable status under 501.c3 regulations as the Self Help for the Elderly Public Nutrition Program fully meets these requirements. He cautioned that we need to try to foresee large, long term maintenance projects and schedule these kinds of expenditures.

In consideration of new business, the question of an increase in expenditure for the refrigeration project was discussed. It was determined that this matter did not require additional bids because the work represents an "add on" to the original project. After lengthy discussion of this and other proposed projects, including repair of the slate roof and the expansion joint repair, the Chair entertained a motion to add up to \$13,700 as a change order to the original bid of \$35,000. It was so moved, seconded and carried unanimously (Howard/Bennington).

Mr. Edwards asked Mr. Howard to address the formation of a Long Range Planning Committee. This committee, Mr. Howard said, would be composed of members of the Boards of Managers and Trustees, act as a sub-committee to the Executive Committee yet have no executive authority. Its purpose would be to address fundamental problems in an organized fashion. Mr. Edwards noted that we need to be more project specific and smaller meetings could supplement the larger, quarterly meetings. Such a committee, Mr. Howard noted, could study such issues as the subsidy claim, supplementary insurance and marketing strategies. After a lively discussion it was moved (Sams) and seconded (Richards) that a Long Range Planning Committee be established for the purpose of identifying strategic issues fundamental to the welfare of the Society, i.e., looking out 10 to 30 years and monitoring present policies to see that long range goals are being addressed. Members will be appointed by the Chairman and will be comprised jointly of Managers and Trustees. This body shall have no executive authority and will meet as determined by the Chairman of the Committee. The motion carried unanimously.

In the absence of Mr. Otto, Chairman of the Nominating Committee, Mr. Edwards noted that there are presently two vacancies on the Board of Trustees as established by the By-Laws. However, he added, we do not need bodies, we need specific expertise and asked members to consider areas where the Board might be strengthened. Dr. Bennington stated that he has a candidate in mind whose background is in marketing. He will submit her name to Mr. Otto.

Mr. Edwards then asked that the Board of Managers supply a report on the implementation of the Marketing Study conducted by Kingsley and Associates. Mr. Morshead asked specifically that Trustees be provided, on a monthly basis, with information on vacancies: the number of "real" vacancies, applications in process, acceptances, etc.

Mr. Edwards clarified the Cathedral Hill Hotel issue by stating that Quality Hotels is owned by Choice International and Quality Hotel's arrangement with Cathedral Hill Associates and West Coast is merely a marketing arrangement and not a franchise.

Mrs. Richards announced that the Employee Handbook is now in draft three and is ready for review by a labor lawyer.

There being no further business, the meeting was adjourned at 3:50 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary

DW:km

BOARD OF TRUSTEES' MEETING
March 18, 1993

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Howard, Rice, Nemirovsky, Robertson, and Falk on March 18, 1993 at 2:00 p.m. Trustees present were Messrs. Edwards, Morshead, Noble, Otto and Sams; and Mesdames Moller, Richards and Stark. Trustees absent were Mrs. Piero Mustacchi and Messrs. Bennington, Howard, Scollin, Wheary, and White. Ms. Kaye Moore, Administrative Secretary, was also present.

In the absence of Mr. Howard, Chairman, Mr. Edwards called the meeting to order at 2:00 p.m., requesting consideration of the minutes of December 16, 1992, which previously had been distributed. Corrections to the minutes included the spelling of Mr. Noble's name and changing Suzanne Kingsley to Suzanne Everson with reference to the Kingsley & Associates Marketing Study. Upon motion duly made, approval of the minutes as corrected was unanimous.

Mrs. Moller, President Pro Tem of the Board of Managers, stated that in the absence of Mrs. McGinley, Administrator, she would give the Administrator's Report in combination with the Report of the President of the Board of Managers. The refrigeration project has been approved by the City. The architect, Mr. Thomas Potts, is drawing up plans and a permit will be obtained. A sign for the outside of the building has been designed by Mr. Frank LeHay in consultation with Mrs. Abbott. Mrs. Moller showed the blueprint for the design, a brass relief with a motif taken from the Morgan Building facade which includes the words "The Heritage - established 1853." The projected cost is \$900.00. It was moved, seconded, and carried (Sams/Noble) to approve purchase of the sign with the understanding that installation costs will be extra.

Mrs. Moller further reported that a brochure will be ready for the April 14 Open House. Mrs. Edwards and Ms. Moore have worked on its preparation and have had professional pro bono graphics assistance from Kathy Jaeger of Jaeger and Associates. It is presently being sent to three printers for cost estimates. Mrs. Moller reported that the Health Center floors have been repaired; the Admissions Contract has been approved by the State Department of Social Services, and our license has been upgraded from Continuing Care to Life Care. She quoted Mrs. McGinley in reporting that operating expenses for 1992 exceeded those of 1991 by only .1 of 1%.

The revision of the employee handbook, under the direction of Mrs. Richards, Chairman of the Personnel, Policies and Procedures Committee of the Board of Managers, is complete through first draft. It is presently being reviewed by James Freund, Controller. It was the consensus of Trustees that the handbook, upon completion, should be reviewed by legal counsel. Mr. Edwards was directed to check with the Howard Rice law firm for appropriate

legal review. Mr. Morshead stressed the sections dealing with wrongful termination and harrassment should be updated.

Mr. Morshead presented the report of the Chief Financial Officer stating that recent financial reports show no major changes. Expenses are down and we are performing better than budget. The problem is that we not operating at full capacity. He stated that he wants to run the financial model again and that the formation of a special committee that would address long range financial questions is being considered.

Mrs. Moller raised the question of employees who have accumulated a lot of vacation time. After some discussion, it was decided that vacation time would not be bought out but these employees (there are only a few) should be encouraged to take the accrued time. Additional vacation can be accrued with a 1 year maximum of earned vacation.

Dr. Sams stated that he and Dr. Bennington will be making a recommendation regarding Medigap insurance. It was reported that one individual has dropped her Kaiser insurance and others are talking about it. We currently have no policy regarding supplemental health insurance.

Mrs. Moller passed out samples of the newly revised admissions forms noting that the financial questionnaire will provide information we are now lacking in a format easy to review.

Mr. Edwards called for new business at which time Mrs. Moller said that the question of the 82 upper age limit for admission to The Heritage has been discussed by the Admissions Committee. She noted that many individuals are still quite "young" at that age. After some discussion, during which Dr. Sams explained the relationship between aging and medical costs and the potential adverse impact on the Health Center census, it was decided to defer a decision at this time.

Mr. Otto, Chairman of the Nominating Committee, stated that he will convene a meeting of his committee in preparation for the May annual meeting and it was announced that Mr. Howard has expressed an interest in stepping down as Chairman of the Board of Trustees but would be willing to remain as a Board member.

There being no further business, the meeting was adjourned at 3:00 p.m.

Respectfully submitted,

Andrew W. Edwards

Andrew W. Edwards
Acting Chairman
AWE:km

BOARD OF TRUSTEES' MEETING
December 16, 1992

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage, 3400 Laguna Street, San Francisco, California, on December 16, 1992 at 4:00 p.m. Trustees present were Messrs. Edwards, Howard, Nobel, Otto, Sams, and White, and Trustee/Managers Mesdames Moller, Richards, and Stark. Mrs. Frank Abbott, Member, Board of Managers, Mrs. Barbara Cox McGinley, Administrator, and Kaye Moore, Administrative Secretary, and guests, Steven Kingsley and Suzanne Everson, were also present.

Mr. Howard, Chairman, called the meeting to order at 4:05 p.m. and requested consideration of the minutes of September 17, 1992, which previously had been distributed. It was moved, seconded, and carried (Sams, Nobel) to approve the minutes as recorded.

Barbara Cox McGinley presented the report of the Administrator noting that Mrs. Roberts has been Director of Nursing for six months and as such has helped to complete such projects as the automation of the door and subsequent upgrading of the fire alarm system, has instituted a 12 hour day for licensed staff, and has reduced use of registry, overtime and sick time. Computer training in the Health Center is now current. Mrs. McGinley has met with architect Sandy Barker as we must demonstrate to the city that The Heritage is not an unreinforced masonry building. Mr. Barker will provide the documentation. The revised life care contract is still with the State for approval.

Mr. Howard reported on behalf of Stuart Morshead, Chief Financial Officer, that there are no financial questions that need to be addressed at this time. Mr. Howard recently has spoken with both Mr. Morshead and Mr. Freund, Controller, and asked that his remarks be accepted as the report of the Chief Financial Officer. It was so moved (Nobel) seconded (Otto) and carried. Mr. Howard noted that Board of Managers President, Mrs. Mustacchi's absence was due to a recent hospitalization and requested that Mrs. Moller, First Vice President, give the report of the President of the Board of Managers.

Mrs. Moller deferred to guests Mr. Steven Kingsley and Ms. Suzanne Kingsley of Kingsley Associates, who presented their recently completed marketing study. Mr. Kingsley stated that the seven recommendations and time lines presented in the study were developed over the past few months based on interviews with Board members and Mrs. McGinley. He stated that the issues raised must be addressed and summarized the report which had been distributed to Trustees. Discussion of the recommendations followed with a consensus reached that efforts will be made to meet the deadlines proposed in the study.

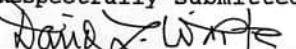
Mr. Howard announced that the 1993 budget required approval at this meeting. It was so moved to approve (Otto, Stark). Mrs. Richards requested reconsideration of the refrigeration project noting that it had been inappropriately described as the loading dock project which probably led to its deletion from the budget. After some discussion about the possible expenses involved in having to replace the refrigeration under emergency conditions with potential loss of food, etc., it was moved, seconded, and carried (Howard, Noble) to direct the Board of Managers to proceed with the refrigeration project. Mr. Howard stated that he would call Mr. Morshead to discuss the situation and would arrange a meeting with Mrs. Moller if needed.

On other financial matters, Mr. Howard requested that Mrs. Moller arrange a meeting with the Managers' Finance Committee and a committee (which he will name) comprised of Trustees to address questions of long term, preventive and routine maintenance; future funding sources for The Heritage; issues raised by the Marketing Study and re-institution of the subsidy claim.

Mr. Edwards reported that the Cathedral Hill Hotel lease assignment is complete with all documents in order. He stated that we are in fine shape. The law firm of Howard, Rice, et al has prepared a summary of the negotiations which Mr. Edwards distributed asking that the information be treated confidentially.

There being no further business, the meeting was adjourned at 6:00 p.m.

Respectfully submitted,


David L. White

Secretary

DLW:km

BOARD OF TRUSTEES' MEETING
September 17, 1992

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Henry W. Howard on September 17, 1992 at 2:00 p.m. Trustees present were Messrs. Edwards, Howard, Scollin, and White and Mesdames Moller, Mustacchi, Richards, and Stark. Miss Barbara Cox, Administrator, and Kaye Moore, Administrative Secretary, were also present.

Mr. Howard, Chairman, called the third quarter meeting for 1992 to order at 2:05 p.m., requesting consideration of the minutes of June 18, 1992, which previously had been distributed. Upon motion duly made, approval of the minutes was unanimous.

Miss Cox presented the Administrator's report noting that day to day operations are running smoothly. The recent major personnel change in the Health Center, Ms. Helms' resignation and the subsequent selection of Mrs. Mary Roberts as Director of Nursing Services, has now been accomplished. Mrs. Roberts comes not only with excellent professional credentials (with a Master's degree in gerontology from UCSF) Miss Cox pointed out, but her temperament is compatible with Administration goals and objectives: team work and cooperation. She has been focusing on staffing configurations and people issues. In response to updated information about the security department, the Trustees voted unanimously to engage the services of a contract security firm, American Protective Services. The Heritage Building Supervisor, Bonnie Conroy, will continue to oversee security.

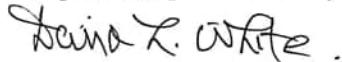
In the absence of Chief Financial Officer, Mr. Stuart Morshead, Mr. Howard reported that he has conferred with Mr. Morshead and Mr. Freund, Heritage Controller. There have been no significant changes in the financial status of the Society since the last Trustee meeting. New programs being put into place should continue to establish a sound basis in years to come.

Mrs. Mustacchi, President of the Board of Managers, presented her report. The Managers are currently focused on budget plans for 1993 with committees setting priorities for projects for the coming year. She asked Mrs. Moller, Chairman of the Admissions Committee to review a marketing proposal under consideration. Mrs. Moller outlined the goals and objectives as described by Kingsley and Associates, the firm presenting the proposal. Mr. Howard noted that he was impressed with their understanding of our needs and felt the first meeting with Mr. Kingsley was highly productive, and the proposed fee, reasonable. Mrs. Mustacchi will report to the Board of Managers that the consensus of the Trustees is to proceed with the Kingsley marketing study.

Regarding the Cathedral Hill Hotel lease negotiations, Mr. Edwards reported that what at one time appeared to be a simple matter of consent agreement turned out to be very complicated indeed. He praised the law firm of Howard, Rice, et al and Ms. Carol Boman in particular for expert legal assistance in this matter. All documents will soon be finalized and the resulting agreements will prove favorable to the Society's position. Mr. Howard and Mr. White both praised the extraordinary time and effort Mr. Edwards contributed to this undertaking, describing the situation as potentially hazardous without skillful intervention. Mr. Edwards, in turn, acknowledged the important role Mr. Wheary played in helping to obtain financial reports.

There being no further business, the meeting was adjourned at 3:20 p.m.

Respectfully submitted,



David L. White
Secretary

DW:km

BOARD OF TRUSTEES' MEETING
June 18, 1992

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Henry Howard on June 18, 1992 at 2:00 p.m. Trustees present were Messrs. Edwards, Howard, Otto, and White; and Mesdames Moller, Mustacchi, Richards, and Scott. Miss Barbara Cox, Administrator, Mrs. Andrew Edwards, Member of the Board of Managers, and Kaye Moore, Administrative Secretary, were also present.

Mr. Howard, Chairman, called the meeting to order at 2:00 p.m., requesting consideration of the minutes of March 18, 1992, which previously had been distributed. Upon motion duly made, approval of the minutes was unanimous.

Miss Cox presented the report of the Administrator with details of the recent resident fee increase. Notice (by letter) of the increase was preceded by a brief meeting with residents wherein Miss Cox described the nature of and the need for an increase at this time. Reaction was, for the most part, very positive, with very little objection to the increase. Some residents even took the opportunity to praise the care and saw the costs as reasonable. The ceiling of the increase was \$215.00 with this amount scaled down or eliminated in special cases. Residents also were invited to review his or her situation with Miss Cox and Mrs. Mustacchi. A few residents did so. On other matters, a recent inspection from the Department of Social Services resulted in a clean report; the accounting office has used computer payroll software for the first time. Roberta Helms, Director of Nursing Services, has tendered her resignation effective June 25, leaving little time to find a successor. However, Miss Cox has one very talented and able candidate, who, if she accepts the position, can begin at once, making the transition as smooth as possible. Mrs. Richards noted that the computer committee has met with key staff members to work out transfer of information.

In the absence of Chief Financial Officer, Mr. Stuart Morshead, Mr. Howard reported that there have been no significant changes in the financial status of the Society since the last Trustee meeting.

Mrs. Mustacchi, President of the Board of Managers, presented her report elaborating on Miss Cox's description of the events prior and subsequent to the fee increases. Complaints totaled fewer than 5% and those were not of a serious nature. Modifications were made in some cases. Mrs. Mustacchi said there have been very positive feelings from the residents and she credits the high visibility of the Managers for this. Mr. Howard summarized the reaction of other Board Members when he said "It's remarkable what you've done."

Members then addressed the question of marketing strategies and future fee structure. Miss Cox asked for clarification of roles

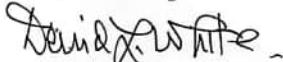
and the protocol for researching and establishing marketing criteria. Who should do what. Mr. Edwards recommended a committee to work on developing a mission statement, goals, tactics and strategies to include, eventually, marketing training for staff members. Mrs. Mustacchi will ask the Long Range Planning Committee to address this problem including the choice of a sign outside the building. Mr. Edwards volunteered to assist the committee as needed. Mr. Howard also volunteered his time and that of Mr. Morshead to help develop a plan for financial requirements and marketing.

Mrs. Edwards was then asked to provide Trustees with information regarding the status of the cottage. She reported the decision of the Board of Managers to put it back into rotation as a residential unit as it represents a substantial asset. However, since the last renovation was in 1957, it also has substantial physical problems that must be corrected. With the use of some photographs supplied by Mrs. Moller, Mrs. Edwards detailed the present condition and the proposed remedies. The Board of Managers voted renovation expenses subject to Trustee approval. After speaking in favor of the proposal, Mr. White moved approval (seconded by Mrs. Moller) to spend \$35,000 on upgrading the cottage as needed. The motion carried unanimously.

On the subject of the Cathedral Hill Hotel, Mr. Edwards reported that Sammons is pressing for formal consent to assign the leasehold interest. The investors' financial statements are currently being reviewed by James Wheary. Our concerns involve specific language and the office building options. Mr. White recommended approval of the deal subject to approval of credit and continuance of the present lease guarantee. Mr. Edwards will report additional details as negotiations progress.

There being no further business, the meeting was adjourned at 3:50 p.m.

Respectfully submitted,



David L. White
Secretary

DW:km

BOARD OF TRUSTEES' MEETING
March 19, 1992

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Henry Howard on March 19, 1992 at 2:00 p.m. Trustees present were Messrs. Edwards, Howard, Morshead, Otto, Sams, Scollin, Wheat White; and Mesdames Moller and Mustacchi. Miss Barbara Administrator, James Freund, Controller, and Kaye N Administrative Secretary, were also present.

Mr. Howard, Chairman, called the meeting to order at 2:00 requesting consideration of the minutes of December 19, 1991, previously had been distributed. Upon motion duly made, approval of the minutes was unanimous.

Miss Cox presented the report of the Administrator noting that James Freund was present at the request of Mr. Howard. She distributed the new Heritage organization chart representing recent management changes. The State Department of Social Services still has not approved the revised Life Care Contract. We are using the existing one with an appropriate supplement for couples. The computerization project continues with the reception office and Bonnie Conroy's office being the most recent additions. Mrs. Conroy is now in charge of Maintenance, Housekeeping and Security. Both former maintenance men have been replaced and Miss Cox highly commended Mrs. Conroy for the skillful way in which she has met recent major crises. The cable TV installation is nearing completion. Mr. Morshead pointed out that under California corporate law the Boards (Trustees and Managers) cannot be co-equal as shown on the organization chart and requested that thought be given to an appropriate change in graphics.

Mr. Morshead presented the report of the Chief Financial Officer stating that the February 29, 1992 financial report shows no major changes. We are on budget. He noted that we are ahead of where we thought we would be 3 years ago when the financial model was last run.

Mrs. Mustacchi presented the report of the President of the Board of Managers asking James to participate. He stated that limited power of attorney may be needed by the accounting office for handling Medicare. Mr. Howard recommended legal counsel before proceeding. James then presented a statistical abstract of The Heritage revenue and operating expenses. There was a general discussion about the abstract, our income (from resident fees as well as our investment portfolio) and strategies for improving the current financial position. Mr. Otto pointed out that given economic trends, our portfolio income is not likely to increase in the near future. In fact, earnings may be expected to be lower. The members then discussed current cost of care of residents, subsidization levels and income from fees. It was decided that

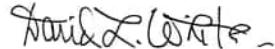
fees, both entrance and current monthly can and should be increased by an amount to be determined by a committee of Trustees, Managers, and staff (to include Mr. Freund and Miss Cox) based on forecasts from the statistics prepared by James Freund and Mr. Morshead. Mrs. Mustacchi concluded her report by presenting an analysis of resident personal data which she and Mrs. Abbott have compiled from resident files.

Miss Cox stated that she hopes the information presented will provide a guide for the future. In answer to a question about vacancies, she pointed out that The Heritage vacancy rate is not inconsistent with that of the industry in general. Managers and staff were encouraged to investigate the use of a professional marketing consultant. Mr. Otto requested that staff be directed to make projections on financial solutions that would include not only fee increases but projected vacancy reduction as well. Mr. Edwards stated the working plan should include a fee structure consistent with the goals and objective of The Heritage mission. Mr. Howard and Mrs. Mustacchi will appoint a committee to formulate such a proposal for the Board. Dr. Sams requested that we addresss the question of where we are now in terms of policy as well as where we want to be. Mr. Wheary agreed that a full range plan cannot be done quickly.

Mr. Edwards reported that discussions with Sammons Enterprises concerning their efforts to find a buyer for the assignment of the Cathedral Hill Hotel leasehold, as well as the adjacent office building at 1255 Post Street, are continuing.

There being no further business, the meeting was adjourned at 3:45 p.m.

Respectfully submitted,



David L. White
Secretary

DW:km

BOARD OF TRUSTEES' MEETING
December 19, 1991

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage, 3400 Laguna Street, San Francisco, California, on December 19, 1991 at 4:00 p.m. Trustees present were Messrs. Bennington, Edwards, Howard, Morshead, Nobel, Otto, Sams, and Scollin, and Mesdames Moller, Mustacchi, Scott, and Stark. Miss Barbara Cox, Administrator, and Kaye Moore, Administrative Secretary, were also present.

Mr. Howard, Chairman, called the meeting to order at 4:05 p.m. and requested consideration of the minutes of October 17, 1991, which had been previously distributed. It was moved, seconded, and carried (Otto, Sams) to approve the minutes as recorded.

Before beginning her report, Miss Cox introduced to the Board James Freund, Controller, and Kaye Moore, Administrative Secretary. She then distributed The Heritage organization chart to demonstrate the new management structure which became effective November 1, 1991. In response to Trustees' questions, she reported that we meet all licensing requirements and that the new staffing pattern is working well. We are still waiting to hear from the Department of Social Services regarding our revised Life Care Contract. In the meantime, we continue to use the old contract with an addendum for couples. There was some discussion regarding clarification of entrance fee refunds. Mr. Otto reaffirmed that we are bound by the contract which does not provide for refunds. Miss Cox reported on the November Resident/Board/Staff meeting, a productive form of communication which will be repeated at least annually. The accounting office has almost completed conversion to automation. The addition of a new full time employee in that office will further facilitate the changeover.

Mr. Morshead, Chief Financial Officer, stated in his report that The Heritage is generally in good financial shape. We are a little over on the expense side and under on monthly care fees and new entrance fees. Basically, finances conform with projections. He noted that because of the state of the economy, our portfolios will go down and that we should review increases in monthly care fees and other revenue.

Mrs. Mustacchi, President of the Board of Managers, stated that consideration of the budget constituted the primary focus of her report and asked Mrs. Stark, Chairman of the Finance Committee, to present the budget for 1992.

The budget was reviewed with major focus of discussion on general economic factors impacting The Heritage in 1992 and in the long range. There was an exchange of ideas on marketing the facility. Professional guidance in this endeavor was encouraged. Mr. Noble stated that we should look at other strategies for revenue. Mr. Edwards spoke on behalf of proactive recruitment strategies. Dr. Bennington was interested in a survey of other facilities. Mrs. Mustacchi reported that the Managers have a meeting planned for the end of January to address this issue. Miss Cox was directed to

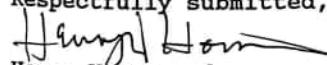
provide information on how much revenue would increase if all rooms were filled and to prepare a survey of our competition. In light of stated concerns about operating expenses, Mr. Howard requested that between now and the next Trustee meeting in March, a committee of Managers and Trustees meet for the express purpose of providing specific information regarding fees, entrance and monthly, Heritage subsidization policies, past and present, and other revenues such as guest meals and guest rooms. He stated that entrance fees should reflect known costs, be adjusted to reflect expenses, and continue to reflect our charitable mission. It was moved (Mr. Otto) and seconded (Mr. Noble) to approve the 1992 budget as presented with the stipulation that major modifications may be made in March after reviewing additional information. The motion carried unanimously. Mrs. Stark then presented the Capital Expense Budget for 1992, reviewing specific items with the Board. It was moved, seconded, and carried (Morshead, Scott) to approve the capital budget up to \$72,760 with the mandate to save and defer wherever possible.

Mrs. Mustacchi continued her report by detailing the status of the Cable TV installation noting that The Heritage is committed to providing this service at no cost. This is part of a marketing strategy expected to be cost effective over the long term. On the subject of marketing, she asked Mrs. Moller to report on Mr. Louis Gelwicks recent visit to The Heritage. After summarizing Mr. Gelwicks' observations, Mrs. Moller stated that the Board of Managers' Personnel, Policies and Procedures Committee will be looking at ways to incorporate some of his ideas.

Mr. Morshead requested a reaffirmation for the record that the Executive Committee of the Board of Trustees constitutes The Heritage Personnel Committee for the purposes of state and federal laws as they apply to employees' civil rights. It was so affirmed.

On other matters, Mr. Howard reported that he and Mr. Edwards met in October with the Sammons people regarding the hotel land lease. He related recent interactions regarding the potential sale and described some concern regarding the pending transaction. Accordingly, he has briefed litigators in his law firm to be ready in the event legal action or opinion is required. He requested and received unanimous approval for this course of action. Mr. Howard will send Mr. Morshead a copy of the memorandum of agreement between Society and Sammons.

There being no further business, the meeting was adjourned at 5:50 p.m.

Respectfully submitted,

Henry W. Howard
President

BOARD OF TRUSTEES' MEETING
October 17, 1991

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Henry Howard on October 17, 1991 at 2:00 p.m. Trustees present were Messrs. Edwards, Howard, Morshead, Nobel, Otto, and Sams, and Mesdames Moller, Mustacchi, Scott, and Stark. Mr. Edward Benedict, Administrator, and Miss Barbara Cox, Assistant Administrator, were also present.

Mr. Howard, Chairman, called the meeting to order at 2:05 p.m. and requested consideration of the minutes of June 20, 1991, which had been previously distributed. After noting a correction to paragraph #5 changing Department of Health Services to Department of Social Services, it was moved, seconded, and carried (Morshead, Sams) to approve the minutes.

Mr. Benedict presented the report of the Administrator, noting that licensing director, Martha Mills states that the Department of Social Services will take six more weeks before starting to review the Heritage contract. Currently the old contract is in use with an addendum for couples. Mr. Benedict related his findings on the feasibility of covering health care costs through insurance. Discussion followed about catastrophic coverage as specifically separate from general coverage. A Board Committee will continue to seek further information regarding the possibility of obtaining an umbrella above Medicare with a deductible for the group.

Mr. Benedict continued his report with an update on implementation of the Age and Depreciation Study. Mr. Otto recommended that the next Board of Trustees member selected have a construction background and requested that the nominating committee pursue this goal.

As this meeting was Mr. Benedict's last as Administrator, Mr. Howard expressed his thanks to Mr. Benedict for his years of service.

Mr. Morshead presented the report of the Chief Financial Officer reporting on Peat Marwick's new General Accounting Principles relating to how life care homes prepare financial statements. Mr. Morshead proposed a reaffirmation of the historical fact that the total resources of the Society are reserved for and dedicated to the operation of The Heritage. It was moved, seconded, and carried (Howard, Sams) that the Board of Trustees reaffirm its loyalty to the principle that at all times all of the resources of the Society, to the extent that they are available and usable, will be dedicated for use by The Heritage.

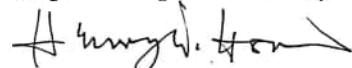
Mrs. Mustacchi presented the report of the Board of Managers, noting the completion of the suite conversion of rooms 230-232. She reported that all Heritage rooms will be wired by Viacom for

cable TV and that the Board will investigate the best possible rates to individual resident subscribers. Mr. Howard suggested that Mrs. Mustacchi present a proposal at the next meeting for the future use of the consultant, Louis Gelwicks, as related to occupancy and potential applicants. Mrs. Mustacchi reported that the Search Committee, made up of Mesdames Leonards, Richards, Avenali, Abbott, and Mustacchi, met with several candidates over a period of several weeks and, with unanimous approval of the Trustees, has selected Miss Barbara A. Cox as the new Administrator of The Heritage effective November 1, 1991.

Mr. Edwards reported that he and Mr. Howard met with officers of the Sammons Corporation to discuss the Cathedral Hill Hotel (now its only remaining hotel asset) and that there are no developments regarding its sale.

There being no further business, the meeting was adjourned at 3:20 p.m.

Respectfully submitted,



Henry W. Howard
President

HWH:km

BOARD OF TRUSTEES' MEETING
June 20, 1991

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Henry Howard On June 20, 1991 at 2:00 p.m. Trustees present were Messrs. Bennington, Edwards, Howard, Morshead, Otto, Sams, Wheary, and White, and Mesdames Moller, Mustacchi, Scott, and Stark. Mr. Edward Benedict, Administrator, Miss Barbara Cox, Assistant Administrator, and Pamela Kaufmann, attorney with Hanson, Bridgett, Marcus, Vlahos, & Rudy were also present.

Mr. Howard, Chairman, called the meeting to order at 2:05 p.m. and requested consideration of the minutes of March 21, 1991, which had been previously distributed. It was moved, seconded, and carried (Morshead, Howard) to approve the minutes.

Mr. White reported that a new 12 month lease has been signed by a couple renting the lower flat at 1538 Francisco Street. They have rented the flat "as is" and will pay \$1300/month for 6 months then \$1400/month for the following 6 months.

Mr. Howard introduced Pamela Kaufmann who has supervised the revisions of The Heritage Life Care Contract. Ms. Kaufmann stated that there are several reasons for the contract revisions: to address past problems, to clarify the language used, to protect the operations of the facility, and to comply with the most recent government statutes. Mr. Morshead asked if the current cancellation policy is changed. Ms. Kaufmann stated that any old contracts are not affected and that the new contract preserves all of the old contract provisions. Draft #3 is the result of meetings held between Mr. Benedict and Members of the Board of Managers and between Mr. Benedict and Ms. Kaufmann.

Mr. Morshead suggested that a stated limit be placed on the cost of extraordinary medical procedures. Dr. Sams reported on current coverage by Medicare parts A & B to clarify the extent of the Society's liability under the current contract for non reimbursable costs. Dr. Bennington proposed that an inquiry be made of Children's Hospital regarding enrolling Heritage residents in the Bridgeway HMO. Lengthy discussion followed regarding alternatives of supplemental insurance options. Mr. Howard stated that a committee could investigate insurance but that due to the time limit imposed by the Department of Health Service a decision regarding the proposed contract revisions must be made today. It was moved, seconded, and carried (Bennington, Morshead) to submit the revised contract to the Department of Health Services and meanwhile continue research on additional insurance for the group. It was agreed that coverage was preferable to dependance on contractual exclusions. Upon discussion of other details in the contract it was moved, seconded, and carried (Otto, Morshead) to support the draft as presented through Ms. Kaufmann by the Managers.

The Administrative Secretary is already using Word Perfect. The next phase will be installation of a general ledger system in the accounting department. The wiring for the network is complete.

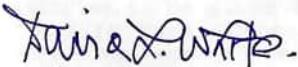
Mrs. Stark presented the proposed budget for 1991. Rate increases are proposed at 3% for entrance and monthly fees and an increase from \$85/day to \$100/day for private patients in the Health Center. It was moved, seconded, and carried (Stark, Bennington) to approve the total budget of \$2,277,000. Mrs. Stark presented the capital budget of \$95,650 for approval. Mr. Noble seconded the motion and the capital budget was approved.

Mr. Edwards gave an update on the recent meetings with Lloyd Hanford, the Sammons Corp. representative, which have been inconclusive. Jay Scott of Laventhal & Horwath concludes that the hotel is under performing. The hotel is considering marketing its lease. The Real Estate Committee feels that no action is required by the Society at present. We should await any specific proposal that may be presented.

Mr. Otto moved to sell the Commonwealth Edison stock and reinvest the income in Southern California Edison. Mr. Noble seconded and the motion was unanimously carried. Mr Otto stated that the balance between stocks and bonds is especially important in today's market.

The meeting was adjourned pending an Executive Committee meeting at 3:45 p.m.

Respectfully submitted,



David L. White
Secretary

DW:km

Board of Trustee's Meeting
September 20, 1990

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage on September 20, 1990 at 2:00 p.m. Trustees present were Messrs. White, Scollin, Edwards, and Mesdames Avenali, Stark, and Leonards. Mr. Edward J. Benedict, Administrator, and Ms. Barbara Cox, Assistant Administrator, were also present.

In the absence of Mr. Howard, Chairman, Mr. White, Secretary, called the meeting to order at 2:05 p.m. and requested consideration of the minutes of June 21, 1990 which had been previously distributed. It was moved, seconded and carried (Scollin, Edwards) to approve the minutes.

Mr. Benedict presented the Administrator's report noting the progress to date of the projects resulting from the earthquake and the Age and Depreciation mandate. He requested that the Trustees approve completion of the heating unit installations, installation of a second emergency generator, and improvement of the power lines connected to the generator. Mr. Benedict also requested that the Trustees limit the number of Health Center private patients to 2 because the current population of the Health Center is requiring more staff time per patient than in the past. Five nurse house per patient per day in the Health Center is the current staffing average. Mr. Benedict also reported that the 100th birthday of Dr. Karl Pelkan was very special and also stated that budget time is approaching. He requested consideration of the percent increase in salaries to be given in 1991 and also consideration of revisions in the Life Care Contract, particularly regarding the policy of a surviving spouse relocating to a single unit at the Board's discretion. Mr. White recommended a rider to supplement the contract stating The Heritage policy, thus tying in the contract with the policy manual. Further discussion was postponed until more Board members are present.

In the absence of Mr. Morshead, Chief Financial Officer, a financial report was not presented.

Mrs. Avenali gave the report of the Board of Managers stating that the new organ is in place in the chapel resulting from donations primarily honoring Mr. and Mrs. Foster. She also reported that the Kaiser benefit package will increase 18% next year. She noted recent discussions by members of the Board regarding residents' secondary health insurance.

Mrs. Leonards reported the results of the Long Range Planning Committee's meeting regarding the flats. Financing is still in question. The new stucco and painting are completed. Discussion followed regarding the current rents received from the flats. It

was moved, seconded and carried (White, Leonards) to return the rent to the pre-earthquake amount, now that the repairs have been completed.

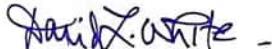
Mrs. Leonards reported on the progress of the computer installation noting that the hardware is some of the best available, and training in the software is in progress in two areas. An electrician is evaluating the networking of the thirteen work stations. The current bid from the electrician is approximately \$8,000. Room 109 is temporarily being used for the Health Center computer.

Mr. Edwards gave an update report on the status of the ground lease negotiations at the Cathedral Hill Hotel. He stated that the recent real estate market deterioration, compounded by the Gulf Crisis and global problems in the financial markets, is rippling down to Van Ness Avenue. Having held various separate meetings with Sammon's representative, Lloyd Hanford, and the Society's hotel consultant, Jay Scott of Laventhal & Horwath, Mr. Edwards recommended that the ground lease not be modified unless it would significantly enhance the Society's position. He said we should not lock the Society into unfavorable terms in a weak real estate market. All negotiations are now on hold while Sammons explores other alternatives.

Mr. White thanked Mr. Edwards for his excellent negotiating skills. He also suggested a lunch for prospective Trustee, Jim Wheary, at The Heritage; invitation to be extended by Bruce Scollin.

There being no further business, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,



David L. White
Secretary
DLW:km

Board of Trustees' Meeting

June 21, 1990

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Henry Howard on June 21, 1990 at 2:00 p.m. Trustees present were Messrs. Edwards, Howard, Noble, Otto, White, and Mesdames Mustacchi and Stark. Mr. Benedict, Administrator, and Ms. Cox, Assistant Administrator, were also present.

Mr. Howard called the meeting to order at 2:10 p.m. and requested consideration of the minutes of March 15, 1990 which had been previously distributed. It was moved, seconded, and carried (Otto, Noble) to approve the minutes.

Mrs. Mustacchi gave the report of the Board of Managers stating that Mrs. von der Lieth has resigned from her position as Treasurer and that the position has been assumed by Mrs. Stark who will also serve as Trustee. The Admissions Committee is working on a new brochure and a plan to recruit new applicants. Managers will speak with their individual ministers and physicians. The Garden Committee is working on a plan to budget usage to stay within water restrictions. Over \$6,000 has been received for the chapel organ fund honoring Mr. and Mrs. Foster and Mrs. Sherman. Advice is being sought regarding the type of organ to be purchased. The Department of Health Services' inspection was very successful and the Board complimented management. Finally, in response to the Trustees' inquiry regarding how many residents are receiving subsidy, Mrs. Mustacchi reported that every resident is receiving some subsidy and several have gone beyond using up their entry fees completely. The average cost of care per resident last year was \$20,406. Discussion followed about the subsidy issue.

In the absence of Mr. Morshead, Chief Financial Officer, a financial report was not presented.

Mr. Benedict presented the Administrator's report stating that the year to date operating expenses show a positive variance and noting that the Long Term Non-routine maintenance projects mandated by the Age and Depreciation Study continue in addition to those projects which became necessary after the earthquake. He reported on the high health center census and the length of time often required between room turnovers in the residence. The challenge of water conservation also continues, and employees and residents are combined in their efforts to curtail usage.

Mr. Howard reported on recent Steering Committee meetings held at The Heritage, elaborating on the type of construction which will account for the cost of \$73,476 for chimney and slate roof repair. Security and efficiency will be increased with the old appearance retained. He praised the plan as a sound and thorough proposal.

Mr. Edwards reported on his discussions with Lloyd Hanford regarding the modernization of the ground lease with Sammons Corporation. The goal is to enhance both the Society's and the Hotel's position. Jay Scott, from Laventhal & Horwath Corporation, has been retained as a special consultant and the next discussion will take place June 26 for further negotiations. Mr. White and Mr. Otto commended Mr. Edwards for his up to date and excellent work.

Mr. Howard reported on a recent meeting with Sandy Barker, architect, regarding the future use of the property adjacent to The Heritage and the current plan to incorporate new suites with the Perry Building. Mr. Howard proposed that an extra session be arranged in 6 to 8 weeks for Sandy Barker to present refined plans to the Trustees. He stated that the Sammons lease negotiations could lead to funds for construction of the incorporated building on the site where the flats stand.

Mr. Howard stated that the plan for computerization of operations of The Heritage began with discussion of use in the Health Center and has evolved into a proposal for other departments as well. The Managers have elected to have the Peat Marwick report reviewed by an independent analyst. A final decision regarding how extensively we will use computers in the operations of The Heritage will be made after receiving the analyst's report. Mr. White pointed out that Stephanie Oakes, Controller, has stated that she will leave The Heritage if the accounting department is computerized, citing the Peat Marwick statement that the operation is adequate without computerization. He requested that the Trustees consider this situation. Mr. Edwards stated that it is the Trustees' obligation to operate with the highest standards of modernization. Mr. Benedict emphasized the extraordinary record of Ms. Oakes during her tenure and the lack of demonstrated need for computerization of the accounting department. After lengthy discussion, Mr. Howard summarized that the principle of the efficiency of internal operations should be the priority and that we will await the results of the current study for the analyst's view. Mr. Otto proposed that Jim Wheary, an audit partner with Price Waterhouse, be invited to become a Trustee. The proposal was moved, seconded and carried (Edwards, Noble) and the decision was made to invite Mr. Wheary to lunch at The Heritage.

There being no further business, the meeting was adjourned at 3:50 p.m.

Respectfully submitted,



David L. White
Secretary

DLW:km

Board of Trustees' Meeting

March 15, 1990

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Henry Howard on March 15, 1990 at 2:00 p.m. Trustees present were Messrs. Edwards, Howard, Morshead, Noble, Otto, Perkins, Sams, White, and Mesdames Avenali, Mustacchi, and Stark. Mr. Benedict, Administrator, and Ms. Cox, Assistant Administrator, were also present.

Mr. Howard called the meeting to order at 2:00 p.m. and requested consideration of the minutes of December 5, 1989, which had been previously distributed. It was moved, seconded, and carried (Noble, Morshead) to approve the minutes.

Mr. Howard reported that there has been no response by Sammons Corporation to the proposal to renegotiate its lease, but that there is a meeting scheduled for March 21, 1990, which Mr. Howard will attend.

Mrs. Avenali gave the report of the Board of Managers in the absence of Mrs. Leonards, President, sadly noting the passing of Board Member Alice Sherman. The garden for which she was responsible looks its best and the back garden project, approved at the last meeting, is underway. Donations received in her memory will go toward the Chapel Organ Fund or toward the garden. The research into computerization is also in progress and the elevator leveling is scheduled for May. The pipe work in the basement has been completed and the efforts toward finding a Ferguson Fund recipient continue. In February a new resident moved in as a special needs candidate with entrance fee waived and monthly fee at \$200. (approved by Finance Committee October 1988). Discussion followed about the importance to the Society of accepting special needs applicants.

Mrs. Mustacchi reported on the Age and Depreciation Study. Options for chimney replacements are still being obtained. Mr. Fred Lee is leaving Plant Bros. and the committee has decided to proceed without the services of a professional construction manager until larger projects begin, perhaps next year. The decision has been made to proceed with cosmetic repairs to the flats with any structural changes deferred.

Mr. Perkins presented the report of the Chief Financial Officer. The unaudited results through the December year end show a bottom line gain of \$314,000 versus a budgeted loss of \$169,000. The February 1990 financial statement shows a bottom line \$25,000 ahead of budget for the first 2 months of the year. The Peat Marwick audit team is due March 26. Mr. Howard announced that Mr. Perkins will not stand for re-election and asked the Board to submit possible candidates to the Nominating Committee as soon as possible.

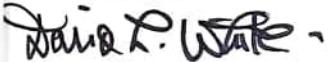
Mr. Benedict presented the Administrator's report, distributing copies of his third report on the implementation of the Age and Depreciation Study. In addition to expenses relating to the flats, Morgan Building elevator, and Morgan Building chimneys, his report also recommended installation of a second emergency generator at \$17,384. The need was demonstrated after the earthquake of October 17. Mr. Benedict also reported that the Health Center census has been running high (28-31) and recommends that if any of the current private patients die, we do not fill the beds with private patients as budgeted.

Mr. Howard stated that the Board will face a challenge when the Society receives increased revenues from the Cathedral Hill lease restructure. Anticipating this, dis-

cussion followed regarding the possible future use of the property where the flats are now located. Possibilities include conversion to units for couples for which Sandy Barker is currently investigating possibility of permits. The impact of such a plan on the dining room and Health Center was discussed, and Mr. Howard asked the Board to continue to think of options for the future.

There being no further business, the meeting was adjourned at 3:40 p.m.

Respectfully submitted,



David L. White
Secretary

DLW:km

BOARD OF TRUSTEES' MEETING

December 5, 1989

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage on December 5, 1989 at 2:30 p.m. Trustees present were Messrs. Edwards, Howard, Morshead, Noble, Otto, Perkins, Sams, White, and Mesdames Avenali, Leonards, Mustacchi, and Stark. Mr. Benedict, Administrator, and Ms. Cox, Assistant Administrator, and Mr. Fred Lee of Plant Brothers Corporation were also present.

Mr. Howard called the meeting to order at 2:35 and requested consideration of the minutes of September 21, 1989, which had been previously distributed. It was moved, seconded and carried (Noble, Perkins) to approve the minutes. Mr. Howard introduced Mr. Fred Lee of Plant Brothers Corporation who coordinated the chimney removal project at The Heritage after the earthquake of October 17. Mr. Lee was approved as project manager for implementation of the Age and Depreciation Study. Mr. Benedict presented a report on the impact of the earthquake at The Heritage and stated that a seismic study by Mr. Fred Willsea of Wiss, Janney, Elstner Associates, is underway. Mr. Morshead explained that the proposal for necessary reinforcement will measure improvements for safety rather than the percent of code requirements met. Mr. Howard added that the cost of reconstruction of the chimney will depend on the type and appearance desired. He suggested that a committee of Managers and Trustees be formed to follow up on the seismic study and chimney replacement. The committee members appointed are: Howard, Morshead, Leonards and Mustacchi. Mr. Benedict distributed a written report on implementation of the Age and Depreciation Study, noting that all electrical projects by Delta Electric Co. have been completed.

Mr. Perkins presented the report of the Chief Financial Officer. The bottom line for the first 10 months of 1989 shows a gain of \$338,000 versus a budgeted loss of \$141,000. Thus, The Heritage is \$479,000 better than budget through October 31, 1989. It was pointed out, however, that this was the result of a major gift from Mrs. Ferguson and her late mother, Mrs. Lucile Poetz.

Mrs. Leonards presented the Report of the Board of Managers, first expressing thanks to Mr. and Mrs. Benedict for the many hours of dedicated service that they gave to The Heritage during the earthquake disaster. She reported that a bequest of \$10,000 to the Employees' Appreciation Fund was received from the estate of Olga Baxt. She commended the nursing staff in the Health Center for outstanding patient care, exemplified by the absence of decubiti. There was discussion about whether to proceed with Phase III of the garden project in view of unexpected earthquake related expenses and general encouragement from the Trustees was given to proceed. Further discussion regarding another proposed expense, Health Center computerization, resulted in a motion to approve \$25,000 (or \$7,000 per year if financed) for the project (Otto) which was seconded (Morshead) and unanimously carried.

Mrs. Mustacchi reported on the operating budget, presenting the request for a 3% increase in monthly care and entrance fees effective July 1, 1990. Discussion followed regarding the proposed increase in private patient rates, and it was unanimously agreed that effective immediately the daily rate for new private Health Center patients should increase by \$10. Salary increase proposal of 5% for 1990

and increased allocation for continuing education costs were also recommended. The Operating Budget was approved (Otto, Edwards). The Capital and Long Term Non Routine Maintenance Budgets were approved (Howard, White) subject to adjustments.

Mr. Morshead suggested that earthquake insurance for The Heritage be considered. After discussion, it was agreed that the issue be deferred until after the results are obtained from the seismic study.

Mr. Howard reported that the Sammons Corporation will submit a proposal to modify the lease on the Van Ness property and that Messrs. Howard, White, Edwards, Morshead, and Perkins will report to the Trustees at the next meeting.

There being no further business, the meeting was adjourned at 4:05 p.m.

Respectfully submitted,



David L. White
Secretary

DLW:km

BOARD OF TRUSTEES' MEETING

September 21, 1989

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Henry Howard on September 21, 1989 at 2:00 p.m. Trustees present were Messers. Bennington, Edwards, Howard, Noble, Otto, Perkins and White, and Mrs. Mustacchi. Mr. Benedict, Administrator, Ms. Long, outgoing Assistant Administrator, and Ms. Cox, incoming Assistant Administrator, were also present.

Mr. Howard called the meeting to order at 2:08 p.m. and requested consideration of the minutes of June 29, 1989 which had been previously distributed. It was moved, seconded and carried (Mr. Noble, Mr. Perkins) to approve the minutes.

Mr. Howard bid farewell to Marla Long and offered the appreciation of the Society for her skillful handling of her duties during the past ten years. Mr. Howard welcomed Barbara Cox into the capacity of Assistant Administrator.

Mr. Benedict presented the Administrator's Report. He reported that Marla Long has accepted the position of Administrator of Aldersly Danish Home in San Rafael and that effective September 25, Barbara Cox will become the Assistant Administrator of The Heritage, retaining her role as Director of Resident Accommodations and assuming additional supervisory administrative functions. Kaye Moore, weekend receptionist, will become General Secretary and will do the secretarial-clerical work that was Marla's responsibility and will relieve Barbara of similar work pertaining to Housekeeping and Admissions.

He noted the upcoming celebration of Mrs. Everett Foster's centennial birthday and her plans to play the piano herself at her 100th party. He updated the Trustees on the census in the Health Center, noting that it has been kept up because recent deaths have been from the Residence (6 of 9) and only 3 from the Health Center. Private patients are now at 4. The implementation of the Age and Depreciation Study is well underway. The plumbing project began August 21. The resodding of the lawns is being completed today. He praised Roberta Helms, Director of Nursing Services, for her staffing in the face of an acute shortage of licensed nurses. The Quarterly meeting was held September 20 and was a thoroughly professional and lively interchange. It was highly productive and stimulated discussion on Bioethics and the Medicare catastrophic care situation. He noted the current case of one of our residents who was in intensive care at Presbyterian Hospital for three months and that the cost was almost fully covered by Medicare because of the catastrophic care law then in effect.

The public nutrition program is doing well. The cost per meal last month was \$2.70. It will probably slip into the red when salary increases go into effect at the beginning of the year.

Mr. Perkins presented the report of the Chief Financial Officer. He reported on the results through August 31, 1989. The August Financial Statements show a bottom line gain of \$334,000 versus a budgeted loss of \$112,000. Thus, The Heritage is running \$447,000 better than budget for 8 months of the 1989 year.

In the absence of Mrs. Leonards, Mrs. Mustacchi presented the report of the Board of Managers. The garden renovation is proceeding well under Mrs. Sherman's leadership.

The grass is being replaced in front, by the cottage and in the Julia Porter Garden, and a sprinkler system has been installed.

The Board of Managers is planning to retrieve Heritage records currently being stored at The California Historical Society due to the uncertain future of the Society. Discussion is planned to arrange suitable transfer and storage of the records. The House Committee requests funding for the purchase of 110 new dining room chairs. The Finance Committee suggests that \$35,000 be approved, possibly as a part of the Age and Depreciation Study. The recommended chairs are arm chairs with casters. It was moved, seconded and carried (Otto, Bennington) to approve the funds for the purchase of chairs at \$35,000.

Mr. Howard reported on the Age and Depreciation Study which outlines substantial costs over the next 20 years. The urgent aspects are to be carried out promptly. For the long term responsibility of supervising the project, the Long Range Planning Committee will form a well defined recommendation for hiring an independent general contractor.

Mr. Benedict reported on the current status of the initial 1989 Phase and recommended that the 1958 and 1963 roofs be replaced first, stating that there is leeway for the slate work on the Morgan roof. Mr. Howard said that he is pleased with the implementation of the study to date. Mr. Otto stated that all that has been done so far has been exemplary. Mr. Howard suggested that the focus of the next quarterly meeting be on how the Board can organize itself most efficiently to move ahead with the Age and Depreciation Study.

There being no further business, the meeting was adjourned at 3:20 p.m.

Respectfully submitted,



David L. White
Secretary

DLW:km

Board of Trustees Meeting

June 29, 1989

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Henry Howard on June 29, 1989 at 2:00 p.m. Trustees present were Messrs. Bennington, Edwards, Howard, Morshead, Noble, Otto, Perkins, Scollin and White, and Mesdames Avenali, Leonards, Mustacchi and Stark. Mrs. Abbott III, Co-Chairman of the Long Range Planning Committee of the Board of Managers, Mr. Benedict, Administrator, and Ms. Long, Assistant Administrator were also present.

Mr. Howard called the meeting to order at 2:15 p.m. and requested consideration of the minutes of March 23, 1989 which had been previously distributed. It was unanimously voted to approve the minutes.

Mr. Benedict presented the Administrator's Report. He expressed appreciation to Ms. Long and staff at The Heritage for their management of operations during his recent leave of absence. He updated the Trustees on the status of the Health Center census stating that with a census of 24, we are now in the position to accept a new private patient. Overall census is good although there are some vacancies. The new in-house policy has made for more changes. The G.F.I./Smoke Detector/Light Fixture replacement project which had been approved in the budget for the Perry Building nears completion. The new chairs and privacy curtains for the Health Center have arrived and add a lot to the beauty of the rooms. He reported that there is an ongoing problem with leakage of the waste water pipes in the kitchen. Their replacement is eminent. With water rationing ended, the Garden Committee of the Board of Managers is working with Kikuchi Associates, landscape architects, in planning for the replacement of the Julia Porter Garden lawn and the front lawn. Two key staff position changes have taken place. Long time Assistant Activities Director, Ms. Nancy Garfield has resigned. Ms. Ann Meissner is now filling that position. Our new Food Service Director is Mr. Frank Wells. Final approval was given by Board Insurance Consultant, Mr. Scollin, for a change in coverage from Hartford to Cigna. Results of our recent survey by the Department of Social Services show substantial compliance with the regulations. However, the license evaluator did request that our Housekeeping Department staff be fingerprinted for criminal record clearance and that key department heads, security and personal floor aide receive standard first aid training. In closing, he reported that the new Self Help for the Elderly Public Nutrition Contract has been negotiated for \$2.70 per meal. This contract runs from July 1, 1989 through June 30, 1990.

Mr. Perkins presented the report of the Chief Financial Officer. He reported on the results through May 31, 1989. He apologized for not being able to attend the annual meeting of the Society on May 4, 1989 and thanked Mr. Morshead for presenting the report of the Chief Financial Officer on that day. He also thanked Mr. Otto for his competent handling of our bond portfolio in such a manner that maturity dates are staggered to come due yearly.

Mrs. Leonards presented the report of the Board of Managers. She was particularly pleased to report on our now established relationship with the U.C. School of Nursing. Their recent placement of a graduate gerontological nursing student for internship in our Health Center was very successful.

Mrs. Abbott, Co-Chairman of the Long Range Planning Committee, presented the June 29, 1989 Executive Summary of the Age and Depreciation Study which was prepared by Barker Associates. A projected cost matrix was included which prioritizes areas of work into four columns as follows: 1) Immediate 1989; 2) 5 years; 3) 10 years; and 4) 15 years. Mr. Morshead pointed out that we have 6 months left for budgeting purposes in 1989. The spread sheet of 15 years averages approximately \$150,000 in annual expenditures. This year's Capital Budget was approved at \$59,000. It was recommended

that \$21,000 of these expenditures be deferred at this time. Thus the remaining Capital Budget items added to \$83,000 in age and depreciation project costs would bring us to a total of \$121,000 for 1989 compared to the estimated \$150,000. After discussion, it was moved, seconded and carried (Mr. Otto, Mr. Morshead) that the first column of the study be approved for action in 1989 and that \$21,000 as outlined be removed forthwith from the Capital Budget. The Board recommended that quarterly progress reports be made by Mr. Benedict and the Long Range Planning Committee specifically documenting work completed to date.

Mr. White, Director of Real Estate, recommended that the rents on the Francisco Street flats be raised the maximum amount allowed by the San Francisco Rent Control Board - 4% - effective August 1, 1989 to recover increasing utility costs. It was moved, seconded and carried (Mr. Noble, Mr. Perkins) that this recommendation be implemented.

There being no further business the meeting was adjourned at 3:17 p.m.

Respectfully submitted,



David L. White
Secretary

DLW:ml

BOARD OF TRUSTEES MEETING

March 23, 1989

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Henry Howard on March 23, 1989 at 2:30 p.m. Trustees present were Messrs. Edwards, Howard, Morshead, Perkins, Sams, Scollin and White, and Mesdames Abbott, Avenali, Leonards and Mustacchi. Mr. Benedict, Administrator, Ms. Long, Assistant Administrator, and Mr. A. "Sandy" Barker of Barker Associates were also present.

Mr. Howard called the meeting to order at 2:35 p.m. and requested consideration of the minutes of December 8, 1988, which had been previously distributed. It was moved, seconded and carried (Mr. Perkins, Mrs. Leonards) to approve the minutes with the following correction: On the second page, last paragraph, sentences 5 and 6 should be changed to read "After discussion it was agreed to retain architects Barker and Associates for \$8,900 in line with the long range planning proposal to include discussion of a possible seismic study."

Mr. Benedict presented the Administrator's Report. He reported that the auditors, Peat Marwick, have been at work on our annual audit. The annual report for Welfare Exemption has been filed. A project in the Perry Building will begin in the near future to include installation of ground-fault interrupter outlets in resident bathrooms, and installation of smoke detectors and new light fixtures in resident main rooms. Residents have been very good about following water rationing procedures and to date we have received no excess water usage penalties. He commended Roberta Helms, Director of Nursing Services, for encouraging good team spirit among our Health Center staff. This has kept the use of the registry down. The census has been high with an average of 30 but patient care has remained excellent. Mr. Benedict announced that Ron Duey, our Food Services Director, has resigned. The new manager is Mr. Frank Wells. Our overall resident census hit 117, very high for us. As a result, our waiting list is much reduced. In closing, he mentioned that a very beautiful wood statue was donated to the Health Center by one of our residents, Mrs. Olga Baxt.

Mrs. Leonards presented the Report of the Board of Managers. Effective July 1, 1989, residents' rates have been increased 3%. Incoming residents will pay as follows:

Single: Entrance Fee - \$41,200
Monthly Fee - \$ 834

Couple: Entrance Fee - \$72,100
Monthly Fee - \$ 1,600

It was moved, seconded and carried (Mr. Morshead, Mr. Otto) to approve the rates as presented.

She requested consideration of budgeting a fund for special financial needs applicants for residency at The Heritage. After discussion, it was determined that this is not possible to do because our long range financial projections are adjusted annually and it would be impossible to predict ahead of time the percentage to allot for subsidization. In conclusion, Mr. Howard, Chairman, reaffirmed for all our long term policy and history of charitable work both within The Heritage and the San Francisco community.

Mr. Perkins presented the report of the Chief Financial Officer. The December Heritage financial statements show a gain of \$484,000 versus a budgeted loss of \$162,000. Thus, on the bottom line, The Heritage finished the year \$646,000 better than budgeted.

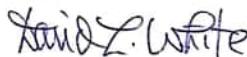
Mr. White reported on the Reno property. At the March meeting the Board requested that a letter be written to The Limited to determine what their long term intentions are as a first step in our attempt to possibly sell or release the property at current rent. In response to the letter, The Limited informed Mr. White that they are making a profit from the store and expect to stay the length of the lease.

Mr. Howard reported that in January, 1989, the Sammons Corporation did approach us with a second proposal for the sale of the land under the Cathedral Hill Hotel. The Board of Trustees were polled and the decision was made that the sale of the property was not in the best interests of the Society.

Mr. A. "Sandy" Barker gave a presentation on the Age and Depreciation Study which he is currently engaged in preparing for The Heritage. A final report should be ready for discussion at the next Board of Trustees' meeting. An Overseeing Committee for matters requiring immediate attention was formed. Mr. Morshead will chair this committee to include Mrs. Mustacchi and Mrs. Abbott.

There being no further business, the meeting was adjourned at 4:25 p.m.

Respectfully submitted,



David L. White
Secretary

DLW:ml

BOARD OF TRUSTEES MEETING

December 8, 1988

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Henry Howard on December 8, 1988 at 2:30 p.m. Trustees present were Messrs. Bennington, Edwards, Howard, Matthews, Noble, Otto, Perkins, and White and Mesdames Abbott, Avenali and Mustacchi. Mr. Benedict, Administrator, and Ms. Long, Assistant Administrator, were also present.

Mr. Howard called the meeting to order at 2:35 p.m. and requested consideration of the minutes of September 15, 1988 which had been previously distributed. It was moved, seconded and carried (Dr. Bennington, Mr. Noble) to approve the minutes with the following correction: On the first page, fourth paragraph, last sentence, the word "lower" should be changed to "cover."

Mr. Benedict presented the Administrator's Report. He commended Stephanie Oakes, Controller, for her work on the 1989 Budget. He also congratulated the Long Range Planning Committee of the Board of Managers for laying the groundwork for a potential age and depreciation study of The Heritage by Mr. Sandy Barker, architect. He stated that we have "found a winner" in Ms. Roberta Helms, RN, GNF, our Director of Nursing Services who began work in our Health Center a little over one year ago. The recent Health Center quarterly meeting which is attended by staff, relevant consultants, Dr. Henderson and the Chairman of the Health Center Committee of the Board of Managers was referred to as being very professional and, as a group, members being very pleased with the big accomplishment of the renovation project. The census continues fairly high in the Health Center. The average age of the residents is 86.5 a consistent figure for many years. Mr. Benedict reported that there was a recent serious problem with the Morgan building boiler. It cost close to \$3,000 to retube the boiler. Some of the old parts are being saved to show Mr. Barker. There also was a breakdown in the drain in one of the department head offices which caused flooding. The drought continues to worry us all, however, The Heritage has managed to stay within their water allotment. This year has gone very well with the Self Help for the Elderly program. Our fiscal year ends in January theirs in June. We plan to increase the salaries of the Chinatown staff which will cause costs to go up. It is in our best interest to maintain a positive balance. Mr. Benedict informed the Trustees that we are now having quarterly fire drills. The next will be in February and include the residents. He has received the latest CAHA wage and benefits survey. It is too late to help with the 1989 Budget but should be of interest to the Board to look at. In closing, he urged Board members to attend the Residents' Christmas party on December 20th from 6:00 - 8:00. Mr. Edwards remarked in response to the earlier statement regarding the initiation of an age and depreciation study that he was concerned about the possible presence of asbestos in The Heritage building complex. Mr. Benedict stated that according to Mr. Barker, there is asbestos present, mostly in the Perry Building storeroom, but it has been thoroughly and carefully encapsulated and does not pose a threat to residents or staff.

Mr. Perkins presented the report of the Chief Financial Officer. He reported on the financial results through October 31, 1988. A gain of \$438,000 versus a budgeted loss of \$135,000 is shown. On the bottom line we are running \$574,000 better than budget. The ten month results show a gain on sales of securities of \$440,000 on 3 stocks which were commented on at the September meeting. Donations and Bequests also exceed the budget by \$103,000 with two large donations equaling \$101,000 of this amount. Operating Revenues are ahead of budget by \$20,000. Accommodation fees are ahead of budget by \$32,000 primarily due to the unamortized balances of residents who died in July. Subsidy claims are behind budget by \$17,000. However, in November, the Heritage received a claim which had been pending against the estate of Irene Dulaney for \$38,000. Operating expenses are behind budget by \$1,000 for the first 10 months.

Salaries and Benefits are running \$27,000 in excess of budget due to Health Center overtime, the addition of security guard hours, and an extra employee which was asked for in order to monitor a problem patient in the Health Center. Mr. Perkins reported that Fees are \$7,000 over budget noting that the Audit Fee was charged to expense in May when it was paid but is being spread over 12 months for budget purposes. Insurance Expense is running \$12,000 less than budgeted. Other operating expenses running less than budget are Repairs and Maintenance at \$6,000, Utilities at \$7,000 and House and Garden Committees at \$4,000. Dividends and Interest are ahead of budget by \$10,000. In closing, Mr. Perkins commented on the Long Range Projections stating that they have been rerun by Peat Marwick based on several revised assumptions. These long range projections show that The Heritage will have sufficient assets and income to meet obligations to residents through the year 1995.

Mrs. Mustacchi stated that she did not have a formal report of the Board of Managers to present. The 1989 Budget and Long Range Planning report will be covered later in the meeting.

Mr. White reported on the status of the investigation of the Reno property. At our last meeting it was agreed that Mr. White would go to Reno to inspect the property and obtain up-to-date information on comparable sales and rents. The necessity of this visit was precluded by the availability of this information through the Coldwell Banker Reno office. The assessor's office 1989 fair market value of the property is \$956,000, somewhat less than Coldwell Banker's rough valuation. As noted at the September Board meeting, the current rental value is substantially in excess of the present income, coupled with the fact that The Limited has allowed the store to run down. The property is worth substantially less with the current lease in force. Although the overall market in Reno is not too strong, it does seem advisable to explore a cancellation of The Limited lease and then either sell or release the property at current rent. After discussion, it was agreed that an initial cautious step in the form of a letter would be made by Mr. White to The Limited to determine what their intentions are and then report back to the Board for action. It was moved, seconded and carried (Mr. Noble, Mr. Otto) to approve this action.

In reference to a meeting that was held with representatives of the Sammons Group on Friday, October 28, 1988 with David White and Henry Howard present, Mr. White stated that he has heard nothing further from the Sammons Group regarding the possible sale of the land under the Cathedral Hill Hotel. The October 28th meeting was cordial and the Society made its position clear at the time that we are happy with our investment in the property and that there was no affirmative interest in the Society selling it, however, if a proposal were forthcoming that would substantially enhance the position of the Society it would be carefully examined by the Board of Trustees. Mr. White noted that he has been asked twice in the last six months by other interested parties if we would be willing to sell the property.

Mrs. Mustacchi presented the 1988 Operating Expense Budget of \$2,418,281 and the 1989 Capital Expense Budget of \$59,325 for approval. Mrs. Abbott made a special presentation regarding the budgeting of \$10,000 for a long range planning study to be done by Barker & Associates. The purpose of this study is to determine what if any major repairs will be necessary over the next ten years and therefore make it possible to anticipate and provide for budget requests to cover repairs and maintenance. The Trustees asked that the study also address seismic exposure risk.

*After discussion it was agreed to retain architects Barker & Associates for \$10,000 in line with the long range planning proposal to include a seismic study. After the study is completed the Trustees will evaluate and decide whether to continue our relationship. The study is to be coordinated with Mr. Benedict. It was moved, seconded, and carried (Mr. Noble, Mr. Matthews) to accept the aforementioned motion. After discussion, it was moved, seconded and carried (Dr. Bennington, Mr. Noble) to accept the 1989 Operating Expense and Capital Expense budgets as presented.

or minutes of March 23, 1989 change to "After discussion it was agreed to retain architects Barker & Associates for \$8,900 in line with the long range planning proposal to include a possible seismic study."

Dr. Bennington expressed his appreciation to the Board and staff for the care given to his mother, Mrs. Neville Bennington, during her stay as a private patient in The Heritage Health Center.

There being no further business, the meeting was adjourned at 4:34 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary

ELW:ml

BOARD OF TRUSTEES MEETING

September 15, 1988

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. George Otto on September 15, 1988 at 2:00 p.m. Trustees present were Messrs. Edwards, Howard, Noble, Otto, Perkins, Scollin and White and Mesdames Avenali, and Mustacchi. Mr. Benedict, Administrator, and Ms. Long, Assistant Administrator, were also present.

Mr. Howard called the meeting to order at 2:05 p.m. and requested consideration of the minutes of June 20, 1988 which had been previously distributed. It was moved, seconded and carried unanimously to approve the minutes with the following correction: In the first paragraph Mr. Noble's name is incorrectly spelled.

Mr. Benedict presented the Administrator's Report. He reported that The Heritage is represented in the new book, Julia Morgan Architect, by Sara Homes Boutelle. After this he commented on the C.A.H.A. Golden Gate Region meeting which was held in the Heritage Health Center Friendship Room on August 30. Mr. A.W. "Sandy" Barker, original architect for our Health Center renovation project, was the guest speaker. His topic was "Strategic Planning: Age and Depreciation Studies." Copies of his handouts from the meeting are available. Since the last meeting the new Health Center beds, bed stands and over-bed tables have been delivered. Continuing, Mr. Benedict stated that Mrs. Sherman's Garden Project has been caught in the middle of the drought. Phase I has been completed. Due to the drought and age of the back and front lawns, the landscape architect has advised that we cease to water the lawns at this time. Overall we are very close to our allotted amount of water for The Heritage. One of our meters shows a little over, the other is under, with an overall rating below allotment. In terms of fire safety, he reported that there are now regularly scheduled fire drills at The Heritage on a quarterly basis. A new security door has been put in at the front entrance to The Heritage. This has been well received. He reported that a bequest of \$67,000 was received from the estate of Edith Cox in July of this year. In closing, Mr. Benedict stated that we are now billing the Chinatown Program meals at the consistent price of \$2.50 per meal. Mr. & Mrs. Theodore Eliot attended the recent Self Help for the Elderly fundraiser representing the San Francisco Ladies' Protection and Relief Society.

Mr. Perkins presented the report of the Chief Financial Officer. He reported that the July Heritage Financial statements show a gain of \$458,000 versus a budgeted loss of \$95,000. Thus on the bottom line we are running \$553,000 better than budget. The year to date results include gains on sales of securities of \$440,000 and donations and bequests of \$103,000. If these two items were excluded we would still be \$27,000 better than budget on the bottom line. Operating Revenues are ahead of budget by \$15,000. The most significant items are accommodation fees, which are ahead by \$27,000 due to unamortized balances of residents who died in July. Subsidy claims are behind by \$12,000. Operating Expenses are ahead of budget by only \$500. Salaries and Vacation are running \$17,000 in excess of budget due in good part to the Health Center which is running overtime in order to care for a problem patient who is permanently in their care. Fees General are \$7,000 over budget due to the audit fee of \$17,000 which will be spread over 12 months for budget purposes. Dividends and Interest are ahead of budget by \$10,000 possibly due to budget time phasing which may correct itself by the end of the 3rd quarter. In closing, Mr. Perkins reported on the status of the Long Range Projections. He and Mr. Morshed recently revised the assumptions and a run has been made by Peat Marwick who will be mailing the results to us shortly. The purpose of the long range projections is to determine whether our endowment will lower the cost of living of our residents over their assumed life spans.

Mrs. Mustacchi presented the report of the Board of Managers. She commented that Mr. Barker's presentation on age and depreciation studies was attended by 248

several Board of Managers members who found the information very relevant to The Heritage at this time. The Long Range Planning Committee will be meeting soon to begin to address the need for strategic planning in order to evaluate the status of the Heritage plant and prioritize long term maintenance. She stated that the Garden Committee has finished Phase I of their project and are looking toward future phases the first of which should be renovation of the Julia Porter Garden. Mrs. Mustacchi recently had lunch with Roberta Helms, Director of Nursing at The Heritage, Ms. Helen Ripple, Director of Nursing at U.C.S.F. Hospital, and her geriatric nurse specialist. These guests were given a tour of The Heritage. Mrs. Mustacchi announced that the 135th anniversary celebration of the San Francisco Ladies' Protection and Relief Society will take place on October 25th. This will be a family celebration after the monthly Board of Managers meeting. There will be dessert and coffee with our talented new resident, John Creighton Murray, giving a violin concert at lunch. Advisory Council members will be in attendance and the Board of Trustees are invited.

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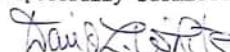
Mr. White, Real Estate Director, drew attention to our last meeting where he reported being contacted by our lessee of the Van Ness Avenue property regarding proposed modification of the appraisal clause of the lease prior to the next reappraisal in 1997. As directed, Mr. White spoke to Mr. Korba, president of the Sammons Group, the owners of the Cathedral Hill Hotel in San Francisco, and relayed the wishes of the Trustees that no revision be made at present. Notwithstanding, Mr. Korba expressed his desire to meet with the Society, stating that such an interchange between landlord and tenant could be productive for both parties. Mr. White feels that we should grant this request by having 2 or 3 members of the Board of Trustees meet with Mr. Korba. These Board representatives could then make recommendations to the Board of Trustees at their next meeting based on what if anything transpires at the meeting. It was agreed that Mr. Howard and Mr. White would represent the Society in the proposed meeting with the Sammons Group.

Mr. White reported to the Board on the status of our Reno property. This is a fine piece of real estate which was originally purchased in 1948 as an investment for \$400,000. It has a 50 year lease to April 30, 1999 at a fixed annual rent of \$22,000. This lease was originally held by Lerners Stores which have since sold out to Limited Stores Incorporated. Mr. White has contacted their Real Estate manager in Columbus, Ohio regarding what the future plans are for the store but received no reply. Because the current rental value is substantially in excess of the present income coupled with the fact that The Limited has let the store run down Mr. White believes we should explore the possibility of working out a cancellation of the lease. He offered to go to Reno to inspect the property and obtain up-to-date information on comparable sales and rents. After reporting to the Board, a course of action can be developed and contact made with the tenant's headquarters. After discussion, it was moved, seconded and carried (Mr. Otto, Mr. Noble) to approve this plan.

Membership on the 1989 Budget Committee was confirmed. Mr. Perkins, Mr. Howard, Mr. Morshead, Mrs. Leonards and Mrs. Mustacchi will join Mr. Benedict and Stephanie Oakes, Controller, at a meeting on November 4 at The Heritage to review the first draft of the budget. A meeting notice will be sent advising of time of the meeting.

There being no further business, the meeting was adjourned at 3:00 p.m.

Respectfully submitted,



Mr. David L. White
Secretary

DLW:ml

BOARD OF TRUSTEES MEETING

June 30, 1988

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A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. George Otto on June 30, 1988 at 2:00 p.m. Trustees present were Messrs. Bennington, Howard, Morshead, Otto, Noble,* Perkins, Sams, and White and Mesdames Leonards and Mustacchi. Mr. Benedict, Administrator, and Ms. Long, Assistant Administrator, were also present.

Mr. Howard called the meeting to order at 2:00 p.m. and requested consideration of the minutes of March 31, 1988 which had been previously distributed. It was moved, seconded and carried (Mr. White, Mr. Nobel) to approve the minutes.

Mr. Benedict presented the Administrator's Report. He reported that the Activities Room floor in the Health Center was replaced with all work being completed on May 6. The floor was approved and two invoices received from the contractor, one for materials for the new floor at \$7,200 and the other for \$16,635, the retention held until the floor was completed. These were paid in May to Reliance United Pacific Surety Managers, the bonding company. The total expenses for the Renovation Project are \$1,091,086. This is \$8,914 under budget. Mr. Benedict informed the Board that there is a need for additional security guard hours in order to cover the time from 3:30 - 5:30 a.m. when The Heritage is most vulnerable to the effects of a disaster due to lower staffing. He proposed that the existing security shifts be increased from 8 to 10 hours a night. This would cost \$5,265 if put into effect on July 1 continuing through the end of the year. It was unanimously approved to accept this proposal. Mr. Benedict continued, reporting on the status of the Self Help for the Elderly meal program. During the fiscal year ending June 30, we were compelled to bill meals at the contractual agreed upon charges of \$2.60 and \$3.00. Self Help had taken measures to increase clientele, which brought our actual meal costs down leaving a positive balance of \$10,350 as of May 31. For the new contract which began July 1st, we bid \$2.50 per meal and have reduced our costs, eliminating one worker and simplifying the menu. We propose to reduce the existing balance of funds by purchasing some needed items for the Mei Lun Yuen kitchen including shelving, sheet and steam pans, a double cook and hold oven and sealing the wall with stainless steel.

Mr. Perkins presented the report of the Chief Financial Officer. He reported that the May Financial statement shows a bottom line figure of \$60,000 better than budget. These results include a \$99,000 gain on the sale of Ingersoll Rand stock. If this were excluded we would be running behind budget by approximately \$23,000. The operating revenues are behind budget by \$12,000 with the most significant items Private Patient Fees and Subsidy Claims which are running behind the amounts budgeted for. The operating expenses before depreciation are running over budget by approximately \$5,000. The major variances are Salaries and Vacations, which is primarily due to Health Center overruns because of the extra staffing needed for a problem patient. The general fees are over budget due to the audit fee which was charged to expenses when paid and spread over 12 months for budget purposes. Other Income & Expenses are running better than budget by \$71,000. The variances are Dividends and Interest which are behind by \$16,000, which should partially convert itself when June bond interest payments are received, and Donations and Bequests which are behind budget by \$11,000. Mr. Perkins closed by updating the Board on the status of the Long Range Projections. He and Mr. Morshead reviewed the assumptions recently in preparation for a new projection run to be made by Peat Marwick.

Mrs. Leonards presented the report of the Board of Managers. She stated that we have received the 32 new Serta mattresses for the Health Center. Ms. Applegarth, Chairman of the Health Care Committee of the Board of Managers, contacted St. Anthony's who were pleased to make use of our old mattresses and removed them for us. She reported that the U.C. School of Gerontology has been contacted about the possibility of using The Heritage as an educational site for their nurse training. She stated

* Per Correction noted : N 9/15/88 Minutes

that we continue to seek candidates for the Ferguson Fund with the new chairman of the committee, Mrs. Reinecke, making contacts for referrals in Marin.

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New Business began with Mr. Benedict presenting the history of a Health Center patient who is currently requiring greater care due to his disruptive behavior. We have the option to relocate this patient to a facility which will provide more care, which is costly, or to provide more care for him at The Heritage. Mr. Benedict recommends the hiring of an additional night aide and to bear the cost - pro tem. This would cost The Heritage \$24,186 per year which is less than the cost of relocation to another facility. The Board of Managers has approved this solution. It was moved, seconded and carried (Mr. Morshead, Mr. Otto) to approve the hiring of an extra aide.

Mrs. Mustacchi presented the recommendation of the Board of Managers that the monthly care fee charged to incoming residents be raised. A 2.5% increase was made as of July 1, 1988 for current residents of The Heritage, raising monthly fees in some cases above those of incoming residents. The Finance Committee of the Board of Managers would like to raise the monthly fee for incoming residents to \$810. After discussion, it was agreed that no action would be taken by the Trustees on this recommendation. It was referred to the Board of Managers for final decision.

Mr. White reported that we currently have a vacancy on the Board of Trustees. He recommended the nomination of Mr. Andrew W. Edwards, who has a real estate background. After discussion, it was moved, seconded and carried (Mr. Morshead, Mr. Otto) to elect Mr. Edwards to the Board of Trustees.

Mr. White reported the results of his contact by telephone with the lessee of the land under the Cathedral Hill Hotel in regard to the proposed modification of the appraisal clause of the lease prior to the next reappraisal in 1997. The appraisers last year expressed the opinion that the lease as originally written was obsolete in view of changed conditions in the real estate market. The Board discussed the situation and decided that no revision was justified for the present.

Mr. Otto, Investment Chairman, reported his recommendation to sell 7,200 shares of Borden at \$51.00, 1088 shares of Cypress Minerals at \$31-1/8, and 10 shares of IMO Delaval, Inc. at \$21-1/8 for a total of \$400,000. Proceeds to be reinvested in U.S. Treasury bonds which will be staggered to mature in September 1989, November 1990, December 1991, July 1994, and January 1995.

There being no further business, the meeting was adjourned at 3:13 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary

DLW:ml

Board of Trustees
Special Meeting
July 18, 1988

Special
An ~~emergency~~ meeting of the Board of Trustees was called by Chairman, Henry W. Howard, on July 13, 1988. The purpose of the meeting was to authorize Edward J. Benedict, Administrator, to sign for the Trustees documents required for the sale of property in Carmel, California. This property was bequeathed in part to The Heritage, according to the will of the late Edith C. Cox. Her will provided that the Carmel property be distributed as follows: 1/3 each to two surviving grandchildren and 1/12 each to four charitable organizations, one of which is The Heritage.

The final agreement set up all six beneficiaries as sellers of the property to Mr. William R. Hallman, Jr., for the sum of \$1,000,000. It was estimated that \$67,941.57 would accrue to The Heritage when the transaction was completed. The other charitable organizations would each receive a similar amount.

To facilitate submission of required documents to the Chicago Title Company before the closing date, July 18, 1988, Mr. Howard recommended that Mr. Benedict be authorized to sign them on behalf of the Board of Trustees.

The attached resolution was approved by the following Trustees: Messrs. Howard, Otto, Morshead, Perkins, Noble, Scollin and Mesdames Leonards and Mustacchi.

Respectfully submitted,

Henry W. Howard
President
(in the absence of David L. White, Secretary)

HWH:ml



Telephone 567-6900

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY
"The Heritage"
3400 Laguna Street
San Francisco, California 94123

I hereby certify that at a meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society, The Heritage, a corporation organized and existing under the laws of the State of California, held the thirteenth day of July, 1988, at which said meeting a quorum was present, the following resolution was adopted:

Resolved that

Assessors Parcel No. 10-301-10 - All that certain lot, piece or parcel of land situate, lying and being in the City of Carmel-by-the-Sea, County of Monterey, State of California, particularly described as follows, to wit:

BEGINNING at the Northwest Corner of Lot 10, Block A-1, Addition No. 6; thence running northerly along the east line of Scenic Road 40.03 feet to the southwest corner of Lot 8; thence east along the north line of Lot 9, 143.37 feet; thence South 40 feet to the northerly line of Lot 10; thence west 145 feet to the point of beginning;

BEING a portion of Lot 9, Block A-1, Carmel-by-the-Sea, according to "Map of Addition No. 6 of Carmel-by-the-Sea, Monterey County, Cal.", filed February 9, 1910, in the office of the County Recorder of the County of Monterey, State of California, and now on file and of record in said office in Map Book 2, Cities and Towns, at Page 23 therein.

be sold to William R. Hallman, Jr. for the sum of \$1,000,000 and that Edward J. Benedict, Administrator of The Heritage, be authorized to sign any and all documents required to complete the sale of said real property.

I further certify that the authority thereby conferred is not inconsistent with the charter or By-Laws of this Corporation, and that the following is a true and correct list of the officers of this Corporation as of the present date.

Officers: Henry W. Howard, Chairman
Stuart W. Morshead, Vice Chairman
David L. White, Secretary
John S. Perkins, Chief Financial Officer

In witness whereof, I have hereunto set my hand and the seal of said Corporation this thirteenth day of July, 1988.


Chairman

BOARD OF TRUSTEES MEETING

March 31, 1988

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. George Otto on March 31, 1988 at 2:00 p.m. Trustees present were Messrs. Morshead, Noble, Otto, Perkins, Sams and White and Mesdames Abbott, Hall, Leonards and Mustacchi. Mr. Benedict, Administrator, and Ms. Long, Assistant Administrator were also present.

Mr. White called the meeting to order at 2:00 p.m. and requested consideration of the minutes of December 15, 1987 which had been previously distributed. It was moved, seconded and carried (Mr. Otto, Mr. Perkins) to approve the minutes.

Mr. Benedict presented the Administrator's Report. He reported that our new Director of Nursing Services, Roberta Helms, is proving herself a welcome addition to the Heritage staff. He stated that the final payment of \$70,195 for the Health Center Renovation project was sent to the surety company along with the letter which was approved at the December 15 Board of Trustees meeting. The letter was acknowledged on January 5 with assurance regarding the lien releases. The \$15,965 for the Activities Room floor has been retained. We are still in the process of coordinating with Campbell Construction and the floor company to arrange for installation of the new floor. Materials will cost \$7,200. Continuing, he reported that a final decision has been made on the purchase of new Health Center furnishings. The capital budget provided for 32 each of beds, overbed tables, bedside stands and mattresses at a total cost of \$68,000. The Health Care Committee of the Board of Managers, and the Director of Nursing Services have chosen equipment by Joerns Healthcare and Serta at a total cost of \$66,660. Other projects include the vinyl wallpapering of 13 Health Center rooms which were not included in the Health Center Renovation project and the installation of smoke-activated automatic door closers. The closers have been completed and approved by the State Fire Marshall at a cost of \$13,674. We await final approval by OSHPD. The Garden Project has started with the contract for Phase I being signed on March 5, 1988 at a cost of \$28,650. In closing he noted a security incident which took place on March 9 involving an intoxicated man who entered the Heritage. An intercom/buzzer system is now being researched for the front entry area to allow screening of visitors. Finally, he informed the Board of the recent termination of the contract of Kathleen Plant, a probation period resident.

Mr. Perkins presented the report of the Chief Financial Officer. He stated that the auditors have finished work and will furnish their report in two weeks. The December Financial Report shows that we are \$50,000 under budget but this is before audit adjustments plus depreciation of the Health Center Renovation Project, dividend/interest accruals, and accounts payable which should put us almost identical with the budgeted figure.

Mrs. Leonards gave the report of the Board of Managers. She began by presenting the request of the Board of Managers for financial support for a special needs candidate, Mr. John Creighton Murray. This gentleman was originally considered for the Ferguson Fund but did not meet the stated criteria. He can afford a nominal monthly fee. There are no cash assets for an entrance fee. After discussion, it was agreed to accept Mr. Murray as a resident of The Heritage. Mrs. Leonards continued, reporting that Mr. Benedict, Mr. Ron Duey, Director of Food Service at The Heritage, Mrs. Eliot, Chairman of the Public Nutrition Program, and she toured the nutrition site and were impressed with the cleanliness. We are currently in the process of exploring the possibility of our Health Center serving as a demonstration site for graduate nurses from the program at U.C. This would involve a program of onsite study and might potentially help in the staffing of the Health Center. In closing, Mrs. Leonards drew attention to a letter which was recently received from Mr. & Mrs. A. Barlow Ferguson in which they asked us to continue our efforts to utilize the fund until December 1, 1989. After discussion, it was moved, seconded and carried (Mr. Morshead,

Mr. Perkins) that the Board of Trustees accept the extension as embodied in the letter of March 23, 1988.

Mr. Otto, Investment Chairman, stated that he would like to recommend that we sell our entire Ingersol Rand stock holdings reinvesting the proceeds in U.S. treasury bonds. The Board gave its approval.

Mr. White reported to the Board receipt of a letter from Coldwell Banker Real Estate Appraisal Services who represented the Society in the 1987 reappraisal of land under the Cathedral Hill Hotel. It referred to a letter to Coldwell from Lloyd Hanford Jr. & Company, the lessee's appraiser in that proceeding. Both appraisers believe that the appraisal procedure as set forth in the original lease which was negotiated 30 years ago is outmoded and now creates severe appraisal problems in the light of changing conditions in the real estate market. Hanford expressed the opinion that this situation probably would escalate by the time for the next reappraisal in 1987 and recommended that the parties to the lease would find it mutually advantageous to address this problem now. Hanford stated that our lessee was prepared to employ him and suggested that Coldwell approach the Society to do likewise. Hanford set forth preliminary possibilities.

Mr. White advised the Board that he did not recommend going along with Hanford's suggestion to employ Coldwell Banker or any other advisor at this time. Instead he suggested that he would contact the lessee in Dallas by telephone - reporting receipt of the Hanford letter and suggesting the Society will consider any proposed modification of the lease the lessee considers in the best interests of the parties. Mr. White feels that unless some positive incentive to change this vital provision of this leased investment is offered it is preferable to leave the lease as originally written. The Board expressed no objection to this suggestion.

There being no further business, the meeting was adjourned at 3:15 p.m.

Respectfully submitted,

David L. White

Mr. David L. White
President (in the absence of Mr. Bruce L. Scollin, Secretary)

DLW:ml

Board of Trustees Meeting

December 15, 1987

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage on December 15, 1987 at 4:00 p.m. Trustees present were Messrs. Bennington, Howard, Morshead, Noble, Otto, Perkins and White and Mesdames Abbott, Hall, Leonards and Mustacchi. Mr. Benedict, Administrator, and Ms. Long, Assistant Administrator were also present.

Mr. White called the meeting to order at 4:05 p.m. and requested consideration of the minutes of October 21, 1987 which had been previously distributed. It was moved, seconded and carried (Mr. Morshead, Dr. Bennington) to approve the minutes.

Mr. Benedict presented the Administrator's Report. He reported that the issue of final payment to Olson Construction Company has not been fully resolved. Currently \$86,160 is outstanding which equals 10% of construction cost. We currently owe \$70,195 of this figure because \$15,965 will be retained due to the controversy regarding the Activities Room floor. As of the last Trustees meeting our lawyers were involved with the task of sending a letter to the Surety Company accompanied by a check. About this time we heard from the local United Surety Branch which disturbed the lawyers along with the fact that a mechanic's lien was still on record for Progress Glass Company. With this in mind, a final draft of the letter to the Surety Company as advised by our lawyers was distributed to the Trustees for comment. After discussion, it was moved, seconded and carried (Mr. Morshead, Mr. Howard) that subject to changing the amount of money owed at this time to \$70,195, to approve the method of procedure and the recommended letter. Mr. Benedict continued his report stating that we have hired a new Director of Nursing Services, Roberta Helms. The wall covering for the 15 Health Center rooms is in progress as are the door closers to conform to Fire Code at a cost of \$13,674. He gave credit to Mrs. Sherman, Chairman of the Garden Committee of the Board of Managers, for initiating the drainage project and initial stages of courtyard refurbishing. Other equipment for the Health Center is under study. In closing, Mr. Benedict distributed CAHA information on extended protection for Volunteer Directors of Non-profit Corporations and commented on recent legislative successes in the form of SB 1620 and SB 887 which provide clarification of key provisions for life care and SB 185 and SB 50 which provide a new model of resident care for the elderly.

Mr. Perkins presented the report of the Chief Financial Officer. The October Heritage Financial statement shows a loss of \$159,000 versus a budgeted loss of \$214,000. Thus on the bottom line we are running \$55,000 better than budget. Operating revenues are ahead of budget by \$121,000 with the most significant items, accommodation fees which are ahead of budget by \$61,000 and subsidy claims which are ahead of budget by \$63,000. The operating expenses before depreciation are \$94,000 over budget with the major variances being long term maintenance and medical fees. Depreciation is under budget by \$28,000 because the Health Center Renovation project will not be depreciated until the time of the annual audit. Other Income and Expenses are running slightly ahead of budget on the income side due primarily to an increase in donations and bequests. However dividends and interest are down by \$5,000. Giving affect to the depreciation and workmens compensation refund adjustments, Mr. Perkins calculates that we are running about \$45,000 better than budget on the bottom line for the 10 months ended October 31, 1987.

Mrs. Leonards gave the report of the Board of Managers. She stated that we currently have a candidate for the Ferguson Fund. The information regarding this candidate has been submitted to Mrs. Ferguson for consideration. Also the Health Care Committee along with key staff members are investigating new hospital beds for the Health Center.

Mr. White introduced the subject of the 1988 Budget by complimenting those involved in its preparation particularly Mr. Perkins and Stephanie Oakes, Controller. Mr.

Perkins presented the 1988 Operating Expense Budget of \$2,237,450 and the 1988 Capital Expense Budget of \$18,850 for approval. After discussion, it was moved, seconded and carried (Mr. Otto, Mr. Noble) that the budgets be accepted as presented.

Mr. White presented a gift from the Board of Trustees to Mr. Benedict in recognition of his contribution as Project Representative for the Health Center Renovation Project, a job done well above the regular duties as administrator.

There being no further business, the meeting was adjourned at 5:15 p.m.

Respectfully submitted,



David L. White
President (In the absence of Mr. Bruce Scollin, Secretary)

DLW:ml

Board of Trustees Meeting

October 21, 1987

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. George Otto on October 21, 1987 at 2:00 p.m. Trustees present were Messrs. Bennington, Morshead, Noble, Otto, Perkins, Scollin, and White and Mesdames Abbott and Mustacchi. Mr. Benedict, Administrator and Ms. Long, Assistant Administrator were also present.

Mr. White called the meeting to order at 2:07 p.m. and requested consideration of the minutes of July 9, 1987 which had been previously distributed. It was moved, seconded and carried (Mr. Otto, Mr. Perkins) to approve the minutes.

Mr. Benedict presented the Administrator's Report. He updated the Trustees on the status of the final payment to Olson Construction Company. He stated that a total of \$86,160 is still owed to Olson. If \$15,965 is subtracted due to the ongoing controversy regarding the Activities Room floor, a total of \$70,195 could be paid to Olson soon. Olson has not been paid to date because in the process of their selling the business to another firm, two liens were filed against The Heritage due to nonpayment by the contractors. We had been advised to get lien releases from the subcontractors and a guarantee of payment from the new Olson owners. Now the situation is in the hands of the surety company from which we obtained the bond. Our lawyers, Hanson, Bridgett et al have been contacted regarding the advisability of paying the \$70,195 with two conditional liens still against our property. The lawyers initially advise payment based upon both subcontractors submitting conditional lien releases contingent upon payment of fees due. The Trustees agreed that a recordable instrument of record that will remove the liens is important. If the lawyers advise that this is not necessary, a letter stating that payment is acceptable while liens are in progress was requested. Mr. White will contact the new owners of Olson to obtain a letter from them guaranteeing payment of subcontractors. Continuing, Mr. Benedict advised the Trustees that the flooring in the Activities Room is not satisfactory. We are in negotiations with the contractor leading to a satisfactory solution of the problem. In response to a request from Mr. Benedict, it was moved, seconded and carried (Mr. Otto, Mr. Noble) to approve the expenditure of \$15,000 for the painting and wallpapering of the 15 old patient rooms which were not renovated during the Health Center project. It was also moved, seconded and carried (Dr. Bennington, Mr. Morshead) to approve the purchase and installation of automatic door closers at a possible cost of \$7,000. These were mandated by the Fire Marshall. Even though the architects might obtain a waiver for the door closers, the Trustees felt that it was important to have them installed to insure the safety of our patients. Mr. Benedict informed the Trustees that we are currently in the process of interviewing prospects for our new Director of Nursing Services. It looks like the salary range that we are currently paying will need to be augmented to \$38,000 - \$40,000. In closing, he spoke of the very generous donation of Trustee Howard of a 26 inch television screen/entertainment center for use by our residents. It has been very much appreciated.

Mr. Morshead reminded the Trustees of Mr. Benedict's excellent performance as project representative for the Health Center Renovation Project, a duty above his regular responsibilities. The Trustees praised a job well done. Recognition was also given to Mr. Morshead, as president of the Board of Trustees during the time of construction and Mrs. Leonards, Chairman of the Health Center Renovation Committee and current president of the Board of Managers.

Mr. Perkins presented the report of the Chief Financial Officer. The September Heritage financial statement shows a loss of \$154,000 versus a budgeted loss of \$208,000. Thus on the bottom line we are running \$54,000 better than budget.

Operating revenues are ahead of budget with the most significant items, accommodation fees which are ahead of budget due to death of residents where unamortized balances were taken into income, and subsidy claims which are ahead of budget largely due to the death of a resident who named The Heritage beneficiary to a trust. Operating expenses before depreciation were under budget due to the following major variances: 1) long term maintenance resulting from the carpeting and painting projects in the Perry building which were not budgeted for; 2) medical fees due to several surgery cases and medical fees of patients who died; 3) workers compensation refund which is spread over the year for budget purposes but not received until November; and 4) depreciation is under budget because the Health Center Renovation project will not have depreciation adjusted until the time of the annual audit. Other income and expenses are running ahead of budget on the income side primarily due to increased dividends and interest and increased donations and bequests. Giving effect to the depreciation and workers compensation refund adjustments Mr. Perkins calculates that we are running about \$45,000 better than budget on the bottom line for the 9 months ended September 30.

In the absence of Mrs. Leonards, Mrs. Mustacchi gave the report from the Board of Managers. She expressed again the thankfulness of the Board of Managers for Mr. Howard's generous donation of the television entertainment center. She stated that the residents are getting a great deal of enjoyment from the new Health Center multipurpose room. She reported the recommendation of the Finance Committee that replacement of Health Center beds begin with 19 beds which manually crank. These beds are approximately 20 years old with the same original mattresses. Eventually all 32 beds should be replaced. There is a manufacturer who would sell us electric beds for \$2,000 apiece if a large order is placed. The Trustees felt that whichever beds are purchased should be thoroughly researched including calls to other homes that might use the bed we are considering. With this in mind, it was moved, seconded and carried to approve the expenditure of \$40,000 for the bed purchase. Mrs. Mustacchi told the Board of the impending 3 year landscape plan for the grounds of The Heritage. This project would cost approximately \$25,000 per year. Before a formal request for funds is made, a proposal including the plans will be presented to the Board of Trustees.

It was decided that the next Board of Trustees meeting would be on Tuesday, December 15th at 4:00 p.m. at The Heritage. The annual Residents' Christmas cocktail party will follow at 5:30 p.m.

There being no further business, the meeting was adjourned at 3:00 p.m.

Respectfully submitted,

Bruce L. Scollin
Secretary

BS:ml

BOARD OF TRUSTEES

July 9, 1987

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. George Otto on July 9, 1987 at 2:00 p.m. Trustees present were Messrs. Howard, Perkins, Otto, Scollin and White and Mesdames Hall, Leonards and Mustacchi. Mr. Benedict, Administrator, and Ms. Long, Assistant Administrator, were also present.

Mr. White called the meeting to order at 2:07 p.m. and requested consideration of the minutes of March 25, 1987 which had been previously distributed. It was moved, seconded and carried (Mr. Otto, Mr. Scollin) to approve the minutes.

Mr. Benedict presented the Administrator's Report. In regard to the Health Center Renovation Project, he stated that the problems that have beset Olson Construction Company have kept the completion punchlist from being properly addressed. A special meeting was called to discuss this concern and significant attention to the punchlist has been given as a result. Although Olson Construction has requested that the final 10% of their fee be paid, we are currently withholding payment until the punchlist is completed. We have come in under the budget of 1.1 million for the renovation project. Continuing the report, Mr. Benedict noted that the boiler had been fixed in June due to a malfunction of the low water cut off controls. Our insurance company helped pay for the repair and recommended that the controls be doubled. The Perry Building has been painted and new carpet installed in the lounge and hallway areas of the residential portion of both buildings. In closing, Mr. Benedict noted that the Self Help for the Elderly contract has been renewed at a rate of \$2.50 per meal.

Mr. Perkins presented the report of the Chief Financial Officer. He reviewed the May budget report noting that the statement showed a loss of \$121,000 versus a budgeted loss of \$172,000. We are ahead of the budgeted operating revenues by \$36,000. The most significant items are accommodation fees which are ahead of budget but offset by private patient fees which are behind. With the substantial completion of the Health Center project new private patients have been added and this revenue will increase during the remainder of the year. Operating expenses before depreciation are about \$22,000 over budget with the most significant variations being in general and medical fees and long term maintenance due to partial payment for the new carpeting. An offset to these variances is the Workers Compensation refund which is a credit or reduction to expenses which is accrued for budget purposes but not received until November. Other Income and Expenses are running \$22,000 ahead of budget on the income side due to increased dividends and interest and donations and bequests. Although the net results of operations for the 5 months through May 31 are running ahead of budget by \$51,000, Mr. Perkins cautions that these are only 5 month results and many things can happen in the remaining 9 months.

Mr. White alerted the Board that a bequest of approximately \$60,000 in the form of proceeds of a Trust held by Wells Fargo Bank has been made by a resident who came into The Heritage in 1962 and died last year. The bank recently sent The Heritage an endless indemnity agreement which would release the bank from any further responsibility regarding taxes for the estate. Although this amount should not be significant, Mr. Howard suggested that we have the bank hold the funds in an interest bearing account until final taxes are declared. It was moved, seconded and carried (Mr. Otto, Mrs. Leonards) to approve the above recommendation. Mr. White will call the bank and inform them of this decision.

Mrs. Leonards, President, gave the report of the Board of Managers. She introduced Mrs. Piero Mustacchi, new Trustee-Manager. She commented that the Long Range Planning Committee is in the process of looking into other possibilities to augment our charitable contribution along with the ongoing Self Help for the Elderly public

nutrition program. Correspondence is still taking place with a candidate who has been recommended for the Ferguson Fund. Mrs. Leonards reported on the status of the Health Center Renovation Project. Elaborating on Mr. Benedict's comments, she stated that we have received a letter from the Olson Company giving August 1st as the completion date for the project.

Mr. White informed the Board that the rent on the Van Ness Avenue property has been increased to \$408,000 per year as of July 1, 1987 for the next ten years as a result of the recent reappraisal. He reported on the appraisal process noting the fees totaled \$23,000. It was moved, seconded and carried (Mr. Otto, Mr. Perkins) to approve the expenditure of \$11,500, half of the final amount. Cathedral Hill Hotel Incorporated will pay the other half of the costs. The attorney for Cathedral Hill has stated that the appraisal method of determining the rent as provided in the present lease had become impractical and that they may propose a modification. To date, nothing specific has been presented.

Mr. White reported on the status of the Francisco street rentals. It was determined to continue to lease the lower flat to Anatole Zelkin, our maintenance supervisor, without a formal lease. The upper flat was recently occupied by new tenants who discovered that the kitchen floor is in need of new linoleum. It was moved, seconded, and carried (Mr. Otto, Mrs. Leonards) to approve floor repair and replacement as necessary maintenance costs.

Mr. White reported that we received an official resignation from Mr. Cecil West, Board of Trustee member. He accepted the resignation with regret on behalf of the Board. Nominations for potential new Board members to fill this vacancy should be given to Mr. White.

There being no further business, the meeting was adjourned at 3:17 p.m.

Respectfully submitted,

Bruce L. Scollin
Secretary

BLS:ml

BOARD OF TRUSTEES MEETING

March 25, 1987

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. George Otto on March 25, 1987 at 2:30 p.m. Trustees present were Messrs. Bennington, Matthews, Morshead, Noble, Otto, Perkins, Sams, Scollin, and White, and Mrs. Abbott. Mr. Benedict, Administrator, Ms. Long, Assistant Administrator and Miss Laura Cooper, Co-Chairman of the Health Care Renovation Committee were also present.

Mr. Morshead called the meeting to order at 2:30 p.m. and requested consideration of the minutes of December 11, 1986 which had been previously distributed. It was unanimously voted to approve the minutes.

Mr. White reported on the progress of the negotiations with Cathedral Hill Hotel for the appraisal of the Van Ness Avenue property. We have received the appraisal report which we ordered from Coldwell Banker Real Estate Appraisal services, however, the tenant's appraiser, Lloyd Hanford Jr., has not yet reported a figure. In order to be in compliance with the terms of the lease, the appraisal figures are necessary from both lessor and the lessee so that a third appraiser can be brought in to negotiate if necessary. The Trustees expressed concern about finishing the final appraisal of the property in time for the July 1st renewal. After discussion a recommendation was made to obtain legal counsel to review the terms of the lease to assure that we are acting prudently within the terms of the contract. It was moved, seconded and carried (Dr. Bennington, Mr. Matthews) to approve the recommendation.

Mr. White reported that the lease for the apartment at 1538 Francisco is coming up for renewal. After discussion it was moved, seconded and carried (Mr. Otto, Mr. Noble) that no increase in the monthly rent be given at this time.

Mr. White stated that the flat at 1536 Francisco street is currently being rented on an oral month to month basis to Anatole Zelkin, Maintenance Supervisor at The Heritage, at \$765.00, which is lower than market rate. He has just been given a 7% increase in salary. Should the rent of the flat be increased? After discussion, it was moved, seconded and carried (Mr. Noble, Mr. Otto) that the rent not be increased at this time. However, it was agreed that the rental agreement with Mr. Zelkin should be in written form with his employment at The Heritage a prerequisite for continued occupancy of the flat. Mr. White will consult with Trustee Matthews about the legal ramifications of this action. Mr. Perkins will review for impact in terms of income tax reporting.

Mr. Benedict presented the Adminstrator's Report. He stated that C.A.H.A. will be presenting its Award of Honor this year to David White in recognition of his 37 years of volunteer service to The Heritage as a member of the Board of Trustees. This award will be presented at a banquet on May 15th in Irvine, California.

Mr. Perkins presented the report of the Chief Financial Officer to the Board of Trustees. He reviewed the February budget report. He reported that the annual audit should be completed this week. A resolution to authórize Mr. Benedict to cosign the monthly budget check along with Mr. Perkins, Cheif Financial Officer, was moved, seconded and carried (Mr. Perkins, Mr. Otto).

Mrs. Abbott, President, presented the report of the Board of Managers. She asked for the approval of \$38,000 expenditure for carpeting of the Morgan and Perry building hallways. It was moved, seconded and carried (Mr. Otto, Mr. Noble) to approve this operating expense. Mrs. Abbott requested consideration of the use of discretionary monies such as the Emge Trust for payment of expenses for furnishing and landscaping for the Health Center Renovation Project. The Trustees agreed that the concept was viable but no specific amount was approved at present. In conclusion, Mrs. Abbott reported that the dedication ceremony for the Health Center Renovation Project would

be on the day of the annual meeting of the Society, May 7th.

Miss Cooper, Health Center Renovation Committee Co-Chairman, reported on the status of the construction. It is anticipated that the project will be completed within the parameters of the original budget.

The issue of resident eligibility for Health Maintenance Organization membership was raised for discussion. It was moved, seconded and carried (Mrs. Leonards, Mr. Perkins) that non-membership in a risk Health Maintenance Organization is a requirement for entrance into The Heritage unless there is a pre-existing condition without ability to obtain other Medi-Gap insurance.

Mr. Scollin reported that he had recently received a letter from Mr. Metzger regarding Heritage property insurance. The market has softened and he advised that we have a review done when the Health Center Renovation project is completed.

There being no further business, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,

David L. White
Secretary

DLW:ml

BOARD OF TRUSTEES MEETING

December 11, 1986

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage on December 11, 1986. Trustees present were Messrs. Bennington, Matthews, Morshead, Nobel, Otto, Perkins and White and Mesdames Abbott, Hall, Hall, Jr., and Leonards. Mr. Benedict, Administrator, Ms. Long, Assistant Administrator and Mrs. Gary Hultquist, Chairman of the Federal Nutrition Committee of the Board of Managers.

Mr. Morshead, Chairman, called the meeting to order at 2:05 p.m. and requested consideration of the minutes of September 18, 1986 which had been previously distributed. It was unanimously voted to approve the minutes.

Mr. Benedict presented the Administrator's Report. He commended Stephanie Oakes, Controller, for her work on the 1987 Budget which will be presented in greater detail by Mr. Perkins. He stated that the State inspector from the Department of Social Services made his six month tour of The Heritage on December 10 giving us a very good review. The Health Center Renovation Project continues to go well. He commended Mrs. Leonards and Miss Cooper for their monitoring of the project. Yesterday was the annual employee Christmas party which was enjoyed very much by all. In closing, he reported on the census at The Heritage.

Mr. Perkins presented the report of the Chief Financial Officer. In reference to the October Finance Report, he pointed out increased income due to gain made on sales of stock plus donations and bequests considerably over the amount anticipated. Operating expenses are currently \$31,000 higher than budget, however we have not received the anticipated Workers Compensation refund yet and insurance and medical costs have increased. In closing Mr. Perkins reported that a large bequest of \$133,000 from the estate of Elizabeth and Anne McDonnell, former long time residents of The Heritage has been received.

Mr. Perkins presented the 1987 budget to the Board of Trustees. After discussion, it was moved, seconded and carried (Mr. Otto, Mr. Matthews) that the 1987 Operating Budget of \$2,092,800 be approved as presented. Mr. Perkins presented the 1987 Capital Expense Budget of \$10,050 and gas pump in the boiler room amount to be determined. The Health Center Renovation cost-not-included-in-the-contract capital expense is \$31,400 plus 2 items (wall covering and furniture) to be determined. It was moved, seconded and carried (Dr. Bennington, Mr. Noble) that the 1987 Capital Expense Budget be approved as presented.

Mr. White reported to the Board that in October he was notified by the attorney for Sammons Corporate Services Incorporated, a sister company of Cathedral Hill Hotel Incorporated, that the latter, a Texas Corporation (our lessee of the Van Ness property) is to be merged into another sister company called Sammons of San Francisco, Incorporated, a Delaware Corporation, prior to December 31, 1986. The surviving corporation in the merger is to be the Delaware corporation. Both corporations are presently 100% owned by Sammons Enterprises Incorporated and the surviving corporation will also be 100% owned by Sammons Enterprises Incorporated. The company will remain Cathedral Hill Hotel Incorporated and there will be no change of assets, shareholders, or personnel involved. These changes are being suggested by Sammons Corporate Services due to certain peculiarities of Texas franchise tax laws. Our consent to the foregoing is required by one of the provisions of the ground lease of the Van Ness Property.

After discussion with Messrs. Morshead and Howard and a review of the documentation including at our request a re-affirmation of the personal guarantee of the lease by C.A. Sammons as well as a Balance Sheet as of September 30, 1986 of Cathedral Hill

Inc., the Society's consent to the Assignment has been granted. No objections were raised to this action, although no formal motion was taken.

Mr. White also reported to the Board that we have received the appraisal report we ordered from Coldwell Banker Real Estate Appraisal services on the Van Ness Avenue property to be used in connection with the rental increase to be effective July 1, 1987. The market value as of October 21, 1986 is estimated at \$15,700,000. This compares with \$2,300,000 as of May 1977 which was agreed upon unanimously by the 3 appraisers after the 2 appraisers representing Lessor and Lessee had been unable to agree on the then fair market value.

We are advised by Cathedral Hill Hotel Inc. that they have again appointed Lloyd Hanford Jr. as their appraiser, and it is anticipated that the two appraisers will meet to set the appraised value of the land in the near future.

A general discussion of the lease and the probability of a substantial rent increase was had for the benefit of Trustees - particularly the newer members unfamiliar with the history of this transaction.

Mr. Otto presented the following resolution: "Resolved, that the Chairman, Vice-Chairman and the Chief Financial Officer of the Corporation, or any two of such officers, be and they hereby are fully authorized and empowered to transfer, endorse, sell, assign, set over, and deliver all shares of stock, bonds, debentures, notes, evidence of indebtedness, or other securities now or hereafter standing in the name of or owned by this Corporation, and to make, execute, and deliver any and all written instruments necessary or proper to effectuate the authority hereby conferred." It was moved, seconded and carried (Mr. Otto, Mr. Noble) that the resolution be accepted as presented.

Mr. Perkins reported on his recent meeting with Peat, Marwick, Mitchell & Co., our auditors. They completed their interim work in November and all looks good to date. They will return in March to complete their audit for 1986.

Mrs. Abbott, President, presented the report of the Board of Managers. She confirmed that Mr. & Mrs. A. Barlow Ferguson have the intent of continuing the Ferguson fund for another two years. The Board of Managers will maintain their search for an appropriate candidate. Mrs. Hultquist, Chairman of the Federal Nutrition Program committee, presented a detailed report on the Self Help for the Elderly meal program. In November she visited their headquarters as part of her committee's careful monitoring of the program. In closing, Mrs. Abbott reminded the Board of Trustees of the Residents' Christmas cocktail party on Thursday, December 18th from 5:30 - 7:30 p.m. Attendance by Board members and their spouses is very much appreciated by the residents.

Mrs. Leonards, Chairman of the Health Care Renovation Committee reported on the progress of the project. Currently we are 35% into the project and Olson Construction company feels that we are right on target timewise.

Mr. Morshead presented the concern regarding the development of a policy regarding resident eligibility for Health Maintenance Organization membership to the Trustees for decision. After brief discussion, it was determined that more information is required before a decision can be made. Trustees will make inquiry and come prepared to the next meeting for a policy decision.

There being no further business, the meeting was adjourned at 3:40 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary

BOARD OF TRUSTEES MEETING

September 18, 1986

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on September 18, 1986. Trustees present were Messrs. Morshead, Otto and Perkins and Mesdames Hall, Jr., and Leonards. Mr. Benedict, Administrator and Ms. Long, Assistant Administrator were also present.

Mr. Morshead, Chairman, called the meeting to order at 2:05 p.m. and requested consideration of the minutes of July 23, 1986 which had been previously distributed. Mrs. Hall noted that the minutes should be corrected to state that 4 instead of 9 private patients were budgeted for in 1986. With this correction, it was moved, seconded and carried (Mrs. Hall, Mr. Otto) to approve the minutes.

Mr. Benedict presented the Administrator's Report. He began by stating that the Health Center Renovation construction has started and will be reported on in greater detail by Mrs. Leonards. The annual pruning has been completed at a cost of \$4,000 as budgeted. The boiler in the Francisco street flats cracked and had to be replaced. This was an unbudgeted capital expense item costing \$4,700. Our insurance broker is seeking reimbursement through our boiler insurance. The refund to the family of a resident who died within her 90 day probationary period is being completed. She paid \$37,500 as an entrance fee. This amount minus \$2,539.00 in medical expenses will be returned to the family. A form will be signed holding the Heritage nonresponsible for any further expense. Currently the dishwasher is not producing water which is hot enough to meet regulations for the rinse cycle. A booster will need to be purchased to augment the existing system. This item will be referred to the Finance Committee for action. Two policy items were brought to the attention of the Trustees: 1) The case of a health center patient requiring more individual attention than is normally provided was reviewed as it pertained to our liability for payment according to the life care contract. Mr. Benedict did contact our lawyers who stated that we should not be held liable in this case. The patient is now doing much better and no longer requiring the extra attention; and 2) Mr. Benedict stated that there is a need to formulate a policy regarding new residents who might belong to H.M.O.s. These are Health Maintenance Organizations which supervise the billing of Medicare through their services. Because we bill Medicare for the services of Dr. Henderson there would be a conflict. Mr. Benedict had conferred with The Sequoias and discovered that they require their residents to give up H.M.O. insurance upon entry. Mr. Morshead will contact Mr. Scollin and our lawyer will also be consulted regarding this situation. A decision will be made at the December Board of Trustees meeting. In closing Mr. Benedict reported on the current census at The Heritage.

Mr. Perkins presented the report of the Chief Financial Officer. In reference to the August Finance Report he stated that we are currently \$24,000 behind budget. Some line items such as monthly care fees should increase before the end of the year. Private patient fees income was budgeted with a census of 4 and currently we have only 2 private pay patients due to the construction project. The possibility of increasing the charge for entrance fees for incoming residents was discussed. This is not necessary at present but should be evaluated at the end of the year. Mr. Morshead reported that based on new assumptions, the long range financial projections look very good through at least 1996. This takes into account the appraisal of the Cathedral Hill Hotel property in 1987 and the probable subsequent increase in rental income.

Mrs. Leonards, First Vice-President, gave the report of the Board of Managers in the absence of Mrs. Abbott, President. She began by updating the status of the Ferguson Fund by noting that we currently have a possible candidate. Following this

Board of Trustees Meeting
September 18, 1986

Page Two

she reported on the Health Center Renovation Project. The Groundbreaking Ceremony was held on September 2, attended by Mr. Morshead and many members of the Board of Managers. It was a very successful event. Demolition has started. There will be weekly construction meetings on Tuesdays at 9:30 a.m. Representatives from the architect, construction contractors, Health Center Renovation committee and staff will be present. One of the first tasks will be to plot how phasing of the project will take place. Approval of changeorders has been received from the State and can be accomplished within our existing budget for the project. Carl Olson & Sons waived the 15% charge for these changeorders. Mr. Morshead drew attention to the Board monitoring of the costs and schedule of the project by the co-chairmen of the Health Care Renovation Committee, Miss Laura Cooper and Mrs. Betty Leonards.

There being no further business, the meeting was adjourned at 3:05 p.m.

Respectfully submitted,

Marla Long
Recorder

Stuart W. Morshead
President

BOARD OF TRUSTEES MEETING

July 23, 1986

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on July 23, 1986. Trustees present were Messrs. Bennington, Morshead, Noble, Otto, Perkins and White and Mesdames Abbott, Hall and Hall, Jr., Mr. Benedict, Administrator and Ms. Long, Assistant Administrator, were also present.

Mr. Morshead, Chairman, called the meeting to order at 2:05 p.m. and requested consideration of the organization minutes of May 8, 1986 and the quarterly meeting of March 20, 1986 which had been previously distributed. It was moved, seconded and carried (Mr. Otto, Mrs. Abbott) to approve the minutes.

Mr. Benedict presented the Administrator's Report. He stated that several non-routine long term maintenance projects had been completed as budgeted. These include the rust proofing and repainting of the perimeter fence around The Heritage, reglazing of windows in the Morgan buliding, along with the replacement of approximately sixty window panes, and concrete work in the garden. Gutters on the roof were also repainted, an unbudgeted expense. Following this, Mr. Benedict commented on the success of the Open House which was held on June 5 in preparation for the City hearing for our permit to begin the Health Center Renovation project. Neighbors were invited to this event as well as residents of The Heritage. Mr. Sandy Barker, representing the architects, was available for questions. Next current occupancy rate at The Heritage was discussed. All rooms are filled with the exception of the old guest room, 310. There have been two deaths since the last meeting and two new male residents who have begun their residency. In closing he reported that the bid for the renewal of our contract with Self Help for the Elderly was successfully negotiated. This program is of a high quality and well managed by Ron Duey, Food Service Director of The Heritage. He referred to a letter written by our auditors to Mr. Morshead, reinforcing the value of the Self Help for the Elderly Federal Nutrition Program in helping us to maintain our I.R.S. Tax exempt status.

Mr. Perkins presented the report of the Chief Financial Officer. In reference to the June Finance Report he commented that currently operating loss is under budget. This is offset by a bequest earlier in the year. There was also an earlier gain on sale in our securities. We are under budgeted income due to two main factors; 9 private patients were budgeted for and only 2 currently reside in the Health Center due to impending construction, and accommodation fees are down. One other nonreflected item is the increase in insurance costs which will probably amount to approximately \$30,000. Mr. Morshead addressed the previous anticipation of another run of the long range projections in preparation for commitment to the renovation project. Because the assumptions have changed so little and, in fact, the portfolio has grown, it is Mr. Morshead's recommendation that the projections not be run at this time but instead be utilized as part of the budget preparation process. The Trustees were in agreement with this conclusion.

Mrs. Abbott, President of the Board of Managers, stated that Mr. Benedict had presented a thorough report and no further comment was necessary at present. In the absence of Mrs. Leonards, Chairman of the Health Care Committee, Mrs. Abbott proceeded to report on the Health Center Renovation project. She stated that interviews were conducted with the 4 selected contractors during the week of July 7. The following contractors made bids:

Name	Base	Slate Roof Option	Project Days
Mayta & Jensen	\$788,467	\$23,542	180
Carl Olson & Sons	\$698,000	\$26,500	180
Plant Builders	\$780,500	\$13,000	210
Hodgson Construction Inc.	\$727,053	\$26,551	180

She commented that each group gave an impressive presentation. It is the recommendation of the Health Care Committee of the Board of Managers that Carl Olson & Sons be chosen as contractors for the Health Center Renovation Project. She also stated that we have not yet received final approval from O.S.H.P.D. Mr. Sandy Barker, architect consultant, has spoken with O.S.H.P.D. and part of our plan has been approved with minor changes; however, the structural plans are not back yet. After discussion, it was moved, seconded and carried (Mr. Otto, Mr. Noble) that Carl Olson & Sons be hired as contractors for the Health Center Renovation Project. Further, it was moved, seconded and carried (Mr. Otto, Dr. Bennington) that this contract be accepted committing to soft costs, building and slate roof with any major alterations, excluding those requested by O.S.H.P.D., referred to the Executive Committee for their consideration.

Upon motion duly made, seconded and carried the following Trustees were elected to the Nominating Committee: Mr. White, Mrs. Abbott, Mr. Otto and Mr. West.

Mr. Morshead brought to the attention of the Board of Trustees a recent problem regarding one of The Heritage residents now confined to the Health Center who has required extra staffing to deal with his condition. Because of the high costs involved in providing this service, options must be evaluated. It was agreed to have our lawyers review the current life care agreement as it applies to this case.

Mr. White reported that the ground rent in the lease on the Van Ness Avenue property is scheduled for 10 year adjustment in 1987. In preparation for negotiation the land must be reappraised. Mr. William H. Bunker, who did the appraisal twice over the past 20 years is retiring and will not be available. His fee for the most recent appraisal was approximately \$3,000. Mr. Arlen Mills, of Mills, Carneghi-Bautovich will do it for a fee of around \$10,000 but no less than \$8,000. Coldwell Banker has an independent appraisal division and will accept the assignment for a fee not to exceed \$5,000. Mr. White feels that Coldwell Banker is well qualified. After discussion, it was moved, seconded and carried (Mr. Otto, Mr. Perkins) to have the Coldwell Banker Appraisal Service do the appraisal. Jack Tar-San Francisco Inc., the lessee, will be notified at the proper time of this choice. A preliminary valuation is to be made by October 31st.

There being no further business, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary
DLW:ml

ORGANIZATION MEETING OF
BOARD OF TRUSTEES OF
SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

The organization meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at 3400 Laguna Street, San Francisco, California on Thursday, May 8, 1986, immediately following the adjournment of the Annual Meeting of the Society.

The following were present: Messrs. Bennington, Howard, Matthews, Morshead, Noble, Scollin, Otto and White and Ms. Cooper and Mesdames Abbott, Hall, and Hall, Jr. Also present were Mr. Benedict, Administrator, and Ms. Long, Assistant Administrator.

Mr. White will recommend an appraiser for The Heritage to employ for the purpose of assessing the value of the Cathedral Hill Hotel property.

Upon motion duly made, seconded and carried unanimously, the following officers were elected for the ensuing year:

Chairman.....	Stuart W. Morshead
Vice Chairman.....	Henry W. Howard
Secretary.....	David L. White
Chief Financial Officer.....	John S. Perkins

Executive Committee

George J. Otto
Henry W. Howard
Lemuel H. Matthews
Stuart W. Morshead (ex officio)
John S. Perkins

Investment Committee

George J. Otto
Robert D. Harris
Stuart W. Morshead (ex officio)
John S. Perkins
Cecil O. West

Director of Real Estate.....	David L. White
Insurance Consultant.....	Bruce L. Scollin

It was unanimously agreed that the minutes of the organization meeting of May 9, 1985 be approved as distributed.

Mr. Scollin reported that he contacted Metzger and Wentner on May 7th and spoke with Ms. Pat Dorety. He summarized the current status of The Heritage insurance coverage commenting that we have a good package policy in place with an annual premium of \$30,657.00. The excess umbrella policies should be put into place on May 9 or at the latest sometime next week. It was agreed that the Executive Committee would be contacted for a decision if there were any difficulty in obtaining these policies in a timely manner. In closing, Mr. Scollin, stated that he plans to have a meeting with Ken Metzger, of Metzger and Wentner, to familiarize himself with our insurance coverage in depth.

Mr. Morshead referred to a memo dated May 2, 1986 which was sent to all members of the Board of Trustees in regard to the Health Center Renovation project and the current need to make a decision on whether to solicit negotiated or competitive bids from our selected contractors. A letter from Mr. Stypula of Spencer Associates clarifying the difference between these choices was attached. After discussion, it was moved, seconded and carried (Mr. Morshead, Mr. Otto) to solicit the contractor's bids on a negotiated basis.

In closing, it was agreed that the next meeting of the Board of Trustees would be

on June 19, 1986 at 2:00 p.m. at the offices of Mr. Otto.

There being no further business, the meeting was adjourned at 3:40 p.m.

Respectfully submitted,

David L. White,

David L. White
Secretary

DLW:ml

BOARD OF TRUSTEES MEETING

March 20, 1986

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on March 20, 1986. Trustees present were Messrs. Bennington, Clifton, Harris, Howard, Matthews, Morshead, Otto, Perkins and White and Mesdames Abbott, Hall, Jr., and Reinecke. Miss Cooper, Co-Chairman of the Health Care Committee of the Board of Managers, Mr. Ken Metzger of Metzger & Wentner Incorporated, Mr. Benedict, Administrator, and Ms. Long, Assistant Administrator, were also present.

Mr. Morshead, Chairman, called the meeting to order at 2:00 p.m. and requested consideration of the minutes of December 12, 1985 which had been previously distributed. It was moved, seconded and carried (Mr. Clifton, Mr. Otto) to approve the minutes.

Mr. Morshead introduced Mr. Ken Metzger, our insurance consultant, who had been invited by Mr. Clifton, Board of Trustees insurance consultant, to discuss considerations for the upcoming annual renewal of insurance for The Heritage on May 10th. Due to the current climate of the insurance industry, Mr. Metzger stated that he does not believe that it will be possible to renew our insurance for less than a premium of \$150,000. This is as compared to a premium of approximately \$27,000 last year. Our current insurers, Hartford, whom we obtained through A.A.H.A. are not taking new customers but will renew our existing policies with them in May. Mr. Metzger will also seek bids from Gem-Star (the group which is currently insuring The Sequoias) and St. Paul, another group which is providing insurance for the health care industry. It is possible that Mr. Metzger might not receive all the pertinent information for the bids under consideration until two to three days before our deadline for renewal. It was moved, seconded and carried (Mr. Otto, Mrs. Hall, Jr.) to empower the Executive Committee of the Board of Trustees to assess the information when it is available and to make a decision to contract for the best insurance arrangement that we can get. The Board also questioned Mr. Metzger regarding the status of our Directors' Liability insurance. The group which offered this insurance through A.A.H.A. will no longer provide this type of insurance. A.A.H.A. is in the process of obtaining a new quotation. Mr. Morshead asked Mr. Metzger to contact us in a timely manner for the renewal of this insurance. Mr. Metzger assured Mr. Morshead that he would be in contact approximately one month in advance of the time for renewal.

Mr. Benedict presented the Administrator's Report. He stated that he was in Sacramento on March 19 attending a meeting of the C.A.H.A. Insurance Trust Committee and the Pension Plan and Contractual Services Committee. He had received news of the current insurance crisis through this source. He expressed his appreciation for the attendance of the Residents' Christmas party by members of the Board of Trustees, stating that the Residents really enjoy the opportunity to meet and talk with members of the Board. Next he referred to the recent bad storms which The Heritage managed to get through with a minimum of flooding and minor leaks. He alerted the Trustees to a recent expenditure of \$2,968.00 which was necessitated by requirements made by Administrative Code, Title 19. This cost was not predicted in the 1986 budget. As budgeted, the E.K.G. machine has been purchased. He reported that Mr. Charles Gunther donated an almost brand new motorized hospital bed to The Heritage Health Center. Our elevator was inspected yesterday, and passed with no mention of modifications needed to meet handicapped regulations. He mentioned that the staff is eagerly anticipating the Health Center renovation project and praised Laura Cooper and Betty Leonards, Co-Chairman of the Health Care Committee for their excellent organizing of the project. He reported that the State surveying team arrived at The Heritage Health Center on Tuesday, January 28th and completed their work on January 31st. An exit interview was conducted

with all Department Heads present. Although some deficiencies were found, the State complimented our Health Center on its good patient care and cleanliness. All deficiencies have been corrected. The audit is progressing with representatives from Peat Marwick going out of their way to commend the work of Stephanie Oakes, Controller. Our Food Service program is going very well and competently handled by our Food Service Director, Mr. Ron Duey. The C.A.H.A. Northern Region Annual meeting was held at The Heritage on Saturday, March 15th. It was a very successful event.

Mr. Perkins presented the attached Report of the Chief Financial Officer. Mr. White asked Mr. Otto, Chairman of the Investment Committee, where the one million dollars for the Health Center renovation project will be taken from. Mr. Otto stated that approximately \$600,000 will be maturing in good timing with the project. We will need to sell select stocks and bonds for the rest of the amount. Mr. Morshead praised Mr. Otto's competent handling of the Society portfolio for the last 18 years. It has been beautifully invested, with bonds maturing in a staggered schedule in response to the market.

Mrs. Hall, Jr. presented the recommendation from the Board of Managers that the recent donation of \$34,266.91 from the estate of Claire E. Newport, former resident of The Heritage be set aside for the "new" Health Center. After discussion, it was moved, seconded and carried (Mrs. Hall, Jr., Mr. Harris) that this sum be designated for use for a specific post completion purchase for the Health Center.

Mrs. Abbott informed the Trustees that a large number of donations had been received in memory of Mrs. James Jordan, member of the Board of Managers, and Chairman of the Admissions Committee. It was agreed that these donations would go into the general fund with the understanding that a purchase would be made in connection with the Health Center Renovation project in her memory.

Mr. Morshead referred to the current and upcoming vacancies on the Board of Trustees. Mr. White, Chairman of the Nominating Committee, presented the names of Dr. Bruce J. Sams, Mr. Bruce L. Scollin, and Mr. Charles E. Noble for election to the Board of Trustees. It was moved, seconded and carried (Mr. White, Mr. Otto) that these candidates be elected to the Board of Trustees, effective May 8, 1986.

Mrs. Abbott presented the report of the Board of Managers. She asked for the opinion of the Board of Trustees on the possibility of going more public in our efforts to find a candidate for the Ferguson Fund. After discussion, it was agreed not to utilize newspapers or other media vehicles at present but to rely upon word of mouth. It was suggested that it might be valuable to form a committee of representatives from the target groups which would meet once a year to evaluate the progress toward finding appropriate candidates.

Miss Cooper, Co-Chairman of the Health Care Committee of the Board of Managers, began the report on the renovation project. Mr. Morshead interjected, reading a recent update letter which was addressed to him from Mr. Stypula of Spencer Associates. This letter stated that Spencer Associates anticipates a 95% owner review from April 9-16 and the completion of 100% documents (prior to State review) on May 6, 1986. They proposed that the actual bidding process not begin until early July. Due to several factors, cost estimates have risen making it necessary to identify possible deductive construction alternatives possibly including the new lounge area or garden walls currently proposed. Miss Cooper elaborated on this process stating that the committee has decided to obtain bids from several contractors based on drawings that are 60% complete providing The Heritage with a guaranteed estimate. She ended the report by informing the Trustees that she had been in contact with Mr. Metzger to discuss the provision of necessary additional insurance during the time of construction.

Mr. White, Director of Real Estate, informed the Board that the lease for the flat at 1538 Francisco Street will expire at the end of the month. The tenants have been paying \$1,150 per month and would like it left that way for the lease renewal in consideration of the renovative work they have done to the kitchen of the flat. Mr. White feels that although some consideration should be made for this contribution, the rent should be raised into the current market value range. He suggests that instead of the fair value of \$1,300, the rent should be increased to \$1,285. The Trustees agreed to give Mr. White the authority to negotiate the lease renewal with the tenants at 1538 Francisco street.

There being no further business, the meeting was adjourned at 3:40 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary

DLW:ml

HERITAGE
Trustees Meeting March 20, 1986
Report of Chief Financial Officer

I. FINANCIAL RESULTS THROUGH DECEMBER 31, 1985

a. The December operating statement shows a profit for the year of approximately \$25M vs a budgeted loss of \$42M.

b. That sounds good but you may recall that earlier in 1985 stocks and securities were sold that resulted in a gain of \$134M. Without this gain we would have run about \$68M behind budget for the year.

OPERATING REVENUES & EXPENSES combined are behind budget by \$68M. The most significant variation was in Private Patient Fees by \$68M. Private patients were budgeted on the basis of seven but averaged about three. Many of the regular residents who were unable to care for themselves were moved into spaces normally occupied by outside patients.

On the expense side operating expenses for the year ran about \$64M ahead of budget. The most significant variances were in:

Employee benefits	\$24M
Utilities	14M
Long term non-routine maintenance	23M
	\$61M

Employee Benefits Expense The Workmans Compensation insurance refund was budgeted to be \$32,000. but only \$4M was received in 1985. Stephanie originally advised that \$20M was being held back because one of the aides hurt her back and filed a claim. She now reports that a refund of \$9300. was received in February and is being thrown back to 1985 as an audit adjustment.

Utilities This was due mainly to rate increases in both gas and electricity and in lesser degree to increased consumption.

Long Term Non Routine Maintenance These expenses were not budgeted for or were previously capitalized and later expensed:

Interior painting of the Morgan Bldg.	\$10,395.
Roof repairs	8,849.
Labor charges re. dining room carpet	3,780.

In Summary Without the security gains we would have shown a loss in 1985 of \$110M vs a budgeted loss of \$42M, a difference of \$68M. The aforementioned items are the ones that make up the principal difference.

II. REPORT ON AUDIT ENGAGEMENT FOR 1985

Peat Marwick Mitchell's audit is currently in progress. Dave Snyder, the partner, informs me that the audit is going smoothly. The field

HERITAGE
Trustees Meeting March 20, 1985^{le}
Report of Chief Financial Officer (cont'd)

Page 2

work should be completed by Friday, March 28 and the audit report should be received by the end of the first or second week in April.

Dave will review the drafts of the financial statements and reports with Stu Morsehead and I, before issuing them in final form.

Dave also informed me that Peat Marwick Mitchell has transcribed the Heritage's Long Range Financial Projection computer program to Mac Intosh and will be ready to run it when the next set of assumptions are prepared. We had told them we would want this sometime this spring.

III. FINANCIAL RESULTS THROUGH FEBRUARY 1986

a. The February financial statement shows a loss of \$8M. vs a budgeted loss of \$53M.

b. Operating revenues are behind budget by about \$7M. Subsidy Claims and Medical Cost reimbursements are behind budget by \$3M and \$4M respectively. Stephanie reports that a \$7500. subsidy claim was received in March.

c. Operating expenses in total thru February are about \$9M less than budgeted. The most significant variations are in salaries and benefits, \$9M less than budgeted, and utilities, \$4M in excess of budget.

d. Other income and expense.- In this category are: Dividends & Interest, \$7M more than budgeted and Donations & Bequests, \$35M over the amount budgeted. This was due to receipt of a \$34M bequest from the estate of Miss. Claire Newport who died in the Health Center on July 3, 1985.

e. The net results from operations thru February 28 are running almost \$46M better than budget. I would caution that these are only 2 months results and many things can happen in the remaining ten months of the year.

Board of Trustees Meeting

December 12, 1985

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage on December 12, 1985. Trustees present were Messrs. Bennington, Clifton, Howard, Morshead, Otto, Perkins, West and White and Mesdames Abbott, Hall, Jr., Leonards and Reinecke. Miss Cooper, Co-Chairman of the Health Care Committee of the Board of Managers, Mr. Jan Stypula and Mr. Sandy Barker of Spencer Associates, Mr. Benedict, Administrator, and Ms. Long, Assistant Administrator, were also present.

Mr. Morshead, Chairman, called the meeting to order at 2:00 p.m. and requested consideration of the minutes of September 12, 1985 which had been previously distributed. It was moved, seconded and carried (Mr. Otto, Mr. Clifton) to approve the minutes.

Mr. Benedict presented the Administrator's Report. He commented on the annual budget process, praising Stephanie Oakes, Controller, for her contribution to the procedure. He also commended the entire staff, especially the department heads, for the high quality of service and care provided at The Heritage. In closing, he stated that the staff is excited about the development of plans for renovation of the Health Center.

Mr. Morshead introduced Mr. Jan Stypula and Mr. Sandy Barker, from Spencer Associates. Mr. Stypula presented the current exterior drawing for the renovation plan which was followed by Mr. Barker's discussion of interior changes. The Board expressed its concern about the potential detrimental impact to the continuing operation of The Heritage during construction. Mr. Barker outlined the plan for the order of construction which would call for completion of new facilities first, which will then be occupied while construction continues in other areas of the facility. Phase II would concentrate on the construction of the new Doctor's suite, Medical Clerk and Director of Nursing Services offices and storage rooms. Phase III would involve the renovation of the nurses station. Actual patient room modifications would be ongoing from Phase I. The other ongoing disruption will be the installation of the ventilation system which will need to be installed as construction proceeds. An important criteria is that 28 beds must be available for occupation at all times. Construction is estimated to last 12 months. The possibility of increasing costs and changeorders was discussed. It was agreed that if a changeorder was within existing cost estimates, Mr. Benedict, as Project Representative, would be authorized to grant permission to proceed. If costs were in excess of budget, the Executive Committee of the Board of Trustees would be called upon for final decision. After discussion, it was moved, seconded and carried (Mr. Howard, Mr. White) that Spencer Associates be authorized to proceed into the next architectural phase, which will be the instigation of design drawings and contractual documents.

Mr. Perkins gave the report of the Chief Financial Officer. He reviewed the operating statement through October. As requested at the September meeting of the Board of Trustees, Mr. White reported that he had met with Stephanie Oakes, Controller, regarding the current P.G.&E. rate system and had been assured by P.G.&E. that we are getting as favorable a rate as possible and are not being overcharged.

Mr. Perkins presented the 1986 budget to the Board of Trustees. After discussion, it was moved, seconded and carried (Mr. Otto, Mr. Bennington) that the 1986 Operating Budget of \$1,970,839.00 be approved as presented. Mr. Perkins presented the 1986 Capital Expense Budget for approval. It was moved, seconded and carried that the 1986 Capital Expense Budget of \$23,060.00 be approved as presented.

Mr. Perkins reported that as authorized at the September Board of Trustees meeting,

the Executive Committee met and voted on the selection of new auditors for The Heritage. This year's audit will be performed by the firm of Peat, Marwick, Mitchell & Company.

Mrs. Abbott presented the report of the Board of Managers. She encouraged attendance by members of the Board of Trustees and their spouses at the annual Residents' Christmas Party to be held at The Heritage on December 19th from 5:30 - 7:30 p.m.

Mr. Morshead announced that Mr. Clifton has submitted his resignation from the Board of Trustees, effective May, 1986. The Board accepted his resignation with regret. This will leave a total of three vacancies on the Board of Trustees as of May, 1986, with a particular need to solicit the nomination of an individual with expertise in the field of insurance.

There being no further business, the meeting was adjourned at 3:50 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary

DLW:ml

Board of Trustees Meeting

September 12, 1985

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage on September 12, 1985. Trustees present were Messrs. Bennington, Clifton, Morshead, Otto, Perkins and White and Mesdames Abbott, Hall, Jr., Leonards and Reinecke. Miss Cooper, Co-Chairman of the Health Care Committee of the Board of Managers, Mr. Benedict, Administrator, Ms. Long, Assistant Administrator and Mr. Jan Styypula and Mr. Sandy Barker of Spencer Associates were also present.

Mr. Morshead, Chairman, called the meeting to order at 2:00 p.m. and requested consideration of the minutes of June 27, 1985 which had been previously distributed. It was moved, seconded and carried (Mr. Clifton, Mr. Perkins) to approve the minutes with the following corrections: 1) In the last sentence of the 3rd paragraph, first page, the word legislature should be changed to legislation; and 2) The last sentence of the 3rd paragraph, page 2 should read as follows: "It was moved, seconded and carried (Mr. Clifton, Mr. West) not to obtain more than 6 million liability coverage."

Mr. Clifton, Insurance Consultant, presented the September 9, 1985 letter from Metzger and Wentner, regarding The Heritage earthquake coverage, for evaluation by the Trustees. It was unanimously agreed to discontinue earthquake coverage as of October 1, 1985, the expiration date of our current coverage.

Mr. Perkins gave the report of the Chief Financial Officer. He reviewed the July operating statement for The Heritage. Attention was brought to the current P.G.&E. rate system. Mr. White was asked to get information on this from Stephanie Oakes, The Heritage Controller. Mr. Perkins reported that the computerized projections have been run again. This time the projected 1 million dollar possible expenditure on the Health Center renovations and private patient fees for the proposed 2 year construction period were backed out in order to assess potential impact on the free endowment. With these changes taken into account, the projections indicate that The Heritage will continue to have more liquid assets than required to meet its contingent liabilities.

Mrs. Abbott presented the Report of the Board of Managers. She stated that she had attended a Self Help for the Elderly fundraising dinner on September 5 representing The Heritage. This was a well attended very organized event.

Mr. Benedict presented the Administrator's Report. He began by reporting that Marla Long received her skilled nursing home administrator's license in early August. He stated that P.G.&E. will be doing some work in the neighborhood on Friday, September 13 which will necessitate the turning off of our electricity from 7:30 a.m. to 6:00 p.m. Our emergency generator should be able to supply the electrical needs of The Heritage during this time. He thanked the members of the Health Center Renovation Committee and the architects for their hard work on developing the feasibility study. He reviewed the current census in the Health Center focusing on temporary private patient capacity. In the residential portion of The Heritage, the waiting list is much improved with several couples currently interested. In closing, he summarized current activities in each department of The Heritage.

Mr. Morshead introduced Mr. Jan Styypula and Mr. Sandy Barker, from Spencer Associates. Mr. Styypula and Mr. Barker presented the results of the feasibility study for renovation of the Health Center. Three options and 1 suboption were reviewed. After discussion it was moved, seconded and carried (Mr. White, Mrs. Abbott) to proceed with Architectural Phase II in the general direction of modified Plan I with absolute limit of 1.1 million dollars subject to bids received, approval of final design and inclusion of a written statement from architects of how construction will be performed without detrimental impact to the continuing operation of The Heritage. Mr. Otto wished to be recorded as opposed to this motion.

Mr. Perkins reported that we have received proposals from two auditing firms, Alexander Grant & Company and Peat, Marwick, Mitchell & Company. It was moved, seconded and carried (Mr. White, Mrs. Abbott) to delegate authority for selection of our auditors for this year to the Executive Committee of the Board of Trustees.

There being no further business, the meeting was adjourned at 3:50 p.m.

Respectfully submitted,



David L. White
Secretary

DLW:ml

BOARD OF TRUSTEES MEETING

June 27, 1985

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on June 27, 1985. Trustees present were Messrs. Bennington, Clifton, Harris, Howard, Matthews, Morshead, Otto, Perkins, West and White and Mesdames Hall, Jr., Leonards, and Reinecke. Miss Cooper, Co-Chairman of the Health Care Committee of the Board of Managers, Mr. Benedict, Administrator, and Ms. Long, Assistant Administrator were also present.

Mr. Morshead, Chairman, called the meeting to order at 2:00 p.m. and requested consideration of the minutes of March 21, 1985 which had been previously distributed. It was moved, seconded and carried (Mr. White, Mr. Otto) to approve the minutes with the first sentence on page 3 corrected to read as follows: "Mr. Morshead reported that the current admissions fee and monthly care fee for residency at The Heritage for quotation purposes are being announced as \$37,500 and \$750 per month respectively."

Mr. Benedict presented the Administrator's Report. He stated that four residents had died during the month of June. Residential rooms are becoming available for new residents. Currently our waiting list is smaller, lacking mostly in couples. Due to the continuing high census in the Health Center, it became necessary to discharge two of our private patients to other facilities. At present the census is down again. It might be possible to accommodate more private patients. However, with the recent fluctuation in census and possible construction in the near future, this might best be evaluated at a later point. Next, Mr. Benedict reported that the bid for the Self Help for the Elderly meal program was prepared and secured for another year. A Filipino meal program has been added which necessitated the hiring of an additional cook. As budgeted, the new phone system has been purchased and the roof work affecting the Morgan Building on the second level patio deck and connecting building begun. Two recommendations from the Finance Committee of the Board of Managers were brought before the Trustees for consideration as follows: 1) that the interior painting of the Morgan building be completed; and 2) that the fire doors at either end of the Perry Building be magnetized. The costs for these 2 projects would total \$4,535.00. It was moved, seconded and carried (Mr. Otto, Mr. White) that we proceed. It was agreed that the budgeted modifications of our elevators in order to conform with new regulations for the handicapped be postponed until mandated as there is no threat to the safety of individuals who use them. Mr. Benedict stated that we did very well in the recent semi annual inspection by the State Department of Social Services. Last of all, in reference to the March meeting, it was reported that corrective legislature for AB 2109 has been all but approved.

Mr. Perkins gave the report of the Chief Financial Officer. He reviewed the May operating statement for The Heritage noting that a significant variance was seen in the area of private patient fees. It might be sensible to consider short-term stays for private patients in order to raise revenue in this area. Mr. Perkins commented that there have been changes in some of the assumptions which have been used for the long range financial projections. Mr. Morshead and Mr. Perkins will review them and run the projections again.

Mr. Otto, Chairman of the Investment Committee, reported that although we have averaged down on some long term bonds our overall portfolio looks good. Short term interest rates are coming down which accounts in some measure for income being less.

Mrs. Leonards presented the Report of the Board of Managers in the absence of Mrs. Abbott who is on leave. She began by reporting on the recent results of a meeting which was held regarding the Ferguson restricted gift. Plans were made to develop a fact sheet about the gift and a cover letter which would be circulated to those

who have been interested in the donation and future referral sources. She drew attention to the successful planting of five eucalyptus trees, a project which was organized in cooperation with the San Francisco Friends of the Urban Forest in May.

Mr. White, Director of Real Estate, reported on the modifications to the kitchen in the Francisco street flats which have been proposed by the new tenants. He had drawings available for those who were interested. He recently visited the renovated Cathedral Hill Hotel. Their broker contacted him regarding the excess amount of insurance purchased for the hotel. This could favorably impact the premium on our liability insurance. Contact has been made between our broker and theirs with the Reno property tenants, have been purchased by "The Limited." The Trustees evaluated our current leasing situation and agreed that although our property would be worth a great deal more without the current lease, the opportunity to sublease is provided for and it would not be equitable for us to pay a premium to terminate the lease.

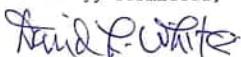
Mr. Clifton, Insurance Consultant, reported that our insurance is currently all in order except the portion that covers us for liability as landlords of both the property under the Cathedral Hill Hotel and in Reno. We currently have 6 million coverage in this area. In the past we have carried 10 million. After discussion, it was agreed that both leases require tenants to hold us harmless from liability and both are insured. It was moved, seconded and carried (Mr. Clifton, Mr. West) not to obtain more than 4 million liability coverage.

As Chairman of the Nominating Committee, Mr. White reported that several names have been suggested as possibilities for filling the two current vacancies on the Board of Trustees. The Board discussed desirable areas of expertise for potential Board members and agreed that it would be useful for the Nominating Committee to evaluate the current recommendations.

Miss Cooper, Co-Chairman of the Health Care Committee, reported that since the last Board of Trustees meeting proposals were solicited for implementation of recommendations for improvement of the Health Center from five architectural firms. The firm of Spencer and Associates was chosen. There have been two workshops with the firm, one on the 13th of June where staff feedback regarding the recommendations for renovations or additions were discussed. The second one was held this morning and the purpose of the meeting was to review program implications and initial concept options for upgrading the Health Center. The architects will meet again with us in approximately 3 weeks at which time a per square foot price for each option will be presented. It was agreed to hold the next Board of Trustees meeting early in September at which time the options will be evaluated from a financial standpoint.

There being no further business, the meeting was adjourned at 3:45 p.m.

Respectfully submitted,



David L. White
Secretary

DLW:ml

Board of Trustees Meeting

March 21, 1985

A meeting of the Board of Trustees of the San Francisco Laides' Protection and Relief Society was held at The Heritage on March 21, 1985. Trustees present were Messrs. Bennington, Clifton, Howard, Morshead, Otto, Perkins, Stanford, West and White and Mesdames Abbott, Hall, Jr., Jordan and Leonards. Miss Cooper and Mrs. Leonards, members of the Health Care Committee of the Board of Managers, Mr. Benedict, Administrator, and Ms. Long, Assistant Administrator.

Mr. Morshead, Chairman, called the meeting to order at 2:00 p.m. and requested consideration of the minutes of December 13, 1984 which had been previously distributed. It was moved, seconded and carried (Mr. Otto, Mrs. Abbott) to approve the minutes.

Mr. Benedict presented the Administrator's Report beginning with an explanation of AB 2109 which is currently being interpreted by the Board of Equalization such that the property tax exemption of non-profit life care facilities will be undermined. Letters protesting this action have been written by Mr. Benedict and Mrs. Nigh and Mrs. Porter from our Advisory Council. He reported that The Heritage will receive a Special Award plaque from the Safety Council of San Francisco/San Mateo Counties in recognition of the low rate of work-related accidents at the Annual Awards Banquet which he will attend this evening. Mr. Benedict reported on several title changes that had taken place for department heads at The Heritage as follows: 1) Marla Long, Assistant Administrator; 2) Stephanie Oakes, Controller; 3) Anatole Zelkin, Maintenance Engineer; and 4) John Killeen, Director of Activities and Resident Relations. It was agreed that capital budget items can be approved by the Finance Committee of the Board of Managers unless they are substantially over the budgeted amount. Mr. Benedict reported on several replacement expenditures that have been made or are under consideration as follows: 1) replacement of 30 year old fuse box equipment in the Morgan building with emergency safe circuit breaker panels and proper wiring; 2) refurbishing of the Director of Nursing offices; 3) replacement of our current phone system which is in progress; 4) purchase of a new refrigerator door; and 5) an unexpected expenditure, necessitated by new state regulations requiring back-flow controls to protect the water utility's piping system. He stated that the exterior painting of The Heritage had been completed with interior painting initiated. Last of all, Mr. Benedict commented that the additional aides that have been employed to be stationed on the first floor personal care area have greatly increased the quality of care in this area.

Mrs. Leonards, Chairman of the Health Care Committee of the Board of Managers presented the long range planning study for the Heritage Health Center with recommendation that formal proposals from architects be sought for needed renovations and additions to the facility. Miss Cooper, Health Care Committee member and Chairman of the Long Range Planning Committee, presented a statistical report designed to discover any trends in the usage of the Health Center. The conclusion of this study for the years 1978-1983 was that there are no identifiable trends and in the final analysis, if there are no unusual occurrences, 32 beds seems to meet the needs of The Heritage. In taking the study into 1984, it was noted that there was an increase in the number, and length of stay, of residents entering the Health Center on a temporary basis. After discussion, the Board of Trustees voted to form an Ad Hoc Committee whose function it would be to develop a proposal for presentation to architects who would present preliminary proposals to this committee. The members of the Ad Hoc Committee for Renovation of the Health Center are as follows: Dr. James Bennington, Miss Laura Cooper, Mrs. Charles E. Hall, Mrs. James L. Hall, Mrs. Allan LeFevre, Mrs. Robert Sherman, and Mrs. Frank Abbott III, Mr. Edward Benedict, Dr. John Henderson, Mrs. William H. Nigh and Mrs. Patricia K. Scott.

Mr. Perkins gave the report of the Chief Financial Officer. He stated that he had received the working draft of the auditor's report yesterday. Our Accounting Department

is currently in the process of reviewing the report. Mr. Stanford referred to the December Trustees meeting where the 1985 budget was passed subject to the study of the Sequoias wage scale in comparison with that currently prevailing at The Heritage. Mr. Benedict commented that a complete memo addressing this concern had been written and presented to Ad Hoc committee convened for that purpose. All were satisfied to leave our present wage scale intact with the Board of Trustees continuing to determine an annual C.O.L. increase to be applied across the board, with the Administrator deciding in individual cases whether the full increase would be granted.

Mrs. Abbott, President, presented the Report of the Board of Managers. She began with an update on meetings which had been held regarding the Ferguson restricted gift donation. She reported that a meeting had been held on January 9th at The Heritage in order to lay the groundwork for referral of possible candidates for admission as residents under the Ferguson donation. Mr. & Mrs. Walter Baird (opera), Mrs. John Ralfe (symphony), Mr. Milton Salkind (San Francisco Conservatory of Music) and Mrs. Barlow Ferguson were invited for an informal discussion on this day. A similar meeting was held on February 20th at The Heritage. In attendance were Dr. Jess Shenson, Mr. James Schwabacher, Ms. Alice Cunningham and Mrs. David Pratt. Mrs. Abbott also reported that she and Mrs. McDaniel, Federal Nutrition Program committee member, had visited the offices of Self Help for the Elderly on February 9th. On January 16th a C.A.H.A. workshop was held at The Sequoias. It was a Board Development Workshop attended by Mr. Benedict, Ms. Long, Mrs. Hall, Jr., Mrs. Leonards, Mr. Morshead and herself. In closing, Mrs. Abbott reported that the Residents' Christmas Party was well received this year with residents expressing particular pleasure at the attendance of so many members of the Board of Trustees.

Mr. White, Chairman of the Nominating Committee read the slate of members and officers which had been nominated for the ensuing year as follows:

Dr. James Bennington	Mr. Stuart W. Morshead
Mr. Fred T. Clifton	Mr. George J. Otto
Mr. Robert D. Harris	Mr. John S. Perkins
Mr. Henry W. Howard	Mr. Eric Stanford
Mr. Lemuel H. Matthews	Mr. Cecil Q. West

Mr. David L. White
Chairman.....Mr. Stuart W. Morshead
Vice-Chairman.....Mr. Henry W. Howard
Secretary.....Mr. David L. White
Chief Financial Officer.....Mr. John S. Perkins

Mr. White began his report as Real Estate Consultant by asking Mr. Howard to comment on the status of the suit which was lodged against The Heritage by the family of one of the victims of the Cathedral Hill Hotel fire. Mr. Howard stated that The Heritage was named as one of the defendants but was never served. That suit has been settled. The Heritage was served in February in a second suit. Sammons et al. have acknowledged their obligation to hold us harmless and we are being defended by Sammon's insurance lawyers. We do not anticipate that there will be any financial exposure to the Society as a result of this litigation. Mr. White commented that the Francisco street flats were vacated in March by the young couple who had been occupying it. They were paying \$1,100 a month in rent. The apartment has been rented to new tenants, originally for a monthly fee of \$1,350. A request was made by the new tenants to do remodeling work in the kitchen area. Permission was given for this work to be done at their expense with a reduction in rent to \$1,150 for one year. The Heritage purchased the existing refrigerator and stove from the old tenants for \$200.00 in order to completely furnish the kitchen for incoming tenants.

Mr. Morshead asked Mr. Howard about the review of the Heritage life care agreement as it pertains to medical costs future obligations. Mr. Howard will report at the next Board of Trustees meeting.

Mr. Morshead reported that the current admissions fee and monthly care fee for residency at The Heritage have been set to average at \$37,500 and \$750 per month respectively. Exceptions to this standard fee will still be considered as "special needs" candidates.

There being no further business the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary

DLW:ml

BOARD OF TRUSTEES MEETING

December 13, 1984

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on December 13, 1984. Trustees present were Messrs. Arnold, Bennington, Clifton, Harris, Howard, Matthews, Morshead, Otto, Perkins, Stanford, West and White and Mesdames Hall, Jr., and Reinecke. Mr. Benedict, Administrator and Ms. Long, Administrative Assistant were also present.

Mr. Morshead, Chairman, called the meeting to order at 2:00 p.m. and requested consideration of the minutes of October 4, 1984, which had been previously distributed. It was moved, seconded and carried (Mr. Clifton, Mrs. Hall, Jr.) to approve the minutes.

Mr. Morshead appointed a Nominating Committee for 1985 with Mr. White as Chairman and Messrs. Otto, Perkins, Stanford and West, committee members.

Mr. Morshead gave the history of the purchase of earthquake insurance by The Heritage beginning with the first year, 1983, when the cost was \$8,500 based on a total value of \$7,595,852 with a deductible of 2%. The renewal date for the earthquake insurance was just before the October Trustees' meeting and in consultation with the Executive Committee and Mr. Metzger, our insurance representative, Mr. Morshead gave authority for the purchase of another year's earthquake insurance at a price of \$11,870 for total value of \$7,912,795 with a deductible of 5%. He requested feedback from the Trustees regarding future renewal of this type of insurance. After discussion, it was agreed that Mr. Benedict will contact Mr. Metzger to determine when there will be a Trustees' meeting nearest to, put prior to, the earthquake insurance renewal, so that the estimate of renewal terms can be presented to the full Board for review. Also Mr. Clifton will contact Mr. Metzger to work toward a uniform expiration date for our general and earthquake insurance policies.

Mr. Benedict presented the Administrator's Report beginning with a summary of this year's budget process which utilized a Budget Committee consisting of representatives from the Board of Managers, Board of Trustees and Mr. Benedict. In regard to ongoing projects, Mr. Benedict stated that Phase II of the bather project is still in progress while we wait for delivery and installation of "grab bars". The intercom system is almost renovated with the new masters in place and troublesome wiring being given special attention. The exterior painting contract for the Perry Building, the Health Center, the Dining Room wing, and the flats was awarded to the lowest bidder and work should be completed early in January. New Dining Room carpet was laid in November and has been very well received by the residents. In regard to the Avilla Carpet Company problem, \$3,500 was paid to get our carpet out of storage. Nine out of the original 10 rolls were returned. Arrangements have been made with Golden State Carpet Company to store the carpet and install as needed. Mr. Benedict reported that our new Director of Nursing Services, Barbara Brookshire, who began her work at The Heritage on October 1st, is doing an outstanding job. Also, he stated that he has been appointed to the C.A.H.A. Insurance Trust. The Heritage is represented in the Trust due to the pension plan that we provide for our employees. Last of all Mr. Benedict reported that an inspection of our buildings was made by the fire inspector on November 15th and we were given clearance along with feedback on our proposed emergency plan revisions.

Mr. Perkins gave the report of the Chief Financial Officer. He began by reviewing the November Financial Report for The Heritage. Next he announced that the first

part of the Ferguson restricted donation, \$25,000, had been given to The Heritage on November 16th and placed in a segregated account to be used for its intended purpose. In closing, Mr. Perkins stated that Fox and Company, our auditors have submitted a bid of \$14,600 for this year's services, a 4.3% increase over last year's cost. After discussion, it was moved, seconded and carried (Mr. Perkins, Mr. Clifton) to continue with the services of Fox & Company for 1985.

In the absence of Mrs. Abbott, President, Mrs. Hall, Jr., First Vice-President, presented the Report of the Board of Managers. She reported she had met with the Admissions Committee and Mrs. Ferguson regarding the restricted gift donation. It was agreed to arrange a luncheon on January 9th with Mrs. Ferguson and representatives from the San Francisco opera, symphony, and ballet to discuss implementation of referrals for admissions under the guidelines of the donation. Mrs. Hall reminded Trustees of the resident Christmas cocktail party on December 20th from 5:30 to 7:30 p.m. Mr. Morshead reiterated his concern that a member of the Board of Managers visit our Chinatown kitchen site on a regular basis. He also requested assurance that no existing hazards are being deferred during the preparation of the long range plan for the Health Center.

After discussion, it was moved, seconded and carried (Mr. Perkins, Mrs. Reinecke) that Mr. Howard and Mr. Matthews be assigned the task of reviewing our current life care agreement.

Mr. Perkins presented the 1985 budget to the Board of Trustees for discussion. Mr. Stanford stated that years ago the Trustees requested that the Sequoias wage scale be used as a guideline in the development of our employee payroll budget. Mr. Morshead reported that through his inadvertent lapse, this had not been taken into consideration in the formation of this year's budget. After discussion, it was moved, seconded and carried (Mr. Morshead, Mr. Matthews) that this year's overall budget be approved and that the operating budget of \$1,808,890.00 also be approved subject to possible revision to our wage scales after studying the impact of significant differentials based upon a comparison of our scale with that prevailing at The Sequoias.

Mr. Perkins presented the 1985 Capital Expense Budget for approval. It was moved, seconded and carried (Mr. Otto, Mr. Stanford) that the 1985 Capital Expense Budget of \$41,900.00 be approved as presented.

There being no further business, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary
Board of Trustees

DLW:ml

Board of Trustees Meeting

October 4, 1984

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at 3400 Laguna Street, San Francisco, California on October 4, 1984. Trustees present were Messrs. Clifton, Howard, Matthews, Morshead, Perkins and White, and Mesdames Abbott, Hall, Jr., and Reinecke.

Mr. Morshead, Chairman, called the meeting to order at 2:00 p.m. and requested a motion to approve the minutes of June 21, 1984, which had been previously distributed. It was moved, seconded and carried (Mr. Matthews, Mr. Perkins) to approve the minutes.

Mr. Benedict presented the Administrator's Report beginning with a summary of recent activity in the Health Center. He noted that Phase I of the Bather Project has been completed. Phase II began October 4th with jackhammering in the shower room and relocation of patients to the Theater Room and Hobby Room for the day. He reported that the Health Care Committee of the Board of Managers is involved in the development of a long range plan for the Health Center. Finally, he stated that our new Director of Nursing Services, Barbara Brookshire, began her work at The Heritage on October 1, 1984. She has been very well received.

In regard to the home as a whole, Mr. Benedict advised the Board that the intercom masters have arrived and the existing wiring is being repaired as needed. He expects the intercom to be fully operational soon. Mr. Benedict drew attention to the exterior painting of the west side of the Perry Building, a project which was approved in the 1984 Capital Expense budget. He recommended that all of the Perry building and the Health Center exterior be done at the same time as the budgeted west side. In closing, Mr. Benedict informed the Board about the difficulty we are currently having in obtaining the release of carpet which has been stored with the Avilla Carpet Company since 1982. Arrangements were originally made for the carpet to be stored and installed as needed after the carpet was purchased through Western Contract Furnishers. The carpet was to be stored at no cost but Avilla Carpet is now asking for a storage fee to be paid before the carpet will be released. After discussion, the Board of Trustees asked Mr. White and Mr. Benedict to work together to negotiate with Mr. Avilla to make arrangements to have the carpet released.

Mr. Perkins gave the report of the Chief Financial Officer. He began by reviewing the August Financial Report for The Heritage. Next he drew attention to the twelve year financial projections which show a positive trend at least through 1996. It was agreed that it would be valuable to have a long range planning committee from the Board of Trustees. Regarding the residents' monthly care fees, it was moved, seconded and carried to leave the calculation of the January raise of the monthly care fees to the Board of Managers, Executive Committee and Chief Financial Officer with authority to raise up to 3%.

Mrs. Abbott presented the report from the Board of Managers. She stated that a comprehensive long range plan for the Health Center will be presented to the Board of Trustees in approximately nine months. The Board of Trustees will address the financial planning for this project. She announced that a Long Range Planning Committee has been formulated from the Board of Managers with Miss Laura Cooper as chairman. The subject of the restricted gift of \$100,000 was again discussed. Mr. Howard outlined the three different ways that the gift would be set up as follows: 1) irrevocable independent trust; 2) irrevocable trust in partnership with The Heritage; 3) restricted gift that would be turned over to another charitable institution if not used by The Heritage in the designated length of time. Last of all Mrs. Abbott told the Trustees that this year's Residents' Christmas Party will be on the 20th of December from 5:30 - 7:30 p.m. It will be a cocktail party to which members of the

*Xmas Party
12/20/84*

Board of Trustees and their spouses will be invited.

Mr. Howard reported that the letter of credit for the Cathedral Hill fire damage reconstruction is getting down to the bottom. Mr. White stated that the Cathedral Hill Hotel luncheon that he attended for the grand opening was very pleasant.

It was moved, seconded and carried (Mr. White, Mr. Matthews) to amend the Bylaws of the Society to increase the membership of the Board of Trustees by one.

It was moved, seconded and carried (Mr. Matthews, Mr. Clifton) to elect Dr. James Bennington to the Board of Trustees.

There being no further business, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary

DLW:ml

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

June 21, 1984

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on June 21, 1984. Trustees present were Messrs. Clifton, Howard, Matthews, Morshead, Otto, Perkins and Stanford, and Mesdames Abbott and Hall, Jr. Ms. Long, Acting Administrator, was also present.

Mr. Morshead, Chairman, called the meeting to order at 2:00 p.m. and requested a motion to approve the minutes of March 22, 1984, which had been distributed previously. It was moved, seconded and carried to approve the minutes.

Ms. Long presented the Administrator's Report, in brief, due to the fact that the State Inspectors chose today to pay their annual, unannounced visit to The Heritage (we came through with flying colors). The item of greatest importance is the present malfunctioning of a part of the Home's intercom system. Two bids have been secured, one from Muzak, to replace the entire system, at a cost of \$38,000; the other, from Sunset Factory, to replace the masters only and to repair the individual units as required, for \$14,000. Mr. Stanford suggested the possibility of changing to a telephone system, as at the Sequoias, but this was considered too costly. As Mr. White is knowledgeable on this subject, Mr. Morshead suggested that Mr. White and Ms. Long look into this matter a little further and be allowed up to \$30,000 to repair and/or replace the system as soon as possible. It was moved, seconded and carried to approve the above.

Ms. Long also reported that the long-awaited bather has hit another snag. The architects did not get the required state acceptances for this project, so the plans now are being reviewed at the State Architects' Office in Sacramento, with permits hoped for in about two weeks.

Mr. Morshead announced that the search committee has selected a new Administrator, Mr. Edward Benedict, who will take over at The Heritage on July 1, 1984. He is presently the Administrator at Martin Luther Towers in San Francisco, and is very well thought of in the community and by CAHA. Mr. Morshead also offered a formal thank-you to Ms. Long for the superb job she has done as Acting Administrator at The Heritage since April 13, 1984. All the Trustees agreed heartily.

Mr. Perkins gave the report of the Chief Financial Officer. He stated that the May financials indicate that we could end this year in the black rather than with the budgeted deficit of \$86,000. Utilities appear to be the only item out of line with the budget. He also reviewed our pension contingent liabilities and concluded that over the last year our unfunded past service liability has declined from over \$100,000 to \$50,000 and will be totally eliminated shortly.

Mr. Perkins stated that the Fox and Company twelve-year projections show a plus figure for the endowment based on our 22 assumptions. Mr. Morshead asked if any of the assumptions should be changed before we make another run in the fall. Mr. Otto commented on one assumption regarding the portfolio - namely the bond account which is presently in a very strong position. Our fixed income holdings are primarily in Government Bonds, which are now staggered so that a percentage mature every year. He stated that all transactions are handled through the Wells Fargo Bank. The projections also assume some improvement in the equity position. There was discussion as to whether the commercial blanket bond needs to be increased. This will be investigated.

Mrs. Abbott gave the report of the Board of Managers. She stated that Mrs. Barlow Ferguson, a former President of the Board of Managers, has offered to subsidize one or more future residents at the Heritage in the amount of \$25,000 per year for four years, with the stipulation that they have some connection with the Performing Arts in the Bay Area. Many questions ensued. Mr. Morshead suggested that Mr. Perkins and Mr. Howard check into the legal and tax ramifications of such a gift. Mrs. Abbott will so notify Mrs. Ferguson.

Mr. Morshead reported that there is a vacancy on the Board of Trustees and two candidates are under consideration: Mr. Carl D. (Sam) Arnold, who manages retirement hotels, and Dr. James Bennington, Chief of Pathology at Children's Hospital. Both men have indicated an interest. Mr. Otto suggested that both be asked to serve - which will entail amending the By-Laws. It was moved, seconded and carried to ask Mr. Arnold to fill the present vacancy at this time (Mr. Morshead has informed us that Mr. Arnold has been asked and has accepted). It was moved, seconded and carried to ask Dr. Bennington after the By-Laws have been amended. This will be done at a Special Meeting in September or October to which members of the Society and the Board of Trustees shall be so notified at least 30 days prior to said meeting.

Mr. Morshead announced that the Cathedral Hill Hotel is holding a Grand Opening Luncheon next Wednesday to which Mr. Morshead and Mr. White have been invited. Mr. White plans to attend. The subject of the Hotel's level of insurance was discussed, as it was not adequate at the time of the fire. Their lease with us requires that they carry a reasonable amount of insurance. This situation is to be checked out and corrected, if necessary.

Mr. Morshead discussed the possibility of revising the Continuing Care Contract to reflect the many recent innovations in the delivery of health care (i.e. heart transplants etc.), all of which can be very costly. Mr. Howard and Mr. Matthews agreed to research this situation, as to our legal and financial responsibilities.

Resolutions authorizing signing of checks for the Crocker Operating Account; Wells Fargo Revolving, Resident Trust, and Payroll accounts were ratified and are attached as part of these minutes.

There being no further business, the meeting was adjourned at 3:15 p.m.

Respectfully submitted,

Barbara B. Hall

Barbara B. Hall
Secretary Pro Tem
Board of Trustees

ACCOUNT AGREEMENT - ORGANIZATION
(CORPORATION, UNINCORPORATED ASSOCIATION, PARTNERSHIP, JOINT VENTURE)

ACCOUNT TITLE

San Francisco Ladies' Protection & Relief Society

ACCOUNT NUMBER
019-081273

KIND OF ACCOUNT

- CHECKING ACCOUNT, REGULAR
- TIME DEPOSIT, OPEN ACCOUNT (BONUS PASSBOOK); MATURITY:
- SAVINGS ACCOUNT, REGULAR
-

NATURE OF ACCOUNT

- CORPORATION
- UNINCORPORATED ASSOCIATION
- CORPORATE FIDUCIARY
- CONTROLLED, *Subject to:*
- PARTNERSHIP, GENERAL
- PARTNERSHIP, LIMITED
- JOINT VENTURE

This undersigned organization (corporation, unincorporated association, partnership, or joint venture as specified above) agrees with the CROCKER NATIONAL BANK as follows:

This account and all deposits therein shall be of the kind and nature indicated above, and subject to all applicable laws and to the Bank's present and future by-laws, rules, regulations, practices, and charges.

The Bank may honor, receive, certify, or pay all checks, drafts, orders, receipts, and other instruments drawn, accepted, or given by the undersigned for payment from the account or at the Bank when, if designated "Corporation", "Unincorporated Association", or "Corporate Fiduciary", signed by such persons as the directors of the corporation or the directors, officers, or trustees of the association may authorize and the secretary or other authorized person may certify to the Bank from time to time; and, if designated "Partnership" or "Joint Venture", signed by such persons as the undersigned may certify to the Bank from time to time.

The Bank may (a) accept for deposit or collection any check or other instrument payable to the organization, the undersigned, cash, or bearer, whether or not endorsed by written or stamped endorsement with or without designation or signature of the person making the endorsement, or cash any such check or instrument if endorsed in the same manner as is authorized for signing on the account; (b) at the organization's risk (1) mail or deliver statements and related items to the organization, (2) hold or otherwise dispose of them as requested by the undersigned, and (3) if "Will Call" is specified in any said signature certification, hold them until called for by any one authorized to sign on the account; (c) if given conflicting certifications or demands, either deposit the balance in court or withhold payment from the account pending the joint order or receipt of all parties or an appropriate court order determining those authorized to sign; and (d) without notice or demand apply or set off any balance in the account against any obligation of the organization to the Bank when due.

If the account is designated (a) "Savings", the undersigned warrants that it is entitled to maintain a savings account under Regulation Q of the Board of Governors of the Federal Reserve System and that the Bank may require 30 days' written notice of an intended withdrawal; (b) "Time Deposit, Open Account", funds are to remain on deposit until, and may not be withdrawn before, the above-stated maturity; (c) "Partnership" or "Joint Venture", those signing below certify that they are all of the general partners or joint venturers thereof; if the organization is doing business under a fictitious name it warrants that it has title to and right to use the same and has complied with all requirements for using or doing business under that name and that the Bank may accept for deposit, collection, or encashment any instrument payable to or endorsed in that name; (d) "Controlled", the Bank may require appropriate additional authorization to pay monies from the account.

The "undersigned" means, as the case may be, the corporation, association, or any general partner or joint venturer signing below.

May 5,

1984

(SEAL)

(If none, so state)

Dame S. Dohart
President

CUSTOMER'S SIGNATURE

Frances R. Jordan
Vice President

Barbara B. Hall

Treasurer

June Wapple Johnson
Assistant Treasurer

Barbara Long
Acting Administrator

RESOLUTIONS

I, as Secretary of San Francisco Ladies' Protection & Relief Society

a corporation duly organized and existing under the laws of the State of California
 an unincorporated association

(hereafter called the "organization"), hereby certify to the CROCKER NATIONAL BANK that the following is a true copy of resolutions duly adopted by the Board of Directors of the organization at a meeting duly held on May 3, 1984, conformity with the articles of incorporation, charter, and by-laws or other governing instrument of the organization, and that said resolutions are in full force and effect:

"RESOLVED, that the Crocker National Bank (Bank) is hereby selected and designated as a depository of funds of this organization and that such deposit account or accounts be established and maintained by and in the name of this organization and at such office or offices of the Bank and upon and subject to such terms and conditions as may from time to time agree upon with the Bank; and

"FURTHER RESOLVED, that all checks drafts, orders, receipts, and other instruments drawn, accepted, or given by this organization for payment from any such account or at any such office be signed on behalf of this organization as indicated below: (complete one)

By any two of the following persons designated by name or organizational title, viz.:

President _____

TITLE OR NAME _____

Vice President _____

TITLE OR NAME _____

Treasurer _____

TITLE OR NAME _____

Assistant Treasurer _____

TITLE OR NAME _____

Acting Administrator _____

TITLE OR NAME _____

TITLE OR NAME _____

By the following persons designated by name or organizational title and by group, viz. by any two of Group A, or any one of Group A together with any one of Group B:

GROUP _____ TITLE OR NAME _____

"FURTHER RESOLVED, that the Bank may accept for deposit or collection any check, draft, order, or other instrument for the payment of money, whether or not endorsed in the name of this organization by written or stamped endorsement and with or without designation or signature of the person making such endorsement;

"FURTHER RESOLVED, that the Bank be and hereby is requested and authorized to honor, receive, certify, or pay any such check, draft, order, receipt, or other instrument signed or endorsed in accordance with the foregoing resolutions and the certification then in effect as provided for in these resolutions, including any thereof presented for negotiation, encashment, or payment by, or drawn or endorsed to the personal order of, any person signing or endorsing the same;

"FURTHER RESOLVED, that the Secretary, or any Assistant Secretary, of this organization be and hereby is authorized and directed to certify to the Bank that these resolutions have been duly adopted and are in conformity with the articles of incorporation, charter, and by-laws or other governing instrument of this organization, and further to certify to the Bank a copy of these resolutions, the names and specimen signatures of the present officers and other persons of this organization authorized to sign as aforesaid, and the fact of any change of the persons herein designated by title together with the name and specimen signature of the successor; and

"FURTHER RESOLVED, that these resolutions and each such certification shall remain in full force and effect, and the Bank is authorized and requested to rely and act thereon and shall be indemnified and saved harmless from all liability and loss incurred by it in continuing to act in pursuance of these resolutions (even though they may have been changed) until it shall receive at its office, or offices if more than one, to which a certified copy of these resolutions is delivered, either a certified copy of a further resolution of the Board of Directors amending or rescinding these resolutions or a further certification as above provided for, as the case may be; and the Bank is authorized to honor any instrument and agreement signed by any new person in respect of whom it has received any such certification as successor with the same force and effect as if said new person were named in the foregoing resolutions."

IN WITNESS WHEREOF, I have hereunto subscribed my name as Secretary and affixed the seal of said organization this 3rd day of May, 1984.


Anna L. White
SECRETARY

(SEAL)

(If none, so state, and delete
reference to seal in the
attestation above.)

**RESOLUTION AUTHORIZING SIGNING AND ENDORSING
CHECKS AND OTHER INSTRUMENTS**

TO: WELLS FARGO BANK, N.A.

RESOLVED that this corporation establish a deposit account with you Wells Fargo Bank, N.A. that the _____ and _____

who signed the Account Authorization are authorized to open this account.
RESOLVED: that any two _____

checks or other instruments withdrawing funds from the account. _____ of the following may sign

1 Marla Long, Acting Administrator

NAME _____ TITLE _____ NAME _____ TITLE _____

2 Stephanie V. Oakes, Accountant

NAME _____ TITLE _____ NAME _____ TITLE _____

3 Donna S. Abbott, President

NAME _____ TITLE _____ NAME _____ TITLE _____

RESOLVED: that you may honor and pay all checks or other instruments signed in accordance with this resolution including those payable to persons who sign them. You may also accept for deposit checks or other instruments payable to the corporation whether they are endorsed in writing or by stamp.

RESOLVED: that this authorization remain in force until the Board gives you written notice to the contrary.

I CERTIFY: this is a copy of the resolution adopted by the Board of this corporation on the 3rd day of May 1984 at a meeting where a quorum was present: the signatures which appear on the reverse of this card are those of the people named above. I have the power to make this certification, and I do so by signing here and affixing the seal of the corporation.

S.F. Ladies' Protection
& Relief Society

NAME OF CORPORATION 5/7/84 DATE X Anna Wade SECRETARY

FOR BANK USE ONLY

CHECKING PLAN CODE:	OPENED BY	DATE	AMOUNT \$	REVIEWED & APPROVED
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BUSINESS BANKING REFERENCE		PRINCIPAL'S IDENTIFICATION	
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BANK NAME	DRIVERS LICENSE NO.	DATE OF BIRTH	
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FORM DA 11 <input type="checkbox"/>	DA 15 <input type="checkbox"/>	FORM DA 11 <input type="checkbox"/>	DA 15 <input type="checkbox"/>
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DATE SENT	DATE RETURNED	DATE SENT	DATE RETURNED
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VERIFIED BY	VERIFIED BY	MASTERCARD NO.	VISA NO.
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OTHER INFORMATION/CHANGE OF ADDRESS

DATE CLOSED	REASON
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SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY
March 22, 1984

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage on March 22, 1984. Trustees present were Messrs. Clifton, Howard, Matthews, Morshead, Otto, Perkins, and West, Miss Balcom and Mesdames Abbott, Hall, Jr. and Reinecke. Mrs. McDaniel, member of the Board of Managers, Mr. Stevens, Administrator of The Heritage and Ms. Long, Administrative Assistant were also present.

Mr. Morshead, Chairman, called the meeting to order at 2:00 p.m. and requested a motion to approve the minutes of January 20, 1984, which had been previously distributed. It was moved, seconded and carried (Mr. Matthews, Mr. Perkins) to approve the minutes.

Mr. Morshead, introduced Mr. Kenneth Metzger, of Metzger and Wentner, Incorporated, to the Board. Mr. Metzger is the insurance broker for The Heritage. He explained the history of the firm and summarized the package of coverage currently provided through Metzger and Wentner. Mr. Morshead asked the Board if they wished to continue earthquake insurance. It was agreed to continue coverage in this area at least through the expiration date of the current policy. The Board asked Mr. Metzger to extend the expiration date to October 1, 1984 so that the subject of earthquake insurance may be thoroughly addressed at the next meeting of the Board of Trustees.

Mr. Perkins gave the report of the Chief Financial Officer. He stated that the audit from Fox & Company will be available in draft form next week. Mr. Perkins informed the Board that recently the I.R.S. reviewed the 1981 Federal Tax returns of The Heritage. The representative was very complimentary, stating that we run a very clean operation.

Mr. Morshead informed the Board that Mr. White was recently contacted by William Smith, a real estate broker, who called on behalf of a corporation called Grovenor Properties. Grovenor Properties is currently interested in buying our real estate interests at the Cathedral Hill Hotel site. Mr. White informed Mr. Smith that the contact he has made with the San Francisco Ladies' Protection and Relief Society in no way obligates us to Mr. Smith now or in the future. After discussion, it was agreed by the Board that a cash proposal of this type would require very careful consideration. The decision was deferred to the next Board meeting, at which time Mr. White, our real estate director should be present.

Mr. Perkins, Chief Financial Officer, presented a request to the Board that we change the current Life Expectancy (Annuity) table used to calculate amortized entry fee revenue. Now, for the continuing care reserve computation, we are required by the State to use a longer lives Annuity Table. Using this table will provide a more conservative projection of our costs and a more realistic picture of revenue. Fox & Company, our auditors, recommend that the Board approve the use of the DHS Annuity Table, starting 1984, for our calculation of amortized entry fee revenue. It was moved, seconded and carried (Mr. Perkins, Mr. Clifton) that the DHS Annuity Table be adopted for use at The Heritage effective immediately.

Mrs. Reinecke gave the report of the Board of Managers. She stated that in answer to a request by the Board of Trustees, a member of the Board

of Managers has been selected to visit our Federal Nutrition site on a regular basis and has begun doing so. She expressed regret on the behalf of the Board of Managers that Mr. Stevens, Administrator of The Heritage, has resigned effective April 13th. Mr. Morshead will be chairing the "Search Committee" which will be comprised of members of the Board of Trustees and the Board of Managers. Mrs. Abbott, Chairman of the Health Care Committee of the Board of Managers, gave a progress report on the plans for modifications in the Health Center for our new bather.

Mr. Morshead drew attention to the proposed By-law amendments which will be voted on at the annual meeting on May 3rd. The job description of the administrator will need revision if the amendments are adopted.

Mr. Howard reported on the progress of negotiations with Sammons Corporation for the letter of credit discussed in the January 20, 1984 Board of Trustees meeting.

Mr. Stevens presented the Administrator's Report. He stated that the Francisco Street flats have been refurbished and rented. He also informed the Board that our intercom system at The Heritage is in need of replacement. One bid has been received. The Executive Committee of the Board of Trustees was authorized to review and give approval for the intercom replacement.

Respectfully submitted,

David L. White

David L. White
Secretary
Board of Trustees

DLW:ml

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

January 20, 1984

On call of the Chairman, a special meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage on January 20, 1984. Trustees present were Messrs. Clifton, Howard, Matthews, Morshead, Perkins, Stanford, West and White, Miss Balcom, and Mesdames Abbott, Hall, Jr., and Reinecke. Ms. Susan Passovoy, of Howard, Rice, Nemerovski, Canady, Robertson and Falk, Mr. Roger Stevens, Administrator of The Heritage and Ms. Marla Long, Administrative Assistant were also present.

Mr. Morshead, Chairman, called the meeting to order at 10:00 a.m. Due to the special nature of this meeting minutes of the December 15, 1983 meeting were not read.

Mr. White informed the Trustees that the lower flat at 1538 Francisco Street has been vacated by Mrs. McCormick, a tenant of some 22 years. She had been paying a rent considerably below market value. The flat needs thorough reconditioning before it can be rented. Mr. White stated that Hill and Company, a real estate firm, has assessed the current rental value of the flat and feels that it can be rented for \$1,100.00 per month. Mr. White proposed that Hill and Company be authorized on a nonexclusive basis to offer for lease the lower flat, unfurnished, heat and water to be included in the rent. In the event that a satisfactory tenant is obtained and a lease consummated, we would agree to pay Hill and Company a commission of five percent of the annual rental for one year with no obligation in the event of lease renewal. The Trustees unanimously agreed to authorize Hill and Company to obtain a tenant for the flat.

Mr. Morshead asked Mr. White, who has been handling the business connected with the Cathedral Hill Hotel fire, to inform the Trustees of the recent history regarding this event. Mr. White began by presenting a brief description of the fire and subsequent damage to the hotel. He stated that we recently received a proposal from Sammons Corporate Services, Incorporated, representing Jack Tar of San Francisco, suggesting an arrangement whereby the Society's fiduciary responsibilities with respect to the holding and disbursement of insurance proceeds would be eliminated. Mr. Morshead contacted three senior members of the Board of Trustees and they approved Mr. Morshead's appointing Mr. Howard, Trustee, and his law firm to represent the Society formally and with compensation in this matter. It was moved, seconded and carried (Mr. Stanford, Mr. Perkins) to ratify this appointment."

Mr. White stated that Sammons Corporation has engaged Plant Builders, Incorporated to perform the entire reconstruction of the Cathedral Hill Hotel. They reported they have reached an understanding with their insurer for fire loss, Traveler's Insurance Company, that will permit advance payments to the hotel to fund this reconstruction on a timely basis. Sammons Corporation has proposed that the Society remove itself from trusteeship in this matter in return for which Sammons will cause to be issued an irrevocable letter of credit in favor of the San Francisco Ladies' Protection and Relief Society in the approximate amount of \$5,000,000 which is the current estimate of the reconstruction work to be performed by Plant Builders, Inc. The letter of credit would be reduced on a monthly basis to the extent the hotel can prove payment to the contractors for work completed based upon a certificate by an architect possessing qualifications described in Section 16 of the lease.

Mr. White pointed out that although Sammons Corporation appears to have a sufficient relationship with Traveler's Insurance they did not adhere to certain provisions of

the lease requiring full replacement insurance. Sammons Corporation has committed to rectify this situation at the earliest opportunity. Also they self-insured for interruption of business. This should prompt them to complete reconstruction of the hotel as soon as possible. At this time, July 1, 1984 is targeted as the completion date for reconstruction.

Mr. White summarized by stating that we do not know at this time the following factors: 1) what the follow-up fire report will state; 2) the total cost of reconstruction; and 3) the exact obligations of Traveler's Insurance Company to Sammons Corporation. The Trustees now face a business decision in determining their response to the proposal which has been made.

Mr. Howard introduced his associate, Ms. Susan Passovoy, who addressed the legal aspects of the decision to be made by the Society regarding the Sammons Corporation proposal. She stated that the Society had maintained a "passive landlord" position in the leasing of the land for the Cathedral Hill Hotel. The preferred position is one that is as far removed as possible from the disbursements so that any potential liability can be kept to a minimum. If a letter of credit is written, it may well remove the Society further. It is also preferable because it is an absolute obligation and the Society is removed from any conflict between the insurance company and the insured. In summary, Ms. Passovoy recommended that the Society seek all indemnity they can get and emphasize the passive nature of the lease. She also recommended that the letter of credit be from a substantial California bank.

It was moved, seconded and carried (Mr. Perkins, Mr. Clifton) to authorize Ms. Passovoy to write a letter to Sammons Corporation in behalf of the Society whereby an arrangement would be made for the Board to relinquish its right to hold the insurance proceeds as Trustee in exchange for a letter of credit. The following provisions should be included: 1) the amount of the letter of credit would be 110% of the amount required for remaining work at any time during the reconstruction; 2) the letter of credit must be unconditional and must be issued by a substantial California bank; and 3) the Society wishes to be indemnified and held harmless of all liability that may arise in connection with the reconstruction.

The Trustees also asked Ms. Passovoy to address the issue of revising the insurance provision of the lease with respect to the amount of general liability coverage. Ms. Passovoy will ask for further clarification of these points.

It was unanimously agreed to have the next meeting of the Board of Trustees on March 22nd at 2:00 p.m. Lunch will be served preceding the meeting at 12:30 p.m. Mr. Ken Metzger, our insurance consultant, will be our guest speaker.

There being no further business, the meeting was adjourned at 11:45 a.m.

Respectfully submitted,

David L. White

David L. White
Secretary

DLW:ml

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY
December 15, 1983

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on December 15, 1983. Trustees present were Messrs. Harris, Howard, Matthews, Morshead, Otto, Perkins, Stanford, West and White, Miss Balcom and Mesdames Abbott, Hall, Jr., and Reinecke. Mr. Stevens, Administrator of The Heritage and Ms. Long, Administrative Assistant, were also present.

Mr. Morshead, Chairman, called the meeting to order at 2:00 p.m. and requested a motion to approve the minutes of September 20, 1983, which had been previously distributed. It was moved, seconded and carried (Mr. West, Mr. White) to approve the minutes.

Mr. Stevens presented the Administrator's Report stating that repeated attempts to fix the intercom system which connects the reception desk and Health Center to each resident's room have been unsuccessful. Although it connects to a majority of the rooms at present, it is not effective as an emergency tool if it does not reach all. It will be a major capital expense when it is replaced, which will need to be in the near future.

Mr. Perkins gave the report of the Chief Financial Officer stressing that revenues are ahead of budget and expenses under. The operating expense was affected by the Workmen's Compensation Insurance refund. This refund will be budgeted for next year.

Mrs. Reinecke began the report of the Board of Managers by stating that the residents' rent raise letter went out on December 1st in order to increase the monthly care fees 5% as of January 1, 1984 as voted by the Board of Trustees at their September 20, 1983 meeting. She reported that the 130th Anniversary Party was a very well attended successful event as were the Residents' and Health Center Christmas parties. The Chairman of the Health Care Committee of the Board of Managers, Mrs. Abbott, reported that the projected cost of the modifications of the Health Center was approximately \$9,000. It is apparent that the cost will be closer to \$19,000 when the plans are finalized. As the lower figure is now stated in the capital expense budget for 1984, Mrs. Abbott asked that the capital expense budget be considered with this raise in mind. The Trustees noted this request. The report of the Board of Managers was ended with a reminder from Mr. Morshead of the importance of the involvement of the Board in the Self Help for the Elderly Chinatown site at Mei Lun Yuen. He asked that a representative from the Board of Managers visit the site on a regular basis.

Mr. Howard reported on the recent contact made with Children's Hospital regarding the Allyne Bed Endowment. After giving a brief history, Mr. Howard reported that a successful understanding has been reached between The Heritage and Children's Hospital whereby Children's will honor the Allyne Bed Endowment by no longer charging the deductible portion of any insurance coverage a resident might have.

Mr. Perkins presented the 1984 budget to the Board of Trustees for discussion. After review of specific items a motion to accept the 1984 budget was moved, seconded and carried (Mr. Perkins, Mr. Otto).

Mr. Perkins presented the 1984 Capital Expense budget to the Board of Trustees for discussion. After discussing the additional sum requested for the modifications for the addition of the bather to the Health Center, it was moved, seconded and carried (Mr. Matthews, Mr. Howard) that the Capital Expense budget be approved in an amount not to exceed \$75,000.

Mr. White reported that the lower flat at 1538 Francisco street is voluntarily being vacated after approximately 22 years of occupation. It will need thorough reconditioning before it can be rented. It was unanimously agreed, that after seeking 3 bids, work should proceed immediately on the flat.

There being no further business, the meeting was adjourned at 3:15 p.m.

Respectfully submitted,



David L. White
Secretary

DLW:ml

San Francisco Ladies' Protection and Relief Society
September 20, 1983

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on September 20, 1983. Trustees present were Messrs. Clifton, Harris, Matthews, Otto, Perkins, West and White, Miss Balcom, and Mesdames Abbott, Hall, Jr., and Reinecke.

In the absence of Mr. Morshead, Chairman, Mr. Otto, Vice Chairman, called the meeting to order at 2:00 p.m. and requested a motion to approve the minutes of June 23, 1983, which had been previously distributed. It was moved, seconded and carried (Mr. Perkins, Mr. West) to approve the minutes.

Mr. Stevens presented the Administrator's Report as follows: 1) The potable water tanks have been cleaned and relined by Reichel Engineering Company at a cost of \$5,745.00; 2) The gutters in the Morgan building are being repaired; 3) The Heritage has started the intergenerational program with the San Francisco Living and Learning Center. The preschool children who attend this school will be having their classes at The Heritage one afternoon a week; 4) The Heritage kitchen at Mei Lun Yuen is providing approximately 60% of the meals supplied by Self Help for the Elderly in Chinatown; 5) We are in the process of searching for a new Director of Nursing Services as Mrs. Mae Oba, our current D.N.S., will be retiring in November, 1983; and 6) Factors to consider in the vacancy rate at The Heritage were discussed.

Mr. Perkins gave the report of the Chief Financial Officer, commenting on the highlights of the August eight month report. Revenues are up over budget and expenses are down. Dividends are down but this seems due to timing.

The Trustees discussed raising the rent on the Francisco Street flats. It was moved, seconded and carried (Mr. White, Mr. Matthews) to increase the rent of the lower flat as permitted by law as of November 1, 1983. It was the recommendation of the Trustees that the rent of the upper flat not be raised as the Heritage Maintenance Supervisor occupies this flat and the raise would amount to a decrease in his salary.

Mr. Perkins reported that we have received the proposal from Fox and Company, our current auditors, for our 1983 audit. The fee has been raised approximately 4% in order to cover their anticipated increase in costs. After discussion, it was moved, seconded and carried (Mr. Perkins, Mr. Matthews) to engage Fox and Company for the fee of \$14,000.00 for the 1983 audit.

Mr. Perkins stated that we have received a revised set of computerized projections for The Heritage financial outlook and they reflect a much better position. We are interested primarily that our endowment will cover our obligation to the residents and the most recent report shows that it will.

Mrs. Reinecke began the report of the Board of Managers by announcing the celebration of the 130th Anniversary of the San Francisco Ladies' Protection and Relief Society which will take place at the Heritage Protection and Relief Society which will take place at the Heritage on October 26, 1983. She asked the Trustees to inform the Board of Managers of individuals that they feel should receive invitations.

Mrs. Abbott, Chairman of the Health Committee of the Board of Managers reported that they are in the process of receiving bids from two architecture firms for modifications necessary to install a new bather in the Health Center. The work involved includes a drain in the floor, ventilation and tile on the walls. The Trustees approved the project in concept and authorized the selection of an architecture firm with final approval when costs are determined.

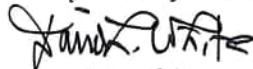
Due to the absence of Mr. Howard, discussion of the Allyne bed endowment was deferred to the next meeting of the Board of Trustees.

The Trustees briefly discussed the earthquake insurance that has been purchased for The Heritage. This will be discussed in further depth at the December meeting. In the meantime, Mr. Clifton will mail a copy of the financial statement of the company that will provide this coverage for The Heritage to Mr. West for review.

After discussion, it was moved, seconded and carried (Mr. Clifton, Mrs. Abbott) to increase the monthly care fees for the residents 5% as of January 1, 1984.

There being no further business, the meeting was adjourned at 3:00 p.m.

Respectfully submitted,



David L. White
Secretary

DLW:ml

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

June 23, 1983

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on June 23, 1983. Trustees present were Messrs. Howard, Morshead, Otto, Perkins, Stanford, West and White, Miss Balcom, and Mesdames Abbott, Hall, Jr., and Reinecke. Mr. Stevens, Administrator of the Heritage, and Ms. Long, Administrative Assistant, were also present.

Mr. Morshead, Chairman, called the meeting to order at 2:00 p.m. and requested a motion to approve the minutes of March 31, 1983, which had been previously distributed. It was moved, seconded and carried (Mr. Stanford, Mr. Otto) to approve the minutes.

At the request of Mr. Clifton, Mr. Morshead reported that the Directors' and Officers' Liability Insurance has been increased from 3 million to 5 million dollars.

Mr. Stevens presented the Administrator's Report as follows: 1) The annual statement of cost of care would be sent to the residents of the Heritage during the following week; 2) A gift of \$500.00 was given to Katherine Mattern, L.V.N. in honor of her completion of 25 years of employment at the Heritage. The Trustees concurred with this action; and 3) We have begun serving meals at the new Self Help for the Elderly food site at Mei Lun Yuen. In addition, Self Help has asked us to start cooking 70-100 Western style meals on site at the Heritage for distribution through their program. The Board of Managers will have a representative visit the Mei Lun Yuen kitchen periodically.

Mr. Perkins gave the report of the Chief Financial Officer. He stated that Mr. Morshead and Mr. Stanford have done a lot of work on the projection of the Heritage financial outlook which has now been entered on a computer. Whenever we want to change assumptions, Fox and Company, our auditors, will run a new projection on their computer at a charge of \$250.00 - \$300.00.

The Trustees discussed the upcoming raise in monthly care fees for the residents. It was moved, seconded and carried (Mr. Stanford, Mr. White) to postpone an increase in monthly care fees until January 1, 1984, amount, if any, to be decided before December 1st. It was recommended that the Board of Managers send a letter to the residents notifying them of this decision.

The Trustees noted with regret the death of Mrs. Anna Pogson, who retired as administrator of the Heritage in 1967 after many years of faithful service.

Mr. Stevens presented the request of Food Dimensions, Inc. that the salary of our Food Services Director be raised 6% instead of the 5% which was budgeted. After discussion, it was moved, seconded and carried (Mr. Otto, Mr. Perkins) that her salary be raised 6% in accordance with the raise given to our own employees.

Mrs. Hall presented the request of the Board of Managers for the appropriation of funds for the purchase of a new fence around the

pocket garden as budgeted. The Trustees approved this project.

Mr. Stevens requested Trustees approval for the cleaning of the potable water tanks at the Heritage. Mr. White will visit the Heritage to assess the need for this action, and the estimated cost thereof.

The Trustees briefly discussed the status of the Allyne bed endowment.

There being no further business, the meeting was adjourned at 3:35 p.m.

Respectfully submitted,

David L. White,

David L. White
Secretary

ml

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

March 31, 1983

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on March 31, 1983. Trustees present were Messrs. Matthews, Perkins, Stanford, West and White, Miss Balcom, and Mesdames Avenali, Gallatin, and Reinecke. Mr. Stevens, Administrator of the Heritage, and Ms. Long, Administrative Assistant were also present.

Mr. White, Chairman, called the meeting to order at 2:00 p.m. and requested a motion to approve the minutes of December 16, 1982, which had been previously distributed. It was moved, seconded and carried (Mr. Stanford, Mrs. Reinecke) to approve the minutes.

Mr. White read a letter of resignation from Douglas G. Moore, effective at the expiration of his term in June. The Board accepted his resignation with regret.

Mr. White stated that the Annual Meeting and election of Officers for 1983-84 will be held on Thursday, May 5th. He appointed five members to serve on the nominating committee as follows: Messrs. Morshead, Otto, Perkins, Stanford and White.

Miss Balcom informed the Board of Trustees that the Board of Managers recommended opposing the proposed changes in the Life Care Agreement which had been recently drafted by our attorneys. The proposed changes would indicate a change of policy which at this time would be unacceptable. It was moved, seconded and carried (Mr. Stanford, Mr. Perkins) that the recommendation of the Board of Managers be accepted.

Mr. White reported that he had received a letter from Cathedral Hill Hotel, dated February 23, 1983, advising us that Phase I of their sleeping room renovations will most likely exceed \$500,000.00. In complying with our lease agreement, and as outlined in the January 21, 1981 amendment, they requested the written consent of the San Francisco Ladies' Protection and Relief Society. On behalf of the Society, Mr. White wrote a letter of authorization on March 11, 1983. It was moved, seconded and carried (Mr. Stanford, Mrs. Reinecke) to approve this action.

Mr. Stevens reported on a solar energy study which had been done for the Heritage by a company called Indian Energy. It was originally referred to the Advisory Council for study who advised that, due to the technical nature of the study, it should perhaps be evaluated by a committee which would include a member of the Board of Trustees. After discussion, the Trustees agreed that it is not a good time for the Heritage to consider a project of this kind.

Mr. Stevens reported that the agreement has been signed between Self Help for the Elderly and the Heritage for the relocation of the food program to the new site at Mei Lun Yuen. We are currently awaiting H.U.D. approval.

There being no further business, the meeting was adjourned at 2:50 p.m.

Respectfully submitted,

Avesia Gallatin/as

Mrs. Walter Gallatin
Secretary
Board of Trustees

Marla Long

Marla Long
Recorder
Administrative Assistant

ml

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

December 16, 1982

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on December 16, 1982. Trustees present were Messrs. Clifton, Matthews, Morshead, Perkins, Otto and Stanford, Miss Balcom, and Mesdames Avenali, Gallatin and Reinecke. Mr. Stevens, Administrator of the Heritage, and Ms. Long, Administrative Assistant were also present.

In the absence of Mr. White, Mr. Otto, Vice-Chairman, called the meeting to order at 2:30 p.m. and requested a motion to approve the minutes of October 19, 1982, which had been previously distributed. It was voted unanimously to approve the minutes.

Under "Old Business", Mr. Otto read a letter of appreciation which had been written by Mr. White, as Chairman of the Board of Trustees, and Mrs. Reinecke, as President of the Board of Managers, to Ms. Barbara Sailor, the niece of Elsa M. Emge, from whose trust a substantial bequest was left to the Heritage. After discussion, it was moved, seconded and carried (Mr. Morshead, Mr. Stanford) that this bequest in the amount of \$118,636.97 be merged with unrestricted funds.

Mr. Morshead, Chief Financial Officer, reported on the projected Heritage financial outlook. He emphasized that his July analysis did not consider the following two factors: 1) that inflation is abating faster than expected; and 2) there is every possibility that when the Cathedral Hill lease is up in 1987 there will be a marked increase in the rent charged. His conclusion is that the Heritage is in good financial health. Again, in reference to the July Board meeting, Mr. Morshead suggested that the Admissions Committee need not continue to use the "high end of the current scale" when figuring rates.

Mr. Morshead presented the 1983 budget to the Board of Trustees for discussion. After a review of specific items a motion to accept the 1983 budget was moved, seconded and carried (Mr. Stanford, Mr. Perkins).

Mr. Stevens presented the Administrator's Report. He reported that a double room, usually reserved for a couple, had remained vacant for several months. In response to this situation, the Board of Managers had passed a recommendation at their November meeting that "If a double room remained vacant for more than 6 months, it be offered to any current resident at an adjusted monthly fee to be determined by the Admissions Committee and secondly to an applicant for admission, charge for such applicant to be 75% of fee charged for entering couple". He also stated that potential applicants appear to be uncomfortable with the wide range which is currently stated for our fees. This is \$25,000 - \$37,500 entrance fee and \$550 - \$850 per month. We are often asked to quote a more specific price.

Mr. Stevens reported that with the passage of new state legislation, our life care agreement needs to be revised again. He will mail both our current contract, and the revised draft from our attorneys to the Trustees for review.

Mr. Stevens requested approval to relocate the Self Help for the Elderly food program to a new site at a H.U.D. housing project, Mei Lun Yuen. He reviewed the costs involved and stressed that this move will increase our meal output and therefore the percentage of income resulting from our community involvement. After discussion it was moved, seconded and carried (Mr. Stanford, Mr. Clifton) to approve this action subject to review by the Board of Managers and Mr. Morshead. Miss Balcom abstained.

Under "New Business", it was unanimously agreed to start future meetings of the Board of Trustees at 2:00 p.m. instead of 2:30 p.m.

There being no further business, the meeting was adjourned at 3:25 p.m.

Respectfully submitted,

Avesia Gallatin/as

Mrs. Walter Gallatin
Secretary
Board of Trustees

Marla Long

Marla Long
Recorder
Administrative Assistant

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

October 19, 1982

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on October 19, 1982. Trustees present were Messrs. Clifton, Harris, Matthews, Morshead, Otto, Perkins, West and White, Miss Balcom, and Mesdames Avenali and Gallatin. Mr. Stevens, Administrator of the Heritage, and Ms. Long, Administrative Assistant were also present.

Chairman White called the meeting to order at 2:30 p.m. and requested a motion to approve the minutes of July 22, 1982, which had been previously distributed. It was moved, seconded and carried (Mr. Otto, Mr. Clifton) to approve the minutes.

Under "Old Business", Mr. White reported that after consultation with Mr. Howard, the decision was made to seek reimbursement for medical expenses and services rendered to Mr. Byrdsley, Heritage resident, as a result of injuries incurred when he was struck by a Muni bus. Following receipt of his settlement from the City and County of San Francisco, et al., Mr. Byrdsley was asked to reimburse the Heritage for \$5,770.45. Mr. Byrdsley did so and also made an additional donation of \$2,000.00 to the Heritage in appreciation for the care he received.

Mr. White reported on the August Residents' Council meeting which was called as a result of the \$30.00 charge for parking spaces in our parking area which was approved by the Board of Managers at their July meeting. The two Boards were represented at this meeting by Mr. White, Miss Balcom, and Mesdames Gallatin, Hall, and Reinecke. During the meeting, Mr. White spoke of the Trustees' awareness of their commitments to the residents at The Heritage. He explained and reassured the residents about the financial position of The Heritage. He concluded by saying that the subject of the parking situation would be given reconsideration by the Board of Managers. The eventual action of the Board resulted in a revision of the Residents' Manual stating that "any assignments after October 1982 may be subject to a parking fee". This fee would be set by the Board of Managers according to conditions at the time of assignment.

Mr. White read a memo from Mr. Stevens which was sent to Mr. Morshead, Mr. White, Mrs. Avenali and Mrs. Stackhouse regarding the fact that we have exhausted our waiting list and have 3 vacant rooms one of which is a double. Several options were listed including considering non-life care residents. After discussion, Mr. Stevens was asked to consult our attorneys regarding possible residency of non-life care residents. It was agreed that the eventual decision must be made by the Board of Managers.

There was discussion regarding an article written about The Heritage in the August 25th San Francisco Examiner. This article contained misinformation and several Trustees were consulted in regard to possible action which could be taken. It was agreed that it would be detrimental to do so.

Mr. White reported that the smoke detector has been reinstalled in the lower Francisco Street flat. Fire extinguishers are also located in both flats.

Mr. Morshead, Chief Financial Officer, reported on the progress of the 1983 budget. It will be voted on at the December Trustees meeting.

Mr. Stevens reported that a substantial bequest of approximately \$115,000.00 will be given to the Heritage from the Elsa M. Emge Trust in the near future.

Mr. Otto, Chairman of the Investment Committee, reported that our investments are being handled conservatively such that the portfolio provides for maturation on a periodic basis rather than simultaneously in order to provide for greater liquidity.

The next Trustees meeting will be held on Thursday, December 16th at 2:30 p.m.

There being no further business, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

Alesia Gallatin

Mrs. Walter Gallatin
Secretary
Board of Trustees

Marla Long

Marla Long
Recorder
Administrative Assistant

ml

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

July 22, 1982

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on July 22, 1982. Trustees present were Messrs. Clifton, Matthews, Morshead, Otto, Perkins, Stanford, West and White, and Miss Balcom and Mesdames Gallatin and Reinecke. Mr. Stevens, Administrator of the Heritage, and Ms. Long, Administrative Assistant were also present.

Chairman White called the meeting to order at 2:30 p.m. and requested a motion to approve the minutes of March 25, 1982, which had been previously distributed. It was moved, seconded and carried (Mr. Otto, Mrs. Reinecke) to approve the minutes.

Under "Old Business", Mr. White reported that the vacant flat on Francisco street has been rented to Anatole Zelkin, the maintenance supervisor at the Heritage, as of June 20th for \$735.00. He was given a one year lease. Competitive bids were sought for the electrical work required for the flats. Mr. Zelkin submitted the lowest bid and was awarded the contract. The decision was made to install a new tar and gravel roof over the existing roof on the flats rather than remove the roof. The bid of Earl Roofing and Siding Company of \$2,440.00 has been accepted. It was moved, seconded and carried (Mr. Otto, Mr. Morshead) to approve the above contracts.

There was discussion regarding the smoke detector which had been removed from the upstairs Francisco street flat. Mr. Stevens was asked to inform the present tenant that it must be reinstalled in order to meet fire safety regulations.

There was discussion regarding a recent judgement won by Pryce Byrdsley, a Heritage resident, represented by Hanson, Bridgett, Marcus, Vlahos and Stromberg against the City and County of San Francisco for injuries incurred when Mr. Byrdsley was struck by a Muni bus. The attorneys have written asking that a decision be made as to the amount of reimbursement the Heritage should seek for services rendered to Mr. Byrdsley as a result of this accident. The Trustees asked that this question be referred to Mr. Howard for his review, and that Mr. White call the attorneys and request that no action be taken pending notification from us. A copy of the residents' life care contract and correspondence relating to this case will be forwarded to Mr. Howard immediately.

Mr. Morshead reviewed the analysis of the long range financial outlook for the Society which was prepared by Mr. Stanford and himself and distributed in preparation for this meeting. It is the tentative conclusion of this study that the Society cannot expect to charge monthly care fees for new residents which will be large enough for the Society to break even each year. This will cause a gradual erosion of the endowment principal, or the need to obtain fairly large gifts each year starting in a year or two.

After discussion, it was agreed that the first step taken should be the preparation of a tentative budget for 1983 upon which the new admissions schedule will be based. Until the end of 1982, the

Admissions Committee should use the high end of the current scale when figuring entrance rates, making exceptions when necessary.

Mr. Morshead asked the guidance of the Trustees in answering a request recently made by the San Antonio residence, a member of C.A.H.A., for the Heritage financial statement. This request was accompanied by the financial statement of the inquiring residence. Because our financial statement already is publicly accessible, the Trustees voted to send the statement with 3 Trustees wishing to be registered as opposed.

Mr. John Perkins was welcomed onto the Board of Trustees and thanked for his attendance at this meeting.

There being no further business, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,

Alesia Gallatin

Mrs. Walter Gallatin
Secretary
Board of Trustees

Marla Long

Marla Long
Recorder
Administrative Assistant

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SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

March 25, 1982

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on March 25, 1982. Trustees present were Messrs. Clifton, Harris, Morshead, Otto, Stanford, West and White, and Mesdames Abbott, Avenali, and McDaniel. Mr. Stevens, Administrator of the Heritage, and Ms. Long, Administrative Assistant, were also present.

Chairman White called the meeting to order at 2:30 p.m. and requested a motion to approve the minutes of December 10, 1981, which had been previously distributed. A correction to the minutes was requested by Mr. Stanford, who stated that page two, paragraph six should be changed to read as follows: The Board resolved that all income from assets owned by the Society during the calendar year 1981 and thereafter shall be used to the extent necessary to subsidize the cost of care of Residents of The Heritage or to make capital expenditures which may be approved by the Board of Trustees. With this correction, it was moved, seconded and carried (Mr. Otto, Mr. Morshead) to approve the minutes.

Mr. Clifton referred to a brief discussion held during the meeting of December 10th wherein he had inquired if those of the Society's "liquid" funds invested in a Mutual Fund were invested exclusively in Federal instruments or Commercial paper. Discussion brought out that our funds might, from time to time, vary between the two where upon Mr. Clifton offered the following motion: It is moved that the Society's "liquid" funds deposited outside of a bank, wherein they are insured, shall only be invested directly in U.S. Treasury obligations, or through an organization, such as a Mutual Fund, investing exclusively in obligations of the Federal Government. Specifically it is intended to exclude the use of short term commercial paper but not to conflict with long term investment practices." Mr. Clifton's motion was seconded and unanimously approved.

Mr. Stanford stated that he has continued to concentrate on the continuing care reserve calculation. He believes that all income should be used to offset costs, to the extent that it is needed to subsidize Residents, before determining the cash cost of care figure. This would reduce the amount of reserve necessary. The auditors agree that this would be acceptable, citing as support a letter which was written to Mr. Stevens on December 2, 1981 from Mr. R. E. Bishop, Chief of Life Care Contract Program, Department of Social Services. This letter states that "The amount of contributions, donations or endowments, which the facility actually used for operating costs for life care contracts during the fiscal year, may be deducted before determining cash per capita cost".

Mr. Morshead summarized a report that he has prepared on the long-term financial outlook for the Society, focusing on the trend of the endowment. Based on forecasts of operating cost, residents' payments and residents' life expectancy. Mr. Morshead's analysis indicates that,

for the present, the Society's portfolio is fully committed to maintain the subsidization of the current residents of the Heritage. Even with an assumption of increased entry fees and monthly payments, his forecast shows that the amount of subsidy needed to make the difference between residents' payments and operating costs will require an increasing endowment portfolio. Some possible steps to be taken are: 1) to charge higher entry fees and, especially, to increase monthly charges; 2) to bear down on operating costs; 3) to consider modification of investments in order to increase income; and 4) to consider commencement of long range fund raising. Mr. Morshead recommended that a consensus and plan for action should be reached by the end of 1982.

A brief discussion of these options and their feasibility followed. Mr. Morshead stated that he will refine the figures in his forecasts with the help of others and make a second report. It was agreed that a special meeting of the Board of Trustees to discuss the financial picture will be held in June, when Mr. Morshead's second report is ready.

Mr. Morshead noted that he had met with the Board of Managers and discussed his report with them, and that the Admissions Committee requested advice on whether to make immediate changes in rates for admission. The Trustees concurred with Mr. Morshead's recommendation that the Admissions Committee should continue to use the current schedule, but should use the upper end of the fee scale and life expectancies in the twelve to fifteen year grouping.

Mr. Morshead also reported that the proposed pension plan has been adopted, but at a cost higher than originally projected. There was comment on the increasing cost of pensions, and a brief discussion as to whether or not a better and/or less expensive plan could be found.

Mr. Stevens made his report: The repair work on the Lux Mausoleum had been completed, at a cost of \$565.00; Mr. Stevens has looked at the work and found it excellent. As reported by Mr. Stanford, the question of computation of the continuing care reserve has been reviewed with the new auditors, and it is agreed that it will not be necessary to set up a Trustees endowment fund as had been previously discussed as a possibility. In consultation with Mr. Clifton, a security investigation at the Heritage was authorized and has been conducted, because of an on-going problem with thefts; various protective measures are pending.

Mr. Stevens also reported that the flats are in need of major repairs. He has been approached by the Heritage maintenance supervisor, Mr. Zelkin, with the proposal that Mr. Zelkin would repair the flats without charge, and maintain them, in return for a contract allowing him to live in the flats at a fixed rent for the next five years, with permission to sublet one flat. Mr. Stevens was asked to gather full details of estimates on the repairs needed and other pertinent information, and to discuss the matter with Mr. White.

Mr. White stated that the Annual Meeting and election of Officers for 1982-83 will be held on Thursday, May 6th. He appointed five

members to serve on the nominating committee, as follows:
Messrs. Clifton, Harris, Morshead, Otto and West.

There being no further business, the meeting was adjourned at
3:40 p.m.

Respectfully submitted,

MEMcD/ML

Mrs. David J. McDaniel
Secretary
Board of Trustees

Marla Long

Marla Long
Recorder
Administrative Assistant

ml

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

December 10, 1981

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on December 10, 1981. Trustees present were Messrs. Clifton, Harris, Howard, Matthews, Moore, Otto, Stanford, West and White, and Mesdames Abbott and McDaniel. Mr. Stevens, Administrator of the Heritage, and Ms. Long, Administrative Assistant were also present.

Chairman White called the meeting to order at 2:30 p.m. and requested a motion to approve the minutes of September 24, 1981, which had been previously distributed. Such motion was made, seconded and carried (Mr. West, Mrs. Abbott).

Mr. Stevens presented a short report. He stated that the Heritage attorneys have confirmed that a "Trustees Endowment Fund" could be created as a means of designating on-going income used for operating expenses to be counted as "on-going subsidy" in computing the continuing care reserve requirement. This matter will be discussed fully with the new auditors.

Mr. Stevens gave the history of a recent complaint that was made to the Human Rights Commission by a Heritage applicant who was rejected for medical reasons. The Heritage has been exonerated by the Human Rights Commission with a request that we tighten some of our admissions procedures. It is possible that we might still be visited by a state ombudsman regarding this situation. Mr. Stevens has been in consultation with the Heritage attorneys regarding this matter.

Mr. Stevens reported on the success of the Self Help for the Elderly fundraising events to which the Heritage has contributed by providing labor and food for some 1,500 meals at a cost not to exceed \$3,500. Self Help had asked if any unexpended balance could be carried over to help in fundraising activities next year. Mr. Stevens has informed them that they would need to make a new request in 1982.

In reference to a letter from the Mountain View Cemetery Association, dated October 6, 1981, the Board discussed the Lux Mausoleum and the Society's arrangement to provide for its perpetual maintenance. As it is currently in some disrepair, the Trustees moved, seconded and carried (Mr. Otto, Mr. White) that we fulfill our obligation by proceeding to mend the glass and provide a new protective covering.

Mr. White reported that the Executive Committee of the Board of Trustees has appointed Fox and Company as the new auditors for the Heritage.

Mr. Clifton, Insurance Consultant, presented the new retirement plan to the Trustees. It was agreed that action should not be taken because of the absence of Mr. Morshead, the Chief Financial Officer. A motion was moved, seconded and carried to ask Mr. Morshead to

consult with Marshall Stuart of Clifton & Company and then to make a recommendation to the Executive Committee of the Board of Trustees, who will take action for the Board.

Mr. Howard reported on the progress made toward resolving the problem with Children's Hospital concerning the status and entitlements of the Allyne Bed Endowment. The matter had been referred to him from Hanson, Bridgett, Marcus, Vlahos & Stromberg and he feels that it will be worked out by the end of the year.

It was moved, seconded and carried to approve the requested increase for the services of the Wells Fargo Investment Advisors from \$5,400 to \$6,500 (Mr. Otto, Mr. Stanford).

In the absence of both Mr. Morshead, who was ill, and Mrs. Avenali, on jury duty, Mr. Stevens presented the 1982 budget to the Board of Trustees for discussion. After a review of specific items a motion to accept the 1982 budget was moved, seconded and carried (Mr. Stanford, Mr. Howard).

Mr. Stevens was asked to make a report on what other residences similar to the Heritage are charging for their accommodation and monthly fees.

The Trustees unanimously agreed that all assets coming to the Society will be used exclusively to defray the cost of the operation of the Heritage.

There being no further business, the meeting was adjourned at 4 p.m.

Respectfully submitted,

Martha E. Jamison McDaniel
Mrs. David Jamison McDaniel
Secretary
Board of Trustees

Marla Long
Marla Long
Recorder
Administrative Assistant

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

September 24, 1981

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on September 24, 1981. Trustees present were Messrs. Clifton, Harris, Stanford, West and White, and Mesdames Abbott, Avenali, McDaniel and Scott. Mr. Stevens, Administrator of the Heritage, and Ms. Long, Administrative Assistant, were also present.

Chairman White called the meeting to order at 2:30 p.m. and requested a motion to approve the minutes of the meeting of March 26, 1981, which had been previously distributed. Such motion was made, seconded and carried (Mrs. Abbott, Mr. West).

Chairman White reported that he had received a letter from the Jack Tar Hotel stating that they were entering the second phase of their reconditioning project which would entail expenditures over \$500,000.00. Because this project would not involve any structural changes, Mr. White waived the need for Society approval in this instance.

The Trustees again discussed options available regarding the Lerner Shop's lease of our Reno property. Chairman White noted that during a recent trip to Reno, he had taken the time to stop by the Lerner Shop in question. This visit confirmed what the New York offices of Lerner Shops had stated, that the store was indeed doing very well. For this reason, Chairman White reaffirmed that a voluntary shortening of the lease or purchase of the property seems very unlikely.

Mr. Stevens reported to the Trustees on the feasibility of certifying the Health Center for Medicare/Medical. The study he has made indicated that the required staff additions and the time, paper work and other expenditures involved would make it not financially beneficial to the Heritage to obtain this type of certification.

Mr. White commented on the letter received from our attorneys in which the concerns raised by Mr. Stevens regarding our Life Care Agreement were addressed. One of the major questions was whether we were obligating ourselves beyond the mandates of the State, particularly in the area of mental illness. The attorneys have stated that, as they read the Agreement, the Heritage is specifically exempted from paying the cost of treatment of mental illness, as well as from providing any care on the premises outside the scope of its facilities and licensure. After discussion, it was agreed that because our attorneys felt that the Agreement covers the points in question, revisions are not necessary at this time.

Mr. Clifton, Insurance Consultant, presented two bids for the updating of our insurance appraisal. One would be for an annual fee for the next five years at \$586.00. The other would be for an update every two years at \$413.00. A motion was moved, seconded and carried (Mr. Stanford, Mr. West) to accept the \$413.00 bid

for an update every two years. Mr. Clifton suggested that Mr. Stevens might want to check with the source for our fine arts appraisal to make sure that it is up to date. He asked that a copy of this appraisal be sent to him.

Mr. Stevens announced that he had followed through with the trustee's request to rebid the Otis elevator maintenance contract. After receiving and studying the bids, Otis was again chosen for the contract.

Mr. White reported that the bids had been received for the annual audit. Fox and Company and Moss, Adams and Company appear to be the outstanding bids. The Trustees discussed the good relationship we have had with Coopers & Lybrand but agreed that it seemed a good time to make a change. A motion was moved, seconded and carried (Mr. West, Mr. Stanford) to refer the choice of auditors to Mr. Morshead for a recommendation, with the final decision to be made by the Executive Committee.

Mr. Stanford reported on possibilities for reducing the continuing care reserve requirement, which he and Mr. Stevens have been studying. Two categories of residents - SSI/SSP recipients and persons over 100 years of age - can be excluded from the reserve calculation, and this will be done in the future.

Since the Chief, Life Care Contracts, Department of Social Services has stated that revenue defined as "ongoing subsidy" i.e., unrestricted income used for operating expense, can be counted against operating expenses in computing the reserve required, Mr. Stanford suggested that, if necessary, the Trustees might create a "Trustees endowment fund" in order to qualify income in this way. It was moved, seconded and carried (Mr. Stanford, Mrs. Scott) that the Heritage attorneys should be asked to look into this possibility.

Mrs. McDaniel reported that the Board of Managers has suggested the possibility of setting up an endowment or special purpose fund to which contributions could be made for added support for the admission and on-going assistance of Residents who are or become financially needy. It was agreed that a special purpose fund was always possible, but that the attorneys should be consulted on specifically what is wanted and what would be entailed.

Mr. Stevens reported that Self-Help for the Elderly, the agency with which the Heritage Chinese food program is contracted, has lost approximately one third of its funding through recent reductions in governmental funds. Because of the importance of this program to the Heritage, executive approval was given in June by the Trustees for the Heritage to support the agency by donating food and labor to provide some 1,500 meals for special fund-raising events, at a cost not to exceed \$3,500.

There being no further business, the meeting was adjourned at 3:40 p.m.

Respectfully submitted,

Martha Gyre McDaniel

Mrs. David Jamison McDaniel
Secretary
Board of Trustees

Marla Long

Marla Long
Recorder
Administrative Assistant

SAN FRANCISCO LADIES PROTECTION AND RELIEF SOCIETY

March 26, 1981

The regular meeting of the Board of Trustees of the San Francisco Ladies Protection and Relief Society was held at the office of Mr. George Otto on March 26, 1981. Trustees present were Messrs. Clifton, Howard, Matthews, Morshead, Otto, West and White, and Mesdames Abbott, Avenali and McDaniel. Mr. Stevens, Administrator of the Heritage, and Ms. Long, Administrative Assistant, were also present.

Chairman White called the meeting to order at 2:30 p.m. and requested a motion to approve the minutes of the last meeting, December 9, 1980, which had been previously distributed. Such motion was made, seconded and carried (Mr. Otto, Mr. Morshead).

Chairman White inquired about the status of the Frank Portman Company bill for the installment of the fire doors. Mr. Stevens stated that the bill has been paid using the formula suggested at the last Trustees meeting. The Board asked that Mr. Stevens check with the Accounting Department to make sure that the check has been cancelled.

Chairman White reported that the modification of the Jack Tar lease has been completed. The amount of money that can be spent by the lessee without prior approval of the Society has been raised to \$500,000.00. However, advance notice of contemplated improvements shall continue to be given to the Society.

Mr. White reported that he had telephoned the real estate office of Lerner Shops in New York to discuss the lessee's attitude on their 50 year lease of our Reno property which does not expire until April 30th, 1999. This fixed rent lease has no type of inflation protection and being based on conditions in the real estate market over 30 years ago, has become unfavorable to the Society. Lerner Shops report that the store continues to be profitable despite the opening of another store in a Reno shopping center and that they have no plans for closing. Mr. White then inquired, making it clear that he was acting in his capacity as Director of Real Estate and without obligating the Board of Trustees, if Lerner would consider a modification of the rental terms or possibly a cancellation considering the charitable nature of the Society and its ever-increasing annual budget. The response was courteous but firm to the effect that Lerner had entered into the lease and simultaneously sold the property to us in light of the conditions in 1948 which were competitive, expected to fulfill all of its obligations, and that the transaction is entirely satisfactory to them as it stands.

Mr. White expressed his opinion that this lease is so valuable to Lerner either through operating a store or by subletting at a profit should they decide to close, that we simply are going to have to wait until it expires to be able to participate in the substantial growth and increased real estate values in downtown Reno.

A general discussion ensued with the conclusion that this subject should be given further study. Copies of the Lerner lease will be distributed to Trustees Howard, Matthews and Morshead. This

Reno investment is to be again reviewed at the next Trustees meeting.

Audit fees were again discussed. Mr. Morshead is examining the possibility of making some constructive changes.

Mrs. McDaniel asked the Board if they would like to continue to receive the monthly budget report. The Trustees agreed that it was useful to them and requested that in the case of their quarterly meeting, they would like to receive it a few days in advance.

Mr. Stevens reported that at Mr. White's request, he has obtained figures for the cost of utilities for the flats. He has also called Rent Control to get the necessary forms to pass through to the tenants the increase in utility rates.

Mr. Stevens made his report to the Board of Trustees. See distributed report. With regard to reevaluating insurance for property and contents, the Board suggested that it would be helpful to talk informally with those who made appraisals, to see what percentage increase they would use. They authorized Mr. Stevens to have the insurance raised accordingly. It was also agreed that the insurance on the rental units should be increased.

There being no further business, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

Martha Eyré McDaniel
Mrs. David Jamison McDaniel
Secretary
Board of Trustees

Marla Long

Marla Long
Recorder
Administrative Assistant

SAN FRANCISCO LADIES PROTECTION AND RELIEF SOCIETY

December 9, 1980

The regular meeting of the Board of Trustees of the San Francisco Ladies Protection and Relief Society was held at the office of Mr. George Otto on December 9, 1980. Trustees present were Messrs. Clifton, Harris, Matthews, Morshead, Otto, Stanford, West and White, and Mesdames Abbott, McDaniel and Wert. Mr. Stevens, Administrator of the Heritage, and Ms. Long, Administrative Assistant, were also present.

Chairman White called the meeting to order at 2:30 p.m. and requested a motion to approve the minutes of the last meeting which had been previously distributed. Such motion was made, seconded, and carried (Mr. West, Mr. Clifton).

Mr. Stevens presented his report to the Trustees. (See distributed report). The Trustees concurred with Mr. Steven's recommendation not to accept the bid from Otis Elevator Company of \$6,000.00 to put lights on the elevator to show that it is working. The Trustees asked that Mr. Stevens proceed as soon as possible to replace the broken grease trap at an approximate cost of \$1,500.00. The Trustees were informed that the outside locks at the Heritage have been replaced at a cost of \$835.00 using the Medico signature key which cannot be duplicated. In response to Mr. Steven's suggestion that the Trustee's checking account monies be moved into a "cash mover" account, it was clarified that this would most likely not be an improvement due to the 13 or 14 percent interest already being earned. The Board asked that Mr. Stevens look into obtaining smoke alarms or indicators for the Heritage. The Board agreed that Frank Portman Company should be reimbursed at cost (time and materials only, two-thirds of the bill presented) for the additional amount billed over their original bid for the installment of the fire doors.

Mr. Stevens asked the Trustees if they wished to accept a bid for \$3,500.00 to repair the Heritage boilers. Although P.G.&E. is aware of the gas leaks from the boilers, and has declared no immediate danger, the Trustees unanimously agreed that repairs should proceed forthwith to include improvements and modifications so that no leak remains when the work is completed.

In answer to the question brought up at the last meeting regarding earthquake insurance, Mr. Stevens has questioned 3 major corporations, representing 20 homes in California, and found that they all carry "disruption of services" insurance which excludes earthquakes.

Mr. Stevens informed the Trustees that due to "hidden charges" the Heritage will not convert to the Crocker Bank Payroll system on the first of January as originally planned.

Mrs. McDaniel presented a recommendation from the Board of Managers that the Trustees more clearly define an appropriate computation for cost of care, and provide for an individual consideration of subsidy claims with authorization to reduce or waive claims in certain circumstances. A motion was made, seconded, and carried (Mr. Otto, Mr. Morshead), to

accept the recommendation that the Board of Managers be granted the authority to review subsidy claims on an individual basis before they are submitted by the Heritage and to establish guidelines for the procedure. A motion was also made, seconded, and carried (Mr. Morshead, Mr. Stanford), that the cost of care be defined as cash operating costs, less abatements, plus depreciation which will be used in calculating subsidy claims henceforth. The determination of operating costs, capital costs and depreciation will be subject to the approval of the auditors.

The Trustees accepted with regret a letter of resignation from the Board of Trustees from Mr. Charles De Limur.

Mr. White introduced the 1981 Budget for discussion. Mr. Stanford noted that for the first time, the 1980 Budget showed a loss, and that we are headed for the same in 1981. It was suggested that a study be initiated to help reduce energy costs and look at ways to cut other expenses. Also raising entrance and monthly fees for Residents would assist. After review of specific items and further discussion, a motion to accept the 1981 Budget was unanimously passed.

There being no further business, the meeting was adjourned at 4:15 p.m.

Respectfully submitted,

Martha Lyre McDaniel
Mrs. David Jamison McDaniel
Secretary
Board of Trustees

Marla Long
Marla Long
Recorder
Administrative Assistant

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY
September 25, 1980

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on September 25, 1980. Trustees present were Messrs. Clifton, Harris, Howard, Moore, Morshead, Otto, West and White and Mesdames Avenali and McDaniel. Ms. Marla Long, Administrative Assistant and Mr. Roger Stevens, Administrator of the Heritage were also present.

President White called the meeting to order at 2:30 p.m. and requested a motion to approve the minutes of the last meeting, which were read by Ms. Long. Such motion was made, seconded and carried (Mr. Morshead, Mr. West).

Mr. White began discussion on the Sprinkle, Lynd and Sprague feasibility study by reading the conclusions of the report. It was moved, seconded and carried (Mr. Morshead, Mr. West) that the report from Sprinkle, Lynd and Sprague having been carefully studied and discussed, no major structural changes should be made at this time.

Mr. White reported that the letter concerning modification of the lease for the Jack Tar Hotel has been delayed pending Trustee action on the terms set forth. After discussion, it was moved, seconded and carried (Mr. Otto, Mr. Clifton) to state that the Jack Tar must notify and receive consent from the Trustees before they embark upon any structural improvement program involving expenditures over \$500,000.00.

Mr. Clifton presented a brief report on insurance against the expense of maintaining Residents elsewhere in the event of earthquake damage to the facility. He presented the Trustees with two separate quotes he was able to obtain, one being one million dollars worth of coverage at an annual premium of \$3,797.76 and the other two million dollars at annual premium of \$7,595.52. After discussion, a motion was made, seconded and carried (Mr. Morshead, Mr. West) that the Heritage not purchase such (earthquake) insurance. Mr. Stanford is recorded as opposed to this motion.

Mr. Otto suggested the possibility of a mutual agreement between homes in different localities to care for each others' residents in case of disaster. The possibility of self-insurance was also suggested. Mr. Stevens was asked to look into what other C.A.H.A. homes are doing on the matter of earthquake insurance.

The new contract with the Heritage physician was discussed and questions addressed to Mr. Stevens. On page 3, item 4A, the Trustees were concerned about under what circumstances the physician would bill the residents. Mr. Stevens answered that the Heritage bills for medicare. On page 4, item 5A, the Trustees asked for clarification on how the Heritage decided if the physician is competent. Mr. Stevens stated that the performance of the physician was monitored by both the State Inspector and the Director of Nursing of the Heritage.

Mr. Stevens presented certain questions that have arisen concerning the computation of "cost of care" for Residents; he distributed a memo to the Trustees outlining the various definitions and computations currently used by the Heritage, and the purposes for which these computations are used. Mr. Stevens and Mrs. McDaniel expressed the concern that the computation should be consistent, conform to applicable regulations and also be fair to Residents and appropriate to a charitable corporation. They also stated the particular questions raised by Residents whose contracts contain the subsidy claim clause. After discussion, it was agreed that the matter would be studied further, with a decision to be made at the next meeting.

Mr. Stevens asked the Trustees how they felt about the Residents changing to the new Life Care Contract if they desired, noting that the attorneys had already recommended against this action. The Trustees concurred with the attorneys decision.

Mr. Stevens informed the Trustees of the misunderstanding between the contractor and the Fire Inspector necessitating the completion of additional work before we are certified for our extra non-ambulatory rooms. The Trustees agreed that we have no choice but to proceed.

Mr. Stevens noted that with the present retirement plan offered through C.A.H.A., the employees are not getting much benefit. Mr. Clifton offered to make inquiries to determine whether the Heritage should look into another plan.

Finally, Mr. Stevens informed the Trustees of the Heritage's plan to change over to the telephone pay system. The Trustees asked Mr. Stevens to proceed with the plan and report on the progress made.

There being no further business, the meeting was adjourned at 3:50 p.m.

Respectfully submitted,

Martha Gre McDaniel
Mrs. David J. McDaniel
Secretary

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

June 17, 1980

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the Heritage on June 17, 1980 at 11:45 a.m. Trustees present were Mesdames McDaniel and Wert and Messrs. Clifton, Matthews, West and White. Marla Long, Administrative Assistant, and Roger Stevens, Administrator of the Heritage, were also present.

President White called the meeting to order at 11:50 a.m. In consulting the new by-laws, it was confirmed that a total of four Trustees present at a meeting would constitute a quorum.

The subject of the feasibility study completed by the architectural firm of Sprankle, Lynd and Sprague was introduced. It was decided that the report should be read by all members of the Trustees before action is taken at the next meeting.

A motion was moved, seconded and carried (Mr. Clifton, Mr. West) to proceed with the water pressure reducing system at the Heritage. This is necessitated by the City's plan to increase the water pressure as of August, 1980.

The Trustees moved to proceed with the purchase of a new refrigerator and freezer at a cost of approximately \$5,000.00.

Mr. Stevens reported that with the recent visit from the State Inspector for the residential portion of the Heritage, it has become apparent that there is a need for more non-ambulatory rooms. A bid from the Frank Portman Company for \$8,201.00 has been submitted to put in fire doors on the first and second floor Perry building thus creating approximately 16 non-ambulatory rooms. It was moved, seconded and carried (Mr. Clifton, Mr. West) to accept the bid.

It was moved, seconded and carried (Mrs. Wert, Mr. White) to proceed with the repair of the roof above the dining room with the stipulation that a written guaranty be obtained for the roof system.

The Trustees approved a rent increase for the flats, effective August 1, 1980. The lower flats will rent for \$505.00 and the upper for \$556.00.

The revisions in the new life care contract were discussed. Copies are available from Mr. Stevens.

Mr. White was instructed to write a letter regarding the Jack Tarr property stating the procedure to follow regarding any structural changes.

The Board of Trustees agreed that Mr. White will have the authority to act upon any expenditure up to \$1,000.00, and up to \$5,000.00 in the event of an emergency only.

It was voted unanimously that Mrs. McDaniel be elected Recording Secretary for the Board of Trustees.

Mr. Stevens presented certain questions that have arisen concerning the computation of "cost of care" for Residents; he distributed a memo to the Trustees outlining the various definitions and computations currently used by the Heritage, and the purposes for which these computations are used. Mr. Stevens and Mrs. McDaniel expressed the concern that the computation should be consistent, conform to applicable regulations and also be fair to Residents and appropriate to a charitable corporation. They also stated the particular questions raised by Residents whose contracts contain the subsidy claim clause. After discussion, it was agreed that the matter would be studied further, with a decision to be made at the next meeting.

Mr. Stevens asked the Trustees how they felt about the Residents changing to the new Life Care Contract if they desired, noting that the attorneys had already recommended against this action. The Trustees concurred with the attorneys decision.

Mr. Stevens informed the Trustees of the misunderstanding between the contractor and the Fire Inspector necessitating the completion of additional work before we are certified for our extra non-ambulatory rooms. The Trustees agreed that we have no choice but to proceed.

Mr. Stevens noted that with the present retirement plan offered through C.A.H.A., the employees are not getting much benefit. Mr. Clifton offered to make inquiries to determine whether the Heritage should look into another plan.

Finally, Mr. Stevens informed the Trustees of the Heritage's plan to change over to the telephone pay system. The Trustees asked Mr. Stevens to proceed with the plan and report on the progress made.

There being no further business, the meeting was adjourned at 3:50 p.m.

Respectfully submitted,

Martha Eye McDaniel
Mrs. David J. McDaniel
Secretary

oard of Trustee's Meeting
June 17, 1980

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There being no further business, the meeting was adjourned
at 12:30 p.m.

Respectfully submitted,

Marla Long

Marla Long
Administrative Assistant

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

DECEMBER 14, 1979

A meeting of the members of the San Francisco Ladies' Protection and Relief Society was held at 3400 Laguna Street, San Francisco, on December 14, 1979. The following members of the Board of Trustees were present: Messrs. Clifton, Howard, Morshead, West and White and the following members of the Board of Directors: Miss Balcom, Mesdames Abbott, Finley, Gallatin, Howard, Lampen, Logan, McDaniel, Mitchum, Moffitt, Nishkian, Pope, Porter, Scott, Sherman, Stackhouse, and Vermilya. The following guests were present: Mr. Roger Stevens, Administrator, and Ms. Marla Long, Administrative Assistant.

The meeting was called to order by Trustee President, Cecil O. West, at 2:15 p.m. A motion was requested to approve the previously distributed minutes of the last regular meeting of the Board of Trustees, held on October 16, 1979. Such motion was made, seconded and carried. (Mr. White, Mr. Clifton)

Mr. West announced that the principle purpose of the meeting was to discuss a change in corporate structure to comply with the new California Nonprofit Corporation Law, to become effective January 1, 1980. He then turned the meeting over to Mr. Howard to lead a discussion on the alternatives available.

Mr. Howard stated that there are a number of requirements in the new law with respect to articles and bylaws of a nonprofit corporation. In order to meet these requirements the Society would need to resolve the current overlap of authority between the Board of Directors and the Board of Trustees. One simple solution would be to revise Article 6, Section 4 of our bylaws to state that the Board of Directors has authority, subject to the control and direction of the Board of Trustees, to carry out their duties.

Although a letter from our lawyers states some practical reasons for consolidation of the two boards such as confining liability and making it easier to obtain funding from outside sources, it is not essential from a strictly legal point. After thorough discussion, members decided that the dual board system with split responsibilities seems to have worked very well for the Society. However, it was felt that in order to provide for more accurate and continuing communication between the two groups, it would be a good idea to have several women members on the Board of Trustees.

It was moved, seconded and carried (Mr. White, Mr. Howard) that Mr. Howard and Mr. Stevens constitute a committee for the purpose of communicating to our attorneys that we want to revise our bylaws to conform to the new corporation law and to revise the corporate structure to constitute the Board of Trustees as a Board of Directors and the present Board of Directors as a Board of Managers.

The question was again raised concerning the feasibility of setting up annuity pools for living residents in which their entry fees would be placed. Mr. Howard replied that based on a tentative examination of Title 22, he would say no. However, there is an argument that the entry fees are not part of income for the Heritage

in the classic sense. A letter could be written to the IRS using this argument to prove that entry fees are restricted funds. It was suggested that Mr. Stanford contact Coopers-Lybrand about the possibility of doing this.

There are still some questions concerning the Salary and Operating Expenses portion of the 1980 Budget. Because there will not be another meeting until after the first of the year and this part of the budget involves the salaries of Heritage employees, a motion was made, seconded and carried (Mrs. Sherman, Mr. Clifton) that Mr. Stanford, Mr. West, Mr. Stevens and Miss Balcom be given the authority to approve this portion of the budget when all questions raised are answered to their complete satisfaction. It was also moved, seconded and carried (Mr. White, Mr. Morshead) that the Capital Expenditure Budget of \$8,070.00 and the Repairs and Improvements Budget of \$15,500.00 be approved as is.

Mr. Stevens reported on the progress being made on the expansion of the Chinese Food Program. A letter of intent and cooperation has been prepared by our attorneys for Cogswell College and Self Help for the Elderly in order to protect our interests and equipment at the site. In answer to their question, the Board was assured that when this project starts at Pine Street, there will be direct supervision from a member of Mr. Stevens' staff to make certain that food is prepared and stored properly as far as health and safety is concerned. A motion was made, seconded and carried (Mr. Howard, Mr. Morshead) that we approve funds in the amount of \$61,392.00 to cover the bid made by Anderson Construction Company.

As instructed to do at the October 16th meeting, Mr. Clifton reported on the results of his exploration into the market for, and the cost of, Earthquake insurance. The firm of Metzger and Wentner did a superior job with a quotation of \$4,000.000.00 coverage, with a 5% deductible for each building and an annual premium of \$16,500.00 plus tax. Mr. Clifton noted that an annual premium of this magnitude represented the care of about one and two thirds residents for a year. Because we have gone 73 years without earthquake damage, we have gained 125 resident years. After thorough discussion, it was unanimously agreed by those present that we continue without earthquake insurance.

Mr. Clifton had also been instructed to obtain quotations for an appraisal for the Heritage main property other than antiques, objects of art and inventory. Mr. Clifton sought out two quotations from Marshall and Stevens and Tait Appraisal Company and received an unsolicited quote from American Valuation Service. Marshall and Stevens gave a quote of \$2,500.00 to \$2,750.00, Tait one of \$1,780.00 and American Valuation Service, \$800.00, to do just the equipment. The American Valuation quote was unexceptable for several reasons. Although it had somewhat less detail than Marshall and Stevens, the Tait Appraisal quote was the lowest and it was Mr. Clifton's recommendation that we accept it. A motion was moved, seconded and carried (Mr. White, Mr. Morshead) that the Tait bid be accepted.

There being no further business, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,
Marla Long
Administrative Assistant

SAN FRANCISCO LADIES PROTECTION AND RELIEF SOCIETY

October 16, 1979

The regular meeting of the Board of Trustees of the San Francisco Ladies Protection and Relief Society was held at the office of Mr. George Otto on October 16, 1979. Trustees present were Messrs. West, Stanford, Otto, Howard, Harris and Clifton. Representing the Board of Directors were Mesdames Finley and McDaniel and Miss Balcom. Marla Long, Administrative Assistant, and Roger Stevens, Administrator of the Heritage, were present.

President West called the meeting to order at 2:10 p.m., and requested a motion to approve the minutes of the last meeting, which had been previously distributed. Such motion was made, seconded and carried. (Mr. Stanford, Mr. Harris).

The architectural firm of Sprankle, Lynd, and Sprague, which has been employed to investigate the feasibility of adding additional living rooms and/or rooms for purposes (excluding recreation) to the existing premises, has not yet completed their report. Mr. West suggested, that upon completion, the firm should make a presentation to a joint meeting of the Trustees and Board of Directors. The Trustees agreed to have this meeting in early December at the Heritage so that the presentation could be made and budget and organizational structure also discussed.

Mr. Stevens reported the latest information on the expansion of the Chinese Food Program. In lieu of receiving bids on individual equipment, it has been decided to use a general contractor so that our liability will be covered. Because Frank Anderson Construction did the original rough work at the Pine Street location, they have been contacted to prepare a bid for the present work. Although we have not as yet received the bid, it appears that it will be more than originally thought. The Chinese Food Program expansion will, however, add several thousand dollars in government assistance. In answer to Mr. West's questions concerning the strengthening of our tax-exempt status, Mr. Howard answered that the importance of the program is not only to pass the ten percent test but essentially it allows the Heritage to pass the test on the basis of "other facts and circumstances".

A letter from Coopers and Lybrand regarding our tax exempt status and our possible need for fundraising was introduced by Mr. West. In addressing the issue, Mr. Howard stated that he thought that a fundraising campaign is a fine idea if it can be used to expand horizons and opportunities in the realm of charitable activity and the Board members felt that fundraising should be tied to a specific project.

During the discussion of the statistics relating to sources of "other income," Mr. Stanford commented on the principal reason for the percentage of income from outside sources to decrease. Gross investment income continues to grow at a more rapid rate and in sufficient amounts so as to increase the total at a more rapid rate than income from the Federal Nutrition Program and public support.

He went on to outline his view that entrance fees should be considered as the present value of an annuity to be amortized

over the anticipated life span of each resident. Further, these funds should be classified as "Restricted Funds", to be used only for this purpose.

He suggested that Mr. Howard determine whether such a concept is possible under California law, and if so whether Gross Investment Income would, therefor, be reduced. This would affect the ratio of "other income." It was moved, seconded and carried (Mr. Clifton, Mr. Harris) that Mr. Howard contact Roy Nordman regarding the tax-exempt situation.

Mrs. McDaniel reported on a visit made by herself, Mr. West and Mr. Stevens with Mr. Andrew Bradley, Administrator of the Peninsula Volunteers in Menlo Park. This visit was made subsequent to a discussion with Mrs. Barbara McCamber regarding Rosener House, a day care center for impaired older individuals operated by the Peninsula Volunteers. Mrs. McDaniel brought up the concern of the Executive Committee as to whether we should associate with the Peninsula group or expand our existing services into the San Francisco area. Several alternatives including a day care center, follow-up care in the home or the possibility of buying property near the Heritage with government funds for possible expansion were discussed. As far as joining with Rosener House in their efforts, three major concerns were raised: 1) the degree of responsibility involved; 2) the expectation of financial support; and 3) did Rosener House, in fact, have any involvement on our part in mind. It was decided that because we have no clear information, Mrs. McDaniel would contact Mrs. McCamber by telephone and explain what she did today and invite her to lunch at the Heritage.

It was agreed that the issue of reviewing our organizational structure in light of a soon to be enacted California Nonprofit Corporations Code be placed on the agenda for next meeting. It would appear that we will be compelled to revise our by-laws effective January 1, 1980, to eliminate our present Board structure. Mr. Howard will look into this matter.

Mr. West asked that those present give thought to the establishing of a young woman's auxilliary which could do fundraising and carry on other activities similar to the present ladies Board.

Mr. Stevens noted, regarding a bulletin from CAHA dated, September 28, 1979, regarding changes in regulations pertaining to Life Care Contracts, that the Heritage would not be required to make any changes in their recently revised contract.

Mr. Clifton presented a report on our current insurance coverage. He brought up four points for consideration as follows: 1) He succeeded in getting the present insurance exclusion removed for Director's and Officer's liability policy; 2) As far as obtaining earthquake insurance is concerned, the coverage being offered on the current market is in the form of difference in conditions or "all risk" policies. Mr. Clifton obtained three samples of quotations for this type of policy. They ranged from offering \$4,000,000.00 worth of coverage, with a 10% or \$400,000.00 deductible for \$25,403.00 annually, to the same amount of coverage for \$16,000.00 per year. For less coverage there was a policy offered with \$2,500,000.00 coverage, \$150,000.00 deductible for a premium of \$20,000.00. It was decided

BOARD OF TRUSTEES' MEETING
October 16, 1979

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to have our brokers look further into the matter; 3) Mr. Clifton was apprehensive that four million dollars coverage is far less than today's value of the Heritage and its contents. There will be an appraisal done on October 29th by Mr. Sammuels to reevaluate the antiques and fine arts in the Heritage; 4) Last of all, Mr. Clifton expressed some concern over our insurance coverage being divided between two firms. This was originally done in order to provide mal-practice insurance not included through the original firm and to keep each firm competitive.

Mr. Stevens informed the Trustees that it was necessary to make our elevators earthquake safe. The best bid was made by Otis. This bid of \$11,000.00 can only go up the longer the work is put off. It was moved, seconded and carried (Mr. Otto, Mr. Harris) to go ahead with the work now.

There being no further business, the meeting was adjourned at 3:40 p.m.

Respectfully submitted,

Marla Long

Marla Long
Administrative Assistant

SAN FRANCISCO LADIES PROTECTION AND RELIEF SOCIETY

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July 12, 1979

The regular meeting of the Board of Trustees of the San Francisco Ladies Protection and Relief Society was held at the office of Mr. George Otto on July 12, 1979. Trustees present were Messrs. West, Howard, Stanford, Clifton, Moore, Matthews and White. Representing the Board of Directors were Mesdames McDaniel, Sherman, Finley, Nishkian, and Miss Balcom. Roger Stevens, Administrator of the Heritage was present.

President West called the meeting to order at 2:05 p.m., and requested a motion to approve the minutes of the last meeting, which have been previously distributed. Such motion was made and unanimously passed.

Mr. West then introduced to the meeting the new trustees, Messrs. Moore and Clifton, and welcomed them to service on the Board.

Mr. West then stated that as authorized at the previous meeting, he had made arrangements with the architectural firm of Sprankle, Lynd, and Sprague to investigate the feasibility of developing additional residential units at the Heritage including, if possible, some recreational activity facilities. This report would eliminate any consideration of using the site of the existing Francisco Street flats and would be confined to the existing buildings. Sprankle, Lynd and Sprague agreed to accept this assignment, the charge to be based on an hourly rate with that firm with a total cost not to exceed the sum of \$5,000. Also to be included would be an investigation with the City authorities to assure that any such improvements could be done under existing building codes.

Mr. West further stated that since this arrangement had been made with the architects he had been advised that the Board of Directors of the Society, in its meeting on June 26, 1979, had passed a motion to inform the Board of Trustees that the Directors do not think it wise to proceed with any remodelling to include recreational or other related facilities.

Upon thorough discussion of the entire subject, the Board of Trustees passed a motion to accept the decision of the Board of Directors as to the extent of the program, but that inasmuch as the architects had been employed that it would be worthwhile for them to be re instructed to pursue the feasibility of adding additional living rooms and/or rooms for equipment or other functions of the Heritage eliminating any aspect of recreation.

Mrs. Nishkian raised the question which had been discussed in previous meetings concerning the possibility of a specific fund raising drive for construction and other purposes in view of the foregoing action by the Directors and Trustees. The consensus was that we should have a continuing policy to seek every opportunity to get public support for the activities of the Heritage, whether for construction or other worthwhile purposes.

Mr. Stevens mentioned that he had been approached on the possibility of our expanding our activities in the field of the Chinese food program. He stated that there is to be a facility developed for this purpose by others to be located on Pine Street, and it was suggested

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY
March 20, 1979

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of Mr. George Otto on March 20, 1979. Trustees present were Messrs. West, Stanford, Morshead, Howard, Otto and White. Board of Directors - Sherman and Nishkian. Roger Stevens, Administrator of The Heritage, was present.

President West called the meeting to order at 2:00 p.m. and requested a motion to approve the minutes of the last meeting, which have been distributed. Motion was made and unanimously passed.

Mrs. Nishkian presented, on behalf of the Directors, their study involving the use of the property now occupied by the Francisco Street flats for improvements to The Heritage. She pointed out that one of the most needed facilities is a proper recreational area. Preliminary estimates have been made which could involve development of such a facility on the ground floor of the property, with a remodeling of the two upper floors into six resident units, without kitchen facilities, with a connection to The Heritage building. Indicated cost of such a project might run as high as \$300,000. It was recommended that an architectural study be made of the possibility of utilizing that property, or, as a possible alternative, addition to the present buildings in the area over the dining room portion. Mrs. Nishkian stated that the Directors felt that it was essential that this project be put forward without further delay and it was suggested that a portion of the cost could well be raised through a campaign for funds for a specific purpose, such as a much needed recreational facility.

A general discussion was had concerning the wisdom of spending a major sum of money in the face of the liability for maintaining our residents with an ever increasing annual budget. Mr. Stanford pointed out that the financial condition of the Society is sound and that we have had a positive cash flow the past five years and have succeeded in that time in adding substantially to plant and equipment.

Upon motion by Mr. Stanford and seconded by Mr. Otto, the President of the Board of Trustees was authorized to negotiate with a qualified architect to prepare a feasibility study, at a cost not to exceed \$7,500.00, concerning this general subject, which would be directed primarily at a remodeling of the existing building, and leaving the flats as they are. This report should obviously cover alternatives and costs, as well as the obtaining of the necessary building permits from the City. Mrs. Nishkian had suggested that Mr. Jack Lynd, of the architectural firm of Sprankel, Lynd and Sprague, might be interested in this assignment. This motion was unanimously passed.

There followed a presentation of the appraisal report of the Reno property prepared at the request of the Board of Trustees by William H. Bunker. This appraisal confirms the feeling of the Board that this asset should be retained and not sold in view of the fact that there is considerable potential for appreciation at the end or earlier termination of the lease with Lerner Shops.

Mr. West reported that he had discussed with Mr. Nordman, of Coopers Lybrand, the amount of the annual fee being paid for auditing services. This figure is approximately \$7,000 for 1978 and will be in the area of \$9,500 for 1979. Nordman states that they had normally charged \$34 an hour for their services and have only been charging the Society approximately \$25 an hour, which they consider a minimum and not subject to reduction. Mr. Stanford suggested that it would be practical to suggest that the auditors not be required to examine our securities or real estate in any way. That they could accept the report of Wells Fargo Bank as to the security situation.

Mr. West reported that Trustee William Pflueger has resigned from the Board and that he had written him a letter commending him for his many years of valuable service. Mr. West pointed out that we now had two vacancies which should be filled. Certain candidates were discussed.

Mr. Stevens stated that the City had required that underground utilities be established on the Francisco Street side of the property and that he had authorized Brayer Electric Company, who are doing work at The Heritage, to take care of the required work for \$850.00. Inasmuch as this is a requirement, this expenditure was approved.

Due to conflicting vacation schedules, it was suggested that the annual meeting of the Society be postponed to Tuesday, May 15, 1979. Mr. Stevens will notify the Board of Directors of this change and send out the necessary notices.

Inasmuch as it appeared that the proposed architectural study would in preference direct its attention to the existing building rather than the flats, Mr. White suggested that the rental should be raised as they are substantially under market. Authorization was given to make an appropriate increase to be effective May 1, 1979.

There being no further business, the meeting was adjourned at 3:45 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary & Treasurer

BOARD OF TRUSTEES' MEETING

December 7, 1978

A regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the office of George Otto, Bank of America Building on December 7, 1978. Following members of the Board of Trustees were in attendance: Messrs. Stanford, Pflueger, West, White, Otto, Howard, Matthews and Morshead. The following members of the Board of Directors attended: Miss Balcom, Mesdames Sherman, Finley, Nishkian and Avenali. Also present: Roger W. Stevens, Administrator.

President West called the meeting to order at 2:05 p.m.

Upon motion duly passed, the minutes of the last Trustees' Meeting were approved, copies having been sent to all members.

Mr. West introduced the new Trustee, Mr. Stuart Morshead.

The 1979 Annual Budget was presented for approval. This budget had been carefully compiled after discussion between Mr. Stevens and the various department heads, following which it was reviewed by the Financial Committee of the Board of Directors and thereafter presented to Trustee Stanford for his opinion. Mr. Stanford stated that he considered the budget carefully done and had made only minor suggestions for change, primarily involving the necessity of two new proposed jobs. Following analysis of the various categories, upon motion made by Mr. Otto and seconded by Mr. Stanford, the budget was adopted in the total amount of \$1,186,694.

There was then presented an estimate of capital improvements for 1979. This was divided between repairs and improvements at \$10,400 and purchase of equipment of \$6,075. It was pointed out that many of these items could be considered normal expenditures and included in the budget, but nevertheless, the expenditure for capital improvements as presented was likewise approved after a motion duly made, seconded and unanimously approved.

Director Finley then presented a report on the questions of whether or not the Francisco Street flats should be sold or retained. It is the opinion of the Board of Directors that these flats be vacated as investment property and converted to four or six apartment units to be operated as a part of The Heritage. A preliminary estimate of the cost of this is \$158,000. It will be necessary to obtain zoning changes and building permits to accomplish this project. After considerable discussion, it was concluded that this suggestion of the Board of Directors should be thoroughly explored and as a result, for the time being, there will be no consideration given to the sale of this property. Mr. West appointed a committee to investigate this project, consisting of himself, Mr. Stevens, Mrs. Nishkian and Mr. Morshead.

Mr. West pointed out that as a result of the resignation of Mrs. Lawrence Metcalf, a vacancy exists on the Board of Trustees. A possible candidate was discussed, but no official action was taken.

BOARD OF TRUSTEES' MEETING
December 7, 1978

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Trustee Howard gave a report on the present status of the modifications under consideration for the life care contract form. This matter is in hand and should be ready for formal adoption by the next Trustees' Meeting.

Mr. White reported to the Board of Trustees that the Jack Tar Hotel people have requested approval of the Society on a repair project which involves the elimination of the existing garbage incinerator and the substitution of a garbage compaction system. The former is out of date and the compactor is a necessity. In order to accommodate trucks to remove the material, however, it is necessary that a new opening be made in the side wall of the hotel building, immediately west of the existing service and truck entry. The work will be performed by Plant Builders Inc. and the total cost will be in the neighborhood of \$50,000. It was necessary that the Society join in with our lessee in the application to the City for a minor sidewalk encroachment which will be caused by the roll-up doors that will be installed. Upon motion duly made and passed, Mr. White was instructed to give the necessary authorizations and approvals required of the Society for this project.

Mr. White reported to the Board that a prominent Reno businessman has again expressed interest in buying the Society's Reno property leased to Lerner Stores. His proposal involved a contract of sale transaction whereunder the Society would continue to receive the rentals from Lerner for the remaining approximate 20-year balance of the lease term, during which time our initial investment in the property of \$400,000 would be repaid in monthly installments without interest. Discussion ensued and it was the general consensus that we should not sell this property on the basis proposed in view of the fact that there has been tremendous commercial activity in downtown Reno and it is probable that the value of our property has increased substantially, although its sale price unquestionably is limited by the remaining term of the Lerner lease at a very low rental. It was recommended that it would be advisable for us to obtain an up-to-date opinion of value of this Reno property without regard to the restrictions of the Lerner lease. This information would be a necessary basis for a decision whether to retain or sell this property.

Upon motion by Trustee Matthews and seconded by Mr. Stanford, it was unanimously approved that an appraisal should be obtained and Mr. White was requested to discuss the subject with Mr. William H. Bunker, who has represented us in the Jack Tar appraisals in the past, and determine if an appraisal could be had up to a maximum cost of \$1,500.

There being no further business, the meeting was adjourned.

Respectfully submitted,

David L. White
David L. White
Secretary-Treasurer

BOARD OF TRUSTEES

September 19, 1978

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held on September 19, 1978, at 2:00 p.m. at the office of Mr. George J. Otto, Bank of America Center, San Francisco, California, Mr. Cecil O. West, presiding.

Members present:

Board of Trustees: Messrs. West, Otto and Howard

Board of Directors: Mrs. Finley

Also present: Roger W. Stevens, Administrator

A motion was made, seconded and carried to accept the minutes of the previous meeting as mailed, subject to an amendment correcting an error in which Trustee, Mrs. Susan Metcalf, was referred to as a Director.

Mr. West reported that Mr. Stuart W. Morshead replied affirmatively to Mr. Stanford's inquiry of his interest in becoming a Trustee. A motion was made, seconded and carried to accept Mr. Morshead as a Trustee. Mr. West will write a letter to Mr. Morshead concerning him to the Board.

Mr. West advised the Trustees of Mrs. Metcalf's resignation, which was accepted with regret. The election of another female Trustee will be discussed at the next Trustees' meeting.

An interim report on the use of the Francisco Street flats was presented by Mrs. Finley. The final report will be submitted to the Board of Trustees at its December meeting.

Mr. West requested copies of the Administrator's Monthly Report. Mr. Stevens stated that, henceforth, such reports will be forwarded to Mr. West on a monthly basis.

Mr. Stevens presented a request for the authorization of an emergency generator for The Heritage. A motion was made, seconded and carried to purchase the generator as recommended by Mr. Stevens.

Mr. Stevens opened a discussion with reference to the annual audit. He recommended that Coopers-Lybrand prepare the audit again this year. After some discussion, this recommendation was unanimously approved. Mr. Stevens will follow up on securing bids every few years from various reputable auditors to confirm that The Heritage is receiving the best service at a competitive market rate.

Mr. Stevens reported that the Health Center has been painted. He invited the Trustees to visit The Heritage at their convenience.

Mr. Stevens requested consideration that he be authorized to participate in a Tax Sheltered Annuity plan. After discussion, the request was unanimously approved. Mr. Stevens will receive a letter of authorization from the Board of Trustees.

There being no further business, the meeting was adjourned at 3:15 p.m.

Spectfully submitted,
Roger W. Stevens
Roger W. Stevens

BOARD OF TRUSTEES

June 15, 1978

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held on June 15, 1978, at 2:15 p.m. at the office of Mr. George J. Otto, Bank of America Center, San Francisco, California, Mr. Cecil O. West, presiding.

Members present:

Board of Trustees: Messrs. West, Otto, deLimur, Stanford, White, and Pflueger.

Board of Directors: Miss Balcom, Mesdames Sherman, Metcalf, Nishkian, Wert and Finley.

Also present: Roger W. Stevens, Administrator

Minutes of the previous meeting were approved as mailed. A motion was made, seconded and carried to dispense with the reading of the minutes.

The sale of the property located at 1536 - 38 Francisco Street was discussed. Mr. White reported that the current gross income from this property is \$10,080 per year. He noted that normal expenses include reduced real estate under Proposition 13 in the amount of about \$3,525, resulting in a net income of \$6,555, assuming 100% occupancy. Mr. White requested a current estimate of the market value from Coldwell Banker Residential Brokerage Company, who report that the market is strong. They recommend offering the property at \$210,000. Net proceeds, after selling expenses, should be approximately \$185,000. The advantage of the sale is the increase in annual income by re-investment in long term bonds, which would be about \$10,000 per year. Also, maintenance and operation of this real estate takes time of The Heritage staff which can be devoted to more productive purposes.

A lengthy discussion ensued. The Trustees were inclined to favor sale. Members of the Board of Directors felt that a study be made to determine the feasibility of utilizing the property for a purpose directly related to The Heritage. A motion was made, seconded and carried to defer any decision until after January, 1979. The Board of Directors is to appoint a study committee. They will subsequently report the findings of the Committee to the Trustees at the December, 1978 meeting.

Mr. West reported that the renewal of our insurance program for the current year had been completed at a satisfactory cost except in one area; namely, Earthquake Sprinkler Leakage. This coverage is written subject to 25% coinsurance. The previous cost was \$137 per annum for \$343,000 insurance. The renewal premium quotation is \$1,133 per annum for \$439,156, the amount now necessary to satisfy the 25% coinsurance clause. However, the company has agreed to provide coverage in the amount of \$200,000 on a no-coinsurance basis for an annual premium of \$544.

Following discussion, Mr. Otto moved and the motion was seconded and passed that

BOARD OF TRUSTEES
June 15, 1978

Mr. West endeavor to have the company provide a higher amount of coverage subject to a \$25,000 deductible at a premium more favorable than \$544 and if they are unwilling we should accept the offer of \$200,000 coverage on a no-coinsurance basis for an annual premium of \$544.

Mr. West reported that Harry Baker had submitted his resignation from the Board of Trustees. The resignation was accepted with a request that Mr. Baker be written a letter of appreciation for his valuable contribution to the affairs of the Society.

A discussion of a replacement for Mr. Baker was had. Mr. Stuart Morshead was suggested, and the Board requested that he be contacted to determine the extent of his interest in election to the Board of Trustees.

There being no further business, the meeting was adjourned at 3:15 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary-Treasurer

BOARD OF TRUSTEES

February 2, 1978

A special meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held February 2, 1978, at 2:00 p.m. at the office of Mr. George J. Otto, Bank of America Center, San Francisco, California, with Mr. West, President, presiding.

Members present:

Board of Trustees: Messrs. West, Otto, Harris, Stanford, Howard, Matthews, and deLimur. Mrs. Metcalf was also present.

Board of Directors: Miss Balcom, Mesdames Sherman, Nishkian, Finley, Evers, and McDaniel.

Also present: Roger W. Stevens, Administrator

The first topic of discussion was employees' salaries. Mr. Stanford gave a historical review of his and the Board's policy which resulted in the decision to follow the salary rates established at the Sequoia Home. Mr. Stanford reported that by taking out the Food Dimension manager's salary, he came up with an overall 1978 salary increase of six percent. He requested that the salary budget be approved as instituted January, 1978. Mr. Harris made a motion to this effect. Mr. Otto seconded the motion and it was carried that we continue to follow the pay rates and time-interval presented by Mr. Stanford.

The next topic of business was the question of charging employees for meals. After several minutes of discussion, Mr. deLimur moved and Mr. Howard seconded that employees not be charged for their meals at The Heritage at this time.

Mr. Howard read his first committee report on the Life Care Contract and received the Board's opinion as to the items discussed by his committee thus far. It was agreed that Mr. Howard would take these suggestions back to the committee for a final report to be given at a later date.

Mrs. Finley read her comprehensive report of our Medical Coverage for the employees. It was ascertained that there would be a significant saving in monies by switching from Blue Cross to the Kaiser Health Plan, without reducing employee benefits. It was moved by Mr. Otto and seconded that the Board and Trustees adopt the Kaiser program; it was adopted by unanimous vote.

Mrs. Nishkian talked about the 125th anniversary party which is to be held May 1, 1978. This will be a champagne party and will require additional monies over and above that amount presently allocated in the budget for the tea party. The Board verbally okayed the expenditure of the tea-party monies for the anniversary party, thereby eliminating the annual tea.

BOARD OF TRUSTEES
February 2, 1978

The Board also agreed that additional monies would be provided as needed, not to exceed a total of \$5,000.00.

Mr. Stevens presented his report regarding the implementation of suggestions in the Ernst & Ernst study. Mr. Stevens reported what personnel reductions are pending, outlined projected staff changes and talked about Food Dimensions. There was some concern about the quality of food provided by Food Dimensions. Mr. Stevens stated that he and the two Board Presidents will continue to closely monitor the food quality. Mr. Stevens also mentioned that the retirement system we have been paying into for several years at 6.3% has now been reduced to 4.98%. This should result in some significant saving to The Heritage this next year.

The meeting was adjourned at 4:00 p.m.

Respectfully submitted,

Roger W. Stevens

Roger W. Stevens
Administrator

BOARD OF TRUSTEES

December 13, 1977

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held on December 13, 1977 at 2:00 p.m. at the office of Mr. George J. Otto, Bank of America Center, San Francisco, California, Mr. Cecil O. West, President, presiding.

Members present:

Board of Trustees: Messers. West, White, Otto, Stanford, Harris, Pfleuger, Baker, Matthews, de Limur and Mrs. Metcalf.

Board of Directors: Mesdames Sherman, Nishkian, Porter and Mr. Stevens.

President West welcomed the new trustees, Mrs. Metcalf and Mr. de Limur. The minutes of the two previous quarterly meetings--June 28 and September 8, 1977, were read and approved.

Roger Stevens presented for review and approval the 1978 Budget in the total amount of \$1,100,397. A detailed discussion of the various categories was had and upon motion duly made, the budget was approved as presented, with the exception of the salaries and benefits category, which is subject to the final approval of a committee composed of Messrs. West and Stanford.

The above approval included the 1978 expenditures totalled at an additional \$21,675.00.

There followed a discussion of a possible change in the firm of Coopers & Lybrand as the Society's auditors. Mr. West and Mr. Stanford had discussed our requirements with Ernst & Ernst, who quoted an annual fee of \$8300.00, plus expenses. In comparison, Coopers & Lybrand would charge \$7000.00. After discussion and upon motion unanimously approved, it was decided to retain the services of Coopers and Lybrand.

Mr. Stevens commented that voluntary contributions had been made or committed which would ensure that the offer of the Mary Crocker Trust to contribute \$2500.00 to the survey of operations of Ernst & Ernst be accepted.

It had been suggested at the previous meeting that the Society send a letter to the legal profession of San Francisco acquainting them with the activities of The Heritage and soliciting bequests. Trustee Howard has been working on this matter and some progress has been made, but the letter has not yet been finalized.

It has been the feeling of this Board that the Life Care Contract currently in use is not satisfactory in some respects and should be reviewed and possibly amended. Mr. Howard is heading a committee to investigate this problem.

Board of Trustees
December 13, 1977

There followed a general discussion of information provided by Mrs. Finley on the increasing cost of the medical program for the Society's employees. The Blue Cross premium originally was approximately \$18.50 per month per employee; it has increased to \$45 and projected for \$54.00. Mr. Stevens is discussing rates and coverage with the Kaiser Foundation and Aetna Life and Casualty and will report at the next meeting.

Mr. Stevens suggested that a review of the Workmen's Compensation Insurance cost be made as the premium has been rising as a result of claims, reducing dividends. The coverage is now carried with the State of California and it may be advisable to seek this coverage with a private carrier. Mr. West will investigate this matter.

The Society has been advised by Wells Fargo Bank that the annual fee for acting as custodian of our investments and preparing periodic reports will be increased from \$4000 to \$5400. It was concluded that this necessary expense would be continued at the increased rate.

There being no further business, the meeting was adjourned at 4 p.m.

Respectfully submitted,
David L. White
David L. White
Secretary-Treasurer

BOARD OF TRUSTEES

September 8, 1977

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held on September 8, 1977, at 2:00 p.m. at the office of Mr. George J. Otto, Bank of America Center, San Francisco, California, Mr. Cecil O. West, President, presiding.

Members present:

Board of Trustees: Messrs. West, Otto, White, Howard, Pfleuger, Harris and Baker.

Board of Directors: Miss Balcom, Mesdames Sherman, Porter, McDaniel, and Evers

Representatives of Ernst & Ernst presented their complete report on the review of the Society's operations. It is considered to be an excellent report. The discussion that followed resulted in the general conclusion that the Society is capable of maintaining its present policies and offer the same services. At the same time, careful attention must be exercised in reviewing the financial arrangements with new residents and tighter cost controls established.

Mr. Pfleuger reported that he had requested the Mary Crocker Foundation make a donation to cover the Ernst & Ernst fee of \$4,000.00. He presented a letter in which they offer to pay \$2500 toward the cost, provided the other \$1500 is raised by donation. Mr. Pfleuger offered a donation and other Trustees indicated a similar desire.

Mr. Howard suggested to the Board that he thought it worthwhile for the Society to write a letter to lawyers active in San Francisco acquainting them with its charitable activities. He felt this could lead to some bequests. This suggestion was formally adopted and Mr. Howard will follow through.

A discussion followed concerning the form of our Life Care Contracts, since it has been decided to continue offering this service. Mr. West appointed a committee consisting of Messrs. Howard and White and Directors McDaniel, Balcom and Porter to undertake this responsibility. This action was officially approved.

Mrs. Porter raised the question of the adequacy of the Society's pension plan for employees. No discussion was had, except that Mr. Stevens was requested to report on the subject at the next meeting.

Mr. White presented, for information, a letter from the Facilities Construction Section, State of California, dated August 24, 1977, confirming the Society's, in conformity with reserve requirement of the Welfare and

BOARD OF TRUSTEES
September 8, 1977

Institutions Code for the year ending June 30, 1976.

There being no further business, the meeting adjourned at 3:30 p.m.

Respectfully submitted,
David L. White
David L. White
Secretary-Treasurer

BOARD OF TRUSTEES

June 28, 1977

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held on June 28, 1977, at the office of Mr. George J. Otto, Bank of America Center, San Francisco, California, Mr. Cecil O. West, presiding.

Members present:

Board of Trustees: Messrs. West, Otto, White, Howard and Baker

Board of Directors: Miss Balcom, Mesdames Sherman, Porter, McDaniel, Evers and Pinkham

Mr. Mann presented a letter from The Williams Home, Inc., of Lynchburg, Virginia requesting the Society to support its efforts with the U. S. Senate to repeal the excise tax imposed by the Tax Reform Act of 1969. Upon a motion duly passed, Mr. Mann was instructed to take the necessary steps.

Representatives of Ernst & Ernst presented an interim report dated June 24, 1977, which was discussed in detail. Various alternatives listed and numbers 1 to 7 were considered. Numbers 1 to 5 were approved but numbers 6 and 7, certification of the Health Center for Medicare and Medical, and the closing of the Health Center except for emergency care and transfer of patients to external nursing facilities, were rejected.

Attorney Gooding recommended we accept \$11,500.00 in settlement of controversy with Dow Chemical and Fireman's Fund for defects to the Health Center's roof. A motion was duly passed accepting this recommendation and including payment of legal fees of \$788.00.

The Board of Trustees reported that James N. Mann has resigned as Administrator effective in 60 days, and his resignation was accepted. The Trustees suggested payment of two months' severance pay.

Mr. White recommended that the Trustees consider offering the Francisco Street flats for sale in view of the fact that they have been held for possible expansion of our facilities for more than twenty years and he believes them to be surplus. The real estate market is strong and as a reliable real estate broker, he believes they could sell for as much as \$195,000. Our income could be substantially improved by the sale and a reinvestment of proceeds in long-term bonds. He also recommended an exterior paint job. The painting was approved but the question of a sale of the property was tabled.

The Board of Directors requested approval of the following capital expenditures, which was granted:

New Carpets	\$135,000.00
Drapes	5,900.00

BOARD OF TRUSTEES (contd)
June 28, 1977

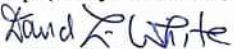
Mr. West announced the resignation of Joseph A. Moore, to be effective July 1, 1977. Mr. Moore has served the Society with distinction for more than thirty years and his resignation has been accepted with sincere regret.

Mr. West pointed out that we now have two vacancies on the Board of Trustees. After a discussion, it was suggested that Mrs. Lawrence V. Metcalf and Mr. Charles deLimur be invited to be members of the Board.

Mr. West reported that the Society's insurance program had been reviewed. He recommended that the umbrella excess liability insurance be increased from \$3,000,000. to \$5,000,000. The present annual premium of \$3,018 would be increased an additional \$1,000.00. Upon motion duly passed, this was approved.

There being no further business, the meeting was adjourned at 3:34 p.m.

Respectfully submitted,


David L. White
Secretary-Treasurer

ORGANIZATION MEETING
OF
BOARD OF TRUSTEES
OF
SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

The Organization Meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at 3400 Laguna Street, San Francisco, California, on Thursday, May 5, 1977, immediately following the adjournment of the Annual Meeting of the Society.

The first order of business being the election of officers of the Board for the ensuing year, the report of the Nominating Committee was read by the Chairman.

Upon motion duly made, seconded, and carried unanimously, the following officers were elected for the ensuing year.

President.....Cecil O. West
First Vice President...Robert D. Harris
Second Vice President....Eric Stanford
Third Vice President.....George J. Otto
Secretary-Treasurer.....David L. White

EXECUTIVE COMMITTEE

George J. Otto
Cecil O. West
Robert D. Harris
Lemuel H. Matthews
Harry L. Baker
Eric Stanford

INVESTMENT COMMITTEE

George J. Otto
Cecil O. West
Robert D. Harris
William Pflueger

DIRECTOR OF REAL ESTATE.....David L. White

INSURANCE CONSULTANT.....Cecil O. West

Further business appearing, upon motion duly passed, the meeting was adjourned.

Respectfully submitted,
David L. White,
David L. White
Secretary

March 25, 1977

The regular meeting of the Board of Trustees of the San Francisco Ladies' Relief and Protection Society was held on March 25, 1977, at 2:00 P.M. at the office of Mr. George J. Otto, Bank of America Center, San Francisco, California, Mr. Otto, President, presiding.

Members present:

Board of Trustees: Messrs. Baker, West, Otto, White, Pflueger, Moore, and Stanford.

Board of Directors: Miss Balcom; Mesdames Sherman, Porter, McDaniel
representations were made pursuant to Board Resolution of December 17, 1977
by the following:

- 1). Ernst and Ernst (overall study \$4000.00 for thirty days)
- 2). Arthur Young and Company (phase I only for \$7500.00 for ninety days)
- 3) Touche Ross and Company (phase I only \$7500.00 six to eight weeks)

Each applicant made comprehensive presentations and answered questions.
Ernst and Ernst expressed the opinion that the two phases are so inter-
related as to be non-separable from a practical standpoint.

Following general discussion, Mr. Stanford made a motion to accept the
Ernst and Ernst proposal, seconded by Mr. Harris, and unanimously approved.
Mr. Mann is to instruct Ernst and Ernst to proceed.

Due to the increased life expectancy in recent years, many of the existing
contracts now justify increased monthly payments - a situation which is
further affected by inflationary factors.

The Board of Directors advised the Trustees that after a study of a
financial arrangements with the residents, it has been determined that
increases are justified in approximately 75 cases. Notices will be
sent out prior to April 1st to be effective May 1, 1977.

Mr. Mann called to the attention of the Board, that a bill has been
introduced in the State Legislature (AB 952) which would remove real property
tax exemption for only those non-profit homes with life care or continuing
care contracts which would include The Heritage. He requested permission
to discuss this problem with our attorney to determine proper action
regarding this bill. Permission granted.

There being no further business, the meeting was adjourned.

Respectfully submitted,

David L. White
David L. White
Secretary-Treasurer

February 17, 1977

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held of February 17, 1977, at 2:00 P.M. at the office of Mr. George J. Otto, Bank of America Center, San Francisco, California, Mr. Otto, President, presiding.

Members present:

Board of Trustees: Messrs. Baker, Harris, Howard, Matthews, Otto, West, Stanford, and White.

Board of Directors: Miss Bridge; Mesdames Nishkian, Sherman, Porter, McDaniel, Pope, Ferguson, and Evers.

Also present: James Mann, Administrator

Pursuant to resolution passed at the December 17, 1977 meeting of the Board for a two-phase study of The Heritage operation, proposals were presented by representatives of the following organizations:

- 1). Coopers and Lybrand
- 2). Hospital Planning Associates
- 3). Equitable Management Consulting Corporation

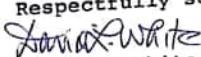
Coopers and Lybrand estimates a fee at \$10,000 to \$11,000 and study time four to seven weeks for Phase I only. No estimate on Phase II until the results of Phase I are determined.

Hospital Planning Associates - Phase I \$6000 for 30 days time
Equitable Management Consulting Corporation
Phase I - \$2000 to \$2200
Phase II - \$800 additional

Following the presentation, Mr. Stanford pointed out that these three proposals, two were made by hospital consultants and one by an accounting firm which was now preparing our financial statements. He recommended that we obtain additional proposals from accounting firms suggesting Ernst and Ernst and Arthur Andersen, both of which have specialists qualified for the type of study we require. It was decided to seek additional proposals from these firms and to make a decision on the subject at the next Trustee meeting.

Mr. White reported to the Board that the Jack Tar Company had not as yet appointed their appraiser pursuant to the re-appraisal to establish the rent on the Van Ness Avenue property to be effective on July 1, 1977. He had notified them of this requirement in July 1976 and advised them that the Society's appraiser would again be Mr. William H. Bunker. Mr. White has reminded the attorneys for the Jack Tar that their appointment should have been made by January 1, 1977 and they apologized for the over-sight and agreed to make their selection right away.

There being no further business, the meeting was adjourned at 4:15 P.M.

Respectfully submitted,

David L. White
Secretary-Treasurer

MEETINGS

BOARD OF TRUSTEES
Minutes.
Regular Meetings
1970 - 1976

December 13, 1976

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held on December 13, 1976, at 2:00 P.M. at the office of Mr. George J. Otto, Bank of America Center, San Francisco, California, Mr. Otto, President, presiding.

Members present:

Board of Trustees: Messrs. Otto, Baker, Harris, Howard, West, ~~and White~~ tor.

Board of Directors: Misses Balcom and Bridge; Mesdames Nishkian, Porter, Ferguson, Sherman, Evers, and McDaniel.

Also present: Mr. James Mann, Administrator; and Mrs. Margaret Leinster, Staff Accountant.

The first order of business was the presentation of the 1977 Budget by the Board of Directors which includes analysis of each item and comparison with the preceding four years actual results. After lengthy discussion, upon motion duly made, seconded, and unanimously approved the budget of \$1,062,959.00 was adopted.

A discussion followed on proposed Capital Expenditures for physical improvements and equipment. A complete breakdown was submitted and discussed. Upon motion duly made, and seconded, a Capital Expenditure of \$18,660 was approved.

The Boards of Directors and Trustees expressed increasing concern over the affects of inflation and the unavoidable annual increase cost of operating The Heritage - in particular, the Health Care Center which is consuming 39% of the total operating budget. It was concluded that outside professional consulting firms should be contacted and invited to submit proposals to examine our facilities, including costs, legal obligations, present and future policies, and any other matters pertaining to efficient operation and any recommendations as deemed necessary. Upon motion duly made, seconded, and adopted, the Board instructed Mr. Mann to contact qualified applicants to obtain proposals for the study in two stages - the first confined to the Health Center, and the second an overall in-depth report.

(over)

There being no further business, the meeting was adjourned.

Respectfully submitted,

David L. White,

David L. White
Secretary-Treasurer

July 27, 1976

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held on July 27, 1976, at 2:00 P.M. at the office of Mr. George J. Otto, Bank of America Center, San Francisco, California, Mr. Otto, President, presiding.

Members present:

Board of Trustees: Messrs. Otto, Moore, Pflueger, Stanford, West and White.

Board of Directors: Miss Balcom; Mesdames Metcalf, Porter and Evers.

Also Present: Mr. James Mann, Administrator, and Mr. Ronald J. Apel.

Mr. Otto introduced Ronald J. Apel, Vice President, Western Insurance Associates, Los Angeles, whose purpose was to present a summary of the major changes in the Society's pension plan for employees mandated by the Federal Employee Retirement Income Security Act (ERISA). A booklet summarizing the changes and presenting a comparison with the Society's plan and the C.A.H.A. standard plan was distributed to all present. A copy of this presentation is attached to these minutes. Following a question period and a study of the material presented, it was concluded that we are justified in changing over to the C.A.H.A. standard plan to be effective at the commencement of the next fiscal year, January 1, 1977. The present added cost would be approximately \$1,000 per year and would provide greater benefits for retiring employees. A motion was made and unanimously approved.

There followed a general discussion of the desirability of fiduciary liability insurance to cover the actions of the Board of Trustees. A motion was passed authorizing Mr. West to study the subject and present a recommendation including costs at the next regular meeting.

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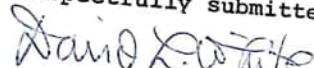
Mr. Mann reported that he had received a request from C.A.H.A. for a voluntary contribution from the Society for legal fees inasmuch as amounts expended by C.A.H.A. for services for the benefit of all members had substantially exceeded their budget. He was advised that inasmuch as the Society's budget for 1976 is underexpended it would be proper to make a modest contribution as requested and charge it as an ordinary expense.

Mrs. Porter mentioned the fact that problems were developing with applicants, residents and estates of deceased residents over the subsidy clause in our care agreement. She recommended that a study be made to consider discontinuance of this practice in the best interest of the Society. General discussion ensued concerning the problems of developing additional revenues, particularly if the subsidy clause were abandoned in the light of ever-increasing expenses of operating the Home. Mr. Mann was instructed to get into this subject with the Board of Directors and report to the Trustees at their next regular meeting.

Mr. White mentioned that he was planning to proceed to notify our lessee of the Van Ness Avenue property, the Jack Tar Company, that the ten-year

reappraisal of the land is scheduled for 1977, that the Board had authorized the employment of Mr. William H. Bunker to represent the Society and to request that the lessee proceed to nominate their appraiser so that this matter can be properly carried out as provided in the lease. There being no further business, the meeting was declared adjourned at 4:10 P.M.

Respectfully submitted,



David L. White
Secretary-Treasurer

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December 10, 1975

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held on December 10, 1975 at 2:00 P.M. at the office of Mr. George J. Otto, Bank of America Center, San Francisco, California, Mr. Otto, President of the Society, presiding.
Members present:

Board of Trustees: Otto, Howard, Harris, Pflueger, West, Stanford and White.

Board of Directors: Metcalf, Sherman, Bridge, Porter and Evers.
Also present: Mr. James Mann, Administrator.

Mr. Otto called the meeting to order and announced that the first business would be a consideration of the annual budget for The Heritage for the year 1976. Mr. Mann distributed to the members a second draft of the proposed budget as discussed by the Board of Directors together with an estimate of anticipated income from all sources for 1976, as compared with actual income for 1974 and 1975 to date. Mr. Mann discussed the various items in the budget, and although stating that wherever possible the line was being held, a substantial increase would be required, primarily in the area of salaries. The estimate for next year is up approximately 12%, and upon motion made by Mr. Pflueger and seconded by Mr. West, the budget as presented in the amount of \$950,105 was unanimously adopted. In the discussion, Mr. Mann pointed out to those present that it appears that income received during the year of 1975 from public sources will be somewhat less than the 10% minimum which is desirable from the standpoint of our tax exempt status. Methods of improving this situation were discussed, and Mrs. Metcalf suggested that a letter appeal could be made to present and former members of the Society for year-end contributions inasmuch as the amount to date for the year is below normal. The Board of Trustees agreed that such an approach would be desirable and urged Mrs. Metcalf to follow through on this program.

(over)

There followed a presentation by Mr. Mann of the estimated Capital Expenditures for 1976 to include some 15 items which were discussed individually. Certain items were considered deferrable, but the following, totalling approximately \$32,750.00 were approved:

1. Exterior repair and touch up painting where necessary to all buildings including the Francisco Street flats. Estimated cost: \$1,275.00.
2. Interior painting in the dining room, first floor of the Perry Building and third floor of the Morgan Building. Actual bids not received but estimated to be approximately \$2,100.00.
3. Provide necessary ventilation for the basement storage areas and shops, which is badly needed. Estimated cost: \$22,000.

4. Improvement to the employees' dining room, including floor and ceiling tile, paint, etc. Estimated cost: \$1,000.
5. Installation of Health Center screens: \$285.
6. Purchase of 60 stack chairs for the Theater Room and general use to replace inadequate and badly worn equipment. Approximately \$4,000.
7. Install storeroom shelving and cabinets in Hobby Room. Estimated cost: \$2,000.

Mr. West discussed the insurance coverage known as Excess Unemployment Insurance which we have been carrying and which will expire January 1, 1976. Annual cost: \$671. The carrier has notified that they are discontinuing this type of coverage and a replacement has been investigated, but unfortunately because of the limited market, the new policy, although costing \$60 less per year, increases the deductible from \$10,000 to \$25,000 which in effect practically nullified the benefit of the coverage. Mr. West recommended that the coverage be discontinued, and upon motion duly made, seconded and passed, this insurance will not be renewed.

Mr. White reminded the Board that there will be a rental adjustment scheduled under the Jack Tar property lease effective July 1, 1977. This will require ourselves and our lessee to appoint appraisers prior to January 1, 1977. While this is still a year away, Mr. White requested the Board's approval to discuss this assignment with Mr. William H. Bunker and to advise him that we would employ him, the appraisal fee to be subject to final approval by the Board at a later date. Upon motion made, seconded and passed, Mr. White was authorized to proceed.

There being no further business, the meeting was adjourned at 3:50 P.M.

Respectfully submitted,



David L. White
Secretary-Treasurer

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December 10, 1975
QUARTERLY BOARD OF TRUSTEES MEETING

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TRUSTEES PRESENT:

MR. HARRY BAKER
MR. ROBERT D. HARRIS
MR. HENRY W. HOWARD
MR. GEORGE J. OTTO
MR. WILLIAM PFLUEGER
MR. ERIC STANFORD
MR. CECIL O. WEST
MR. DAVID L. WHITE

MR. JACK S. LOGAN - ??
MR. LEMUEL H. MATTHEWS - ??

MR. JOSEPH A. MOORE, JR. WILL NOT ATTEND.
BOARD OF DIRECTORS PRESENT:

MRS. ROBERT S. SHERMAN
MRS. HENRY K. EVERSON
MRS. LAWRENCE V. METCALF
MRS. C. B. PORTER
MISS HELEN H. BRIDGE

1 (over)

CAPITAL EXPENDITURE WORK UP SHEET 1976

- Repair and paint where needed south end of Perry Building, top
ledge of Buildings # II & III, and trim of Building II outside,
also touch up outside of flats at bad spots (wood siding).
Paint halls, Dining Room (if necessary) and 1st floor Perry
Building Lounge, and 3rd Floor Morgan Building. (no bids yet)
Ventilate #4 storeroom and shops. \$22,000.00 Contractors estimate
Complete Employee Dining Room. Ceiling tile \$250.00, Floor \$300.00
Paint \$275.00 Approx. total \$1,000.00
- Accounting Office - Update to complete peg-board system initiated
last year on a trial basis \$729.00
- Health Center screens (for health reasons) \$285.00 + Tax
^{Possible Replacement}
Carpet 1st floor Perry Building hall and main dining room.
\$8,000.00 to \$12,000.00 including material, tax, labor, and
installation, (plus removal of old carpet)
- Purchase of 60 stack chairs for Theatre Room & general use.
(Western Contract Furniture) \$3,864.00 & \$33.00 per ea dolly & Tax
- Health Center lighting system. \$60.00 a fixture times 32 = \$1,800.00
(rough estimate excluding installation)
- Install flourescent lights in #4 storeroom. (No Bids)
- Heritage Vehicle, new or used. Max. New \$7,200.00 Dodge Van. Used ?
- Have sprinkler system hooked up to annunciator panel. ^{of Div.}
Probably \$5,000.00 (Bid now a few months old). ^{No bid rec'd.}
- One new ice machine and installation.
- Finish carpeting remaining Resident rooms. (With carpet on hand)
- Phase out hall light fixtures -(Perry Building) (Safety)
- Emergency radio tie-in with hospital network. \$150.00 receiver -
Transmitter - ?
- Store room shelving, to include cabinets for Hobby Room. Approx. \$2000.00

ITEMS FOR POSSIBLE REPLACEMENT

- "tray" dryer - base 30 to 50 lbs. size \$910.00 (Last years price)
- Health Center Dishwasher. Approx.
- Refrigerator, freezer Health Center. Approx.
- Possible main Kitchen Refrigerator. Approx.
- Two new fences & posts in front wood fence. Est. \$400.00
- Dining Rm & 1ST FLR CARPET
- Hall Light fixtures Ferry Bldg. S-12 M
- For Study - Company owned vehicle - multipurpose.
cltms for Study
- Transceiver - connecting The Heritage with Emergency communication network - in case of disaster. (Earthquakes, etc.)

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CAPITAL EXPENDITURE WORK UP SHEET - 1976

Repair and paint where needed south end of Perry Building, top ledge of Buildings #II and III, and trim of Building #II outside; also touch up outside of flats at bad spots (wood siding).

Paint halls, Dining Room (if necessary) and first floor Perry Building Lounge, and third floor Morgan Building. (No bids yet).

Ventilate #4 storeroom and shops. Contractor's estimate: \$22,000.00

Complete Employee Dining Room. Ceiling tile: \$250.00, Floor: \$300.00, Paint: \$275.00. Approximate total: 1,000.00

Accounting Office - Update to complete peg-board system initiated last year on a trial basis. 729.00

Health Center screens (for health reasons) 285.00 + Tax

Purchase of 60 stack chairs for Theatre Room and general use. (Western Contract Furnishers)

3,963.00 + Tax

Health Center lighting system (rough estimate excluding installation) \$60.00 per fixture for 32 fixtures: 1,800.00

Install fluorescent lights in #4 storeroom (no bids).

Save sprinkler system hooked up to annunciator panel. Bid now a few months old. No Board of Director recommendation. Estimate: 5,000.00

One new ice machine and installation.

Finish carpeting remaining Resident rooms (with carpet on hand). 1(over)

Phase out hall light fixtures - Perry Building (safety).

Emergency radio tie-in with hospital network. Receiver only: 150.00
No estimate on transmitter.

CAPITAL EXPENDITURE WORK UP SHEET - 1976

Repair and paint where needed south end of Perry Building,
top ledge of Buildings #II and III, and trim of Building #II
outside; also touch up outside of flats at bad spots (wood
siding).

Paint halls, Dining Room (if necessary) and first floor
Perry Building Lounge, and third floor Morgan Building.
(No bids yet).

Ventilate #4 storeroom and shops. Contractor's estimate: \$22,000.00

Complete Employee Dining Room. Ceiling tile: \$250.00,
Floor: \$300.00, Paint: \$275.00. Approximate total: 1,000.00

Accounting Office - Update to complete peg-board system
initiated last year on a trial basis.

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Health Center screens (for health reasons) 729.00

Purchase of 60 stack chairs for Theatre Room and general
use. (Western Contract Furnishers) 285.00 + Tax

Health Center lighting system (rough estimate excluding
installation) \$60.00 per fixture for 32 fixtures: 3,963.00 + Tax

Install fluorescent lights in #4 storeroom (no bids). 1,800.00

Have sprinkler system hooked up to annunciator panel.
Bid now a few months old. No Board of Director recommenda-
tion. Estimate: 5,000.00

One new ice machine and installation.

Finish carpeting remaining Resident rooms (with carpet
on hand). 1(over)

Phase out hall light fixtures - Perry Building (safety).

Emergency radio tie-in with hospital network. Receiver only:
No estimate on transmitter. 150.00

Storeroom shelving, to include cabinets for Hobby Room. Approx. 2,000.00

ITEMS FOR POSSIBLE REPLACEMENT

Dining Room and first floor carpet. 8,000.00 to
12,000.00

"Tray" dryer - base 30 to 50 lbs. size. Last year's price: 910.00

Health Center Dishwasher.

Refrigerator-freezer - Health Center.

Possible main kitchen refrigerator.

Two new fences and posts in front wood fence. Estimate: 400.00

Hall Light Fixtures - Perry Building.

ITEMS FOR STUDY

Company owned vehicle - multipurpose.

Transceiver connecting The Heritage with Emergency Communications
Network in case of disaster (earthquake, etc.).

September 23, 1975

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held on September 23, 1975 at 2:00 P.M. at the offices of Mr. George J. Otto, Bank of America Center, San Francisco, California, Mr. George J. Otto, President, presiding.

Trustees present were: Messrs. George Otto, Henry Howard, Lemuel H. Matthews, Cecil O. West, William Pflueger
Mr. James Mann, Administrator, was also present.

Mr. Otto called upon Mr. Cecil West, who presented the following report in connection with our insurance coverage:

Mr. West reported that the annual premium of \$8,450 for \$1,000,000 DIC coverage quoted in the minutes of the Trustees' meeting of June 11, 1975 was incorrect. Subsequent to the meeting, Marsh & McLennan advised that the premium for this amount of coverage would be \$14,500 and the deductible applicable to earthquake would be 5%.

In the Trustees' meeting of June 11, 1975, it was decided that before reaching a final decision on earthquake insurance we should endeavor to determine the extent to which other properties were insured against earthquake, and particularly properties similar to The Heritage. Mr. West reported that Mr. Mann had determined that the Sequoias and the Jewish Home do not carry the coverage. He further reported that Mr. Mann had also contacted Mr. Ralph Smith of Western Insurance Associates, insurance brokers and advisors for C.A.H.A., and was advised that to the best of Mr. Smith's knowledge, only one home, a member of American Baptist Homes, carried earthquake coverage, and only because it was required by the mortgagee. Mr. Mann requested a letter confirming this information and subsequently received a letter dated June 30, 1975 from Western Insurance Associates stating that in their estimation, "only a very small percentage, perhaps less than 5%" of the members of C.A.H.A. carry earthquake insurance on their properties, and mostly to comply with a requirement of a mortgage. The original of this letter is in our files.

After further discussion of the subject and considering the cost involved, namely \$14,500 per annum for \$1,000,000 coverage and the 5% deductible, a motion was made and passed that in the Trustees' best judgment, we should assume the risk of earthquake.

Mr. West reported that since the Trustees' meeting of June 11, 1975, Marsh & McLennan had completed an updating of our buildings and contents values for insurance purposes, and in their estimation, the total present replacement value is \$3,432,500. To comply with the 90% coinsurance clause in our policy, \$3,090,000 insurance must be carried. This represents an increase of \$475,625 in the amount previously carried, the annual premium for which is \$650. The updating of these values also requires that the amounts of sprinkler leakage and earthquake sprinkler leakage insurance be increased accordingly to comply with the 25% coinsurance clause in our policy, the total annual premium for which is \$105.00.

Mr. West advised that these necessary increases in coverage had been put into effect July 15, 1975 and requested a motion approving his action. Such motion was duly made and passed.

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Mr. West advised that our present Boiler insurance policy provided \$500,000 physical damage and \$100,000 extra expense coverage and suggested that these amounts be increased to \$750,000 and \$200,000 respectively in recognition of inflation. The additional premium to increase the Physical Damage coverage as suggested would only be \$25.00 per annum and for Extra Expense only \$75.00 per annum. A motion was made and passed approving these increases.

Mr. West advised that an Additional Perils endorsement could be added to our Package Policy which would in effect give us "all risks" coverage excluding Flood and Earthquake. The additional annual premium would be \$1,850. The principal additional perils covered would be collapse, water damage and theft (on which we now have \$7,500.). Following discussion, it was agreed that this coverage was not needed in view of the limited catastrophe exposure and cost involved.

Mr. Mann reported on Unemployment insurance benefits and the expiration date of December 31st on our special excess unemployment insurance coverage. The insurance company offering this coverage had notified us that they were no longer planning to provide such a policy. Therefore it was necessary for us to either locate another company to provide this insurance or, in effect, insure ourselves. Both Mr. Mann and Mr. West were asked to investigate the possibility of continued coverage with some other company.

There was a discussion of the fire enunciator system for the sprinkler system. Mr. Mann reported that he did not have the latest bids with him, and final decision was postponed until the next Trustees' meeting.

There being no further business, the meeting was adjourned at 3:30 P.M.

Respectfully submitted,

James N. Mann
Acting Secretary

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June 11, 1975

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held on June 11, 1975 at 2 P.M. at the offices of Mr. George J. Otto, Bank of America Center, 32nd Floor, 555 California Street, San Francisco, California, Mr. George J. Otto, President, presiding.

Trustees present were: Messrs. George Otto, Eric Stanford, Henry Howard, Harry L. Baker, Cecil O. West, David L. White, William Pflueger, Joseph A. Moore, Jr. and Lemuel H. Matthews. Absent: Mr. Jack S. Logan.

The following members of the Board of Directors were present as guests: Miss Olive G. Balcom, Mesdames Byron Nishkian, Robert S. Sherman and Henry K. Evers. Also present was Mr. James N. Mann, Administrator.

Inasmuch as the minutes of the previous regular meeting of April 8th had been distributed to all members, upon motion duly made and passed, the said minutes were adopted as published.

Mr. Mann reported that the Western Roofing Company had recently completed the new roof on the Health Center at a cost of approximately \$18,500. Inquiry was made concerning the possible recovery from Dow Chemical Company for the failure of the original roof. Mr. Howard reported that this case is complicated by the fact that there is some \$40 million in claims of the same kind against Dow. Suit has not been filed, but will be, and some recovery through settlement is expected.

Mr. West reported that pursuant to decision previously made, Directors and Officers liability insurance was now in force as of May 14th, for three years with a total premium of \$3,545. He pointed out that although this is very beneficial coverage, it does not protect the insureds from any liability that might arise as a result of failure or omission to effect or maintain insurance. A lengthy discussion ensued as a result concerning the subject of earthquake insurance on the Society's property, a subject which has been discussed on many occasions over the years. Up to this date, after thorough consideration of the subject, Trustees have decided that they were obliged to accept the risk of earthquake damage for the reason that coverage offered is extremely expensive and usually involves heavy deductibles. Mr. West reported that currently it would be possible to obtain earthquake coverage through a DIC policy in the amount of \$1 million dollars for an annual premium of \$8,450. This coverage would be subject to a \$5,000 deductible. Considering the size of the premium and the fact that \$1 million dollars of coverage would not begin to restore the property in the event of major damage, it was decided to obtain further information on the extent to which earthquake coverage is being carried on the major buildings in San Francisco, including the practice of other institutions similar to The Heritage, and further consider the matter of earthquake insurance at the next meeting. A general discussion ensued on the position of the Trustees and Directors if it became necessary to house our Residents in other facilities either as a result of fire or other perils. Mr. West reported that we do have \$500,000 of insurance for this purpose and that this could be increased at the rate of \$450 per year for each additional \$250,000. Upon motion duly made and passed, Mr. West was instructed to increase this type of insurance from \$500,000 to \$1,000,000.

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Mr. Mann reported that progress in getting three bids on the installing of a sprinkler enunciator system throughout The Heritage was stymied by the fact that only one company indicated a willingness to make a bid, i.e., Pacific Auxiliary Fire Alarm Company (the company which services our alarm system). Others declined to bid, stating that they would have to purchase from P.A.F.A. and tie into the present P.A.F.A. system, and that P.A.F.A. would obviously be cheaper for us to deal with. Adding enunciators to the sprinkler system recently installed would immediately reveal to firemen answering an alarm the general location of where a sprinkler head went off and save valuable minutes in directing them to the site of the fire or water flow. A figure of \$4,500 has been quoted for the installation of four more enunciators, and the cost is now being calculated should we desire to add two additional ones and further enhance the coverage. Before giving any approval to this installation, Mr. Matthews suggested that in view of the cost, the necessity of this feature should be further explored. He suggested that the Fire Department give an opinion and also that it be determined if competitive bids could not be taken.

There being no further business, the meeting adjourned at 3:35 P.M.



David L. White
Secretary/Treasurer

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April 8, 1975

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held on April 8, 1975 at the offices of Mr. George J. Otto, Bank of America Building, 555 California Street, San Francisco, California, Mr. George J. Otto, President, presiding.

Those present were: Trustees Moore, Pflueger, Baker, Harris, Otto, White, West and Matthews. Absent: Trustees Logan, Howard and Stanford.

Copies of letter of April 1, 1975 from Hanson, Bridgett, Marcus & Jenkins to President Otto concerning the Society's tax exempt status were distributed and discussed. The importance of maintaining the 10% of revenue from permitted sources was emphasized. Mr. Mann mentioned that it was not feasible to increase the revenue being received from outside charitable feeding beyond present levels without disrupting the kitchen staff.

The second matter discussed was the question of liability of officers, directors and trustees of the Society, and Mr. Jenkins' letter of April 7th was distributed and discussed. In the past it has not been considered by the Board necessary to carry liability insurance, although the cost of such coverage was investigated in 1973. Recent court cases have caused our attorneys to believe that this type of coverage is necessary and that the limit of liability should be at least \$1,000,000. It is indicated that the premium would be approximately \$1,500 per year. Upon motion duly made and seconded, it was unanimously approved that liability insurance be purchased.

There followed a discussion on the subject of malpractice insurance which is presently included in our program. Mr. West reported that there is no present indication that the company will not continue this insurance at present costs, as the history has been excellent.

The minutes of the special meeting of the Board of Trustees of February 26, 1975 were read. Upon motion duly made, seconded and carried, these minutes were approved.

Mr. Mann reported to the Board that so far this year the operation of The Heritage was approximately \$22,600 under budget.

President Otto appointed a Nominating Committee to be chairmaned by Mr. White to recommend nominations for the Board of Trustees and its officers to be considered at the Organization Meeting scheduled for May 8, 1975.

Mr. Mann reported having attended an American Association of Homes for the Aging Legislative Conference in Washington, D.C. where he had an opportunity to discuss with certain representative personnel the Society's tax status. Although no legislation has actually been passed, we have been advised by the Internal Revenue Service that our request for a

reclassification as a tax-exempt charitable foundation has been approved.

There being no further business, the meeting was adjourned at 4 P.M.

Respectfully submitted,

David L. White
Secretary/Treasurer

April 28, 1975

MINUTES OF APRIL 8, 1975

The regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held April 8, 1975, at the office of George Otto, Bank of America Building. Trustees present: Moore, Phfluger, Baker, Harris, Otto, White, West, Matthew. Absent: Logan, Howard, Stanford. Copies of letter of April 1, 1975, from Hanson, Bridgett, Marcus & Jenkins to President Otto concerning the Society's tax exempt status were distributed and discussed. The importance of maintaining the 10% of revenue from permitted sources was emphasized.

Mr. Mann mentioned that it was not feasible to increase the revenue being received from outside charitable feeding beyond present levels without disrupting the kitchen staff.

The second matter discussed was the question of liability of officers, directors, and trustees of the Society, and Mr. Jenkins' letter of April 7 was distributed and discussed. In the past it has not been considered by the Board necessary to carry liability insurance, although the cost of such coverage was investigated in 1973. Recent court cases have caused our attorneys to believe that this type of coverage is necessary and that the limit of liability should be least \$1,000,000. It is indicated that the premium would be approximately \$1,500 per year. Upon motion duly made and seconded, it was unanimously approved that liability insurance be purchased.

There followed a discussion on the subject of malpractice insurance, which is presently included in our program. Mr. West reported that there is no present indication that the company will not continue this insurance at present costs, as the history has been excellent.

MINUTES OF APRIL 8, 1975 (continued)

The minutes of the special meeting of the Board of Trustees of February 26, 1975, were read. Upon motion seconded and passed, these minutes were approved.

Mr. Mann reported to the Board that so far this year the operation of the Heritage was approximately \$22,600 under budget.

President Otto appointed a nominating committee to be chairmaned by E. White to recommend nominations for the Board of Trustees and its officers to be considered at the organization meeting scheduled for May 8, 1975.

Mr. Mann reported at an AMHA conference in Washington earlier this year and his opportunity to discuss with certain representative personnel the Society's tax status; although no legislation has been actually passed, we have been advised by the Internal Revenue Service that our request for a reclassification as a tax-exempt charitable foundation has been approved.

There being no further business, the meeting was adjourned at 4 P.M.

Respectfully submitted,

David L. White

David L. White
Secretary-Treasurer

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SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY
"The Heritage"
3400 Laguna Street
San Francisco, California 94123

Telephone 567-6900

April 10, 1975

Notice is hereby given that the regular Annual Meeting of the Board of Directors and the Board of Trustees of the SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY will be held at 3400 Laguna Street, San Francisco, California, on Thursday, May 8, 1975 at 2:00 P.M. of said day for the purpose of electing officers and directors of said corporation for the ensuing year, and for the purpose of transacting any and all business which may properly come before the meeting.

MR. GEORGE J. OTTO
President
Board of Trustees

NOTE:

You are invited to a luncheon preceding the Annual Meeting at 12:30 P.M. Please complete and return the enclosed card indicating whether or not you will be present for lunch and/or the meeting.

February 26, 1975

A special meeting of the Board of Trustees was held on Wednesday, February 26, 1975 at 3:00 P.M. in the offices of Mr. George Otto, Bank of America Center, 555 California Street, San Francisco, California, Mr. George Otto, President, presiding.

Those present were: Trustees Otto, Harris, Logan, Baker, Moore and Stanford. Guests: Mrs. Lawrence Metcalf of the Finance Committee of the Board of Directors, Mr. Gerald Braden, Audit Partner, Coopers & Lybrand, Mr. Bryan Hansen of Coopers & Lybrand and Mr. James N. Mann, The Heritage Administrator. President Otto opened the meeting with introductions of guests and of Mr. Eric Stanford, a new member of the Board of Trustees.

Mr. Otto stated that this meeting had been called for the purpose of resolving questions which had previously been raised regarding our Accounting Services and the costs related to the services rendered by Coopers & Lybrand in the year just passed. He stated that a few members of both Boards had expressed the desire to investigate other accounting firms with the hope of reducing costs. However, he felt that before any such action was taken, it would be only right and proper to explore the question with representatives of Coopers & Lybrand, therefore, he had invited Mr. Braden and Mr. Hansen to be present at this meeting.

Mr. Hansen was then asked for suggestions or procedures The Heritage Accounting Office might follow to lighten the work effort for Coopers & Lybrand and thereby reduce costs in the future. Mr. Hansen prefaced his reply by remarking that his office performed two varieties of tasks for The Heritage. The first pertained to matters legally requiring "annual compliance" such as the annual audit, Department of Social Welfare Reports, and tax returns. The second would fall into the category of "Special Projects." He pointed out that it was in this latter area that The Heritage might take on more of the burden. He gave as examples: 1. Dorothy Swan could calculate and prepare the written notice to Residents as to what part of their annual payment to The Heritage could legally be taken as a medical deduction on taxes. He suggested, however, that her letter should probably be reviewed by his office before being offered to the Residents. Mr. Otto then asked Mr. Mann whether this suggestion seemed feasible, and Mr. Mann replied that in fact Mrs. Swan had performed that task during 1974 with a review by Coopers & Lybrand. Mr. Hansen agreed that she had performed the task, but corrected that she had not submitted the letter to his office for review.

Mr. Hansen then gave a second example. 2. Mrs. Swan could take over the task of filing certain yearly reports to the Department of Social Welfare which call for a number of items including a listing of the Corporate Board of Directors, Trustees, cash accounts, etc. Mr. Hansen then remarked that Mrs. Swan had in fact done that job during 1974 also.

Mr. Otto asked Mr. Hansen if there were any other matters which could be handled in The Heritage Accounting Office to reduce costs, and Mr. Hansen replied there was another letter which related to Continuing Care Reserves, but that the subject was complex and that Mrs. Swan would first need an annual assist from his office to learn of any changes in the procedure or laws. He felt that she might, however, be able to do some of the compilation since there was sufficient time, the deadline being 120 days after the close of the year.

discussion then followed relating to specific charges in the 1974 billing of The Heritage by Coopers & Lybrand. Mrs. Metcalf mentioned the charge of \$325.00 made when Mr. Hansen and Mrs. Susanne Busch attended the annual meeting luncheon and reported on their audit findings. Mr. Hansen replied that a similar charge had been made each year (although perhaps it had not been so itemized, someone commented).

Mr. Braden then stated that he realized the history of service to the community and the fine work being done by The Heritage, and that each of its Board members served without pay. Therefore, he felt that Coopers & Lybrand should do its best to assist in this effort by keeping costs down also.

Mr. Otto interjected that while we are a charitable organization, we are not asking to receive something for nothing, but rather that we simply wish to be assured that we receive the best value possible for each dollar expended.

Mr. Braden then said that perhaps they were not completely without fault, and to insure in the future that we understand the costs for doing a particular task requested of his office, he would be willing to conduct preliminary meetings - free of charge - with a committee of Trustees whereby cost estimates will be given before they proceed with the job. He stated further that in 1975 he would not raise the fee for our audit but would assure us a fee of \$7,000.00 - unless, he added, they run into some unforeseen problems which might require an undue amount of time on their part to correct.

Board members present were very encouraged by Mr. Braden's announcement and agreed to meet with members of his office at any time to discuss proposed services.

A request was made that Coopers & Lybrand furnish copies of the annual audit sufficiently in advance to allow a proper study by the Board prior to the Annual Meeting. Mr. Hansen assured that this could be done also.

There followed some discussion by Mr. Logan to the effect that said audit report did not give all the answers needed, nor was it in a form easily understood. Mr. Braden offered to hold a preliminary meeting to further explain the audit. Members agreed with this idea.

There being no further business, the meeting was adjourned.

Respectfully submitted,


James N. Mann
Acting Secretary

December 10, 1974

A special meeting of the Board of Trustees was held on Tuesday, December 10, 1974 at 2 P.M. at the offices of Mr. George Otto, Bank of America Center, 555 California Street, San Francisco, California, Mr. George Otto, President, presiding.

Those present were: Trustees Baker, Logan, Harris, Matthews, Pflueger, Otto, West and White. Also present was Mr. James Mann, Administrator. Absent: Howard, Moore, Jr. and Stanford.

The first order of business was the approval of the annual budget for 1975 and the estimated capital improvement program for that year. After a thorough discussion and explanation by Mr. Mann, upon motion duly made and seconded, the budget in the amount of \$851,109 was unanimously adopted, and additional estimated capital expenditures over and above any items included in the regular budget were approved in an amount estimated to be approximately \$42,506.60. The main items involved in the latter include a new fire alarm system at a cost of \$5,500 and the continuation of the painting and carpeting programs for various Residents' rooms at an approximate cost of \$6,250.00.

In this discussion, Mr. Mann pointed out that despite constantly increasing costs in certain areas, actual expenditures for the year 1974 will only exceed those of 1971 by approximately 2%. This remarkable record has been accomplished primarily through reduced expenses as a result of a reduction in the staff, discontinuation of providing free drugs and medical supplies, which is not required by life care contracts, and recovery of certain medical expenses through the Medicare and Medi-Cal programs.

Mr. Mann also reported the successful completion of the conversion of certain nonproductive space on the third floor of the main building to apartment use. We now have five Residents in this area, which produced \$100,000 in entrance fees and will add approximately \$17,500 of annual income. The total cost of the construction involved was approximately \$50,000.

Mr. Otto reported the following action taken in connection with the Society's investment portfolio at the meeting of the Investment Committee held in November:

Approximately \$384,000 has been invested for the past year in certificates of deposit and other high-interest bearing short-term investments. A portion of this amount has been similarly reinvested, but in review of declining interest rates, \$50,000 of these funds were invested in AA or better corporate bonds, and securities transactions were also made involving a sale of the entire holding of Bank of California and reinvestment of that sum in Crocker National Bank, additions to existing holdings of International Business Machines, Caterpillar Tractor and DuPont.

President Otto commended Mr. Mann on the excellent job he had accomplished since taking over his post as Administrator.

Copies of the minutes of the Annual Meeting of the Society held on May 9, 1974, the Organization Meeting of the Board of Trustees held on the same date, and the Special Meeting of the Board of Trustees of July 23, 1974 were distributed to all Trustees present. Copies of these minutes will be mailed to each absent Trustee.

Mr. Logan reported that Brian Hansen of Coopers & Lybrand, the Society's auditors, had been in touch with him to report that a new senior accountant was being appointed to handle our work. Mr. Hansen suggested that an appointment be arranged to introduce this individual to the Board of Trustees. Mr. Otto suggested that this be done at the next special meeting of the Trustees.

There being no further business, upon motion made and seconded, the meeting was adjourned at 3:15 P.M.

Respectfully submitted,

David L. White
Secretary/Treasurer

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1975 CAPITAL EXPENDITURE PLAN		
1 8,5 0 0 0 0 4 5 0 0 0 0 0 0 0 0 5,5 0 0 0 0 5 5 0 0 0 2 1 6 0 5 0 0 0 0 4,0 0 0 0 0 2 5 0 0 0 9 5 0 0 7 6 0 0 0 2 5 0 0 0 0 0 0 0 1 0,2 5 0 0 0 7 0 0 0 0 4 2,5 0 6,6 0	er Roof (Contract signed but job payable in 1975) \$18,500.00 stalled on Health Center Sterilizer (Required	
ning Room.		650.00 tor.
System (for use with new sprinklers)		800.00
all System - Amplifier - some repair		5,500.00 to d
coil and fans for original kitchen - Walk-in		550.00
rts and Labor		521.60
0 random rooms		4,000.00
helping		250.00
# ngle for Heritage Laundry	Approx.	95.00
re improvement and replacement - Basically in er. Individual lamps and/or fixtures (?)		?
all Cords for Health Center and House		360.00
er Room Clocks, Patients' Bulletin Boards, Health ent Door Name Plates		250.00
er Security Mirrors		80.00 n (over)
f remaining apartments (carried over from 1974) ns @ \$16.00 sq. yd. f 2.50 sq. yd. - INSTALLATION		2,250.00
Personal Laundry Installation (Washer/Dryer)		700.00

- FOR POSSIBLE REPLACEMENT, i.e. IF NECESSARY
1. EMERGENCY BATTERIES
 2. TROY DRYER REPLACEMENT 30 - 50# - Heritage Laundry
 3. Two Fences in Back Garden

\$ 2,000.00
910.00
200.00

1975 CAPITAL EXPENDITURE PLAN

Health Center Roof (Contract signed but job payable in 1975) \$18,500.00
Recorder installed on Health Center Sterilizer (Required by law).

Employee Dining Room.

Fire Alarm System (for use with new sprinklers)

650.00

ator.

One Nurse Call System - Amplifier - some repair

800.00

Replacement coil and fans for original kitchen - Walk-in cooler - Parts and Labor

5,500.00

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Painting (40 random rooms)

550.00

Storeroom Shelving

521.60

One used Mangle for Heritage Laundry

4,000.00

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Light fixture improvement and replacement - Basically in Health Center. Individual lamps and/or fixtures (?)

250.00

s]

Emergency Call Cords for Health Center and House

95.00

s]

1. Health Center Room Clocks, Patients' Bulletin Boards, Health Center Patient Door Name Plates

360.00

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2. Health Center Security Mirrors

250.00

: s

3. Carpeting of remaining apartments (carried over from 1974)

80.00

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20 - 25 Rooms @ \$16.00 sq. yd.
f 2.50 sq. yd. - INSTALLATION

2,250.00

4. Residents' Personal Laundry Installation (Washer/Dryer)

700.00

ITEMS FOR POSSIBLE REPLACEMENT, i.e. IF NECESSARY

1. EMERGENCY BATTERIES

\$ 2,000.00

2. TROY DRYER REPLACEMENT 30 - 50# - Heritage Laundry

910.00

3. Two Fences in Back Garden

200.00

The Heritage
3400 Laguna Street
San Francisco, California 94123

Telephone 567-6900

According to the records I have, meetings of the Board of Trustees for the past three years have been held as follows:

1972

Wednesday, March 8th

Wednesday, August 16th

1973

Thursday, April 12th

Thursday, June 21st

Tuesday, September 18th (Combined meeting with Liaison Committee of Bd. of Directors)

Thursday, December 13th

1974

Thursday, March 14th

Tuesday, July 23rd

Tuesday, December 10th.

The Board of Directors meets regularly on the fourth Tuesday of each month. The Finance Committee of the Board meets the third Tuesday of each month.

July 23, 1974

A special meeting of the Board of Trustees was held on Tuesday, July 23, 1974 at 2 P.M. at the offices of Mr. George J. Otto, Bank of America Center, 555 California Street, San Francisco, CA., Mr. George J. Otto, president, presiding.

Those present were: Messrs. Harry Baker, Henry Howard, Jack Logan, Joseph A. Moore, Jr., George Otto, William Pflueger, David L. White, Mr. James Mann, Administrator and attorney Robert E. Gooding, Jr. of the law firm of Howard, Prim, Rice, Nemerovski, Canady & Pollock.

Mr. White reported to the Board of Trustees completion of a new one year lease commencing August 1, 1974 with Mrs. Marjorie Smythe on the upper flat at 1536 Francisco Street. The new monthly rental agreed upon was \$350.00 with an additional \$350.00 payable in advance. The Board concurred unanimously in this lease.

Mr. White then suggested to the Board that the rental of the first floor flat, i.e., 1538 Francisco Street to Lt. Col. and Mrs. Ellis McCormick, be raised from \$275.00 per month to the sum of \$310.00 monthly, effective September 1, 1974. The Board resolved to agree to this rate and requested that Mr. Mann notify the McCormicks by letter prior to August 1, 1974.

Mr. Otto raised the question of possible future use of the Francisco Street flats for added housing of Heritage Residents. Mr. Mann stated that his inquiry with the State Fire Marshal caused him to believe first that the State would regard this to be a three story building, i.e., a garage and two apartment levels above the garage, and that present law would prohibit housing persons over age 65 above the second floor under our residential care license. Secondly, that the building would probably have to be outfitted with a sprinkler system, and that a bridge between the existing Heritage structures and the flats would not be condoned by the State. Mr. White added his doubts as to whether we could ever gain the necessary rezoning of the property to include it within The Heritage residential care license. Nevertheless, the group resolved to allow Mr. Mann to make further inquiry into the matter so long as this did not require the expenditure of funds.

Mr. Otto then asked Mr. Mann to relate to the group the problem of the failure of the roof system existing on The Heritage Convalescent Hospital. Mr. Mann explained briefly that a study of this failure brought him to the conclusion that the insulating material utilized in the initial construction had brought about the failure. Further, that the insulation was a product of the Dow Chemical Company, and that Trustee Henry Howard had earlier stated that his firm had won a case against Dow Chemical Company involving the exact same material which resulted in the failure of a roof. Mr. Mann stated that it was through Mr. Howard's suggestion, therefore, that we had notified the Dow Chemical Company of the failure of The Heritage Health Center roof, and that a meeting had been held with representatives of Dow Chemical Company and their insurance underwriters to attempt to resolve our problem. Mr. Howard then related to the group the results of his firm's case as between the Dinwiddie Construction Company and

and Dow Chemical Company, and then introduced Mr. Robert Gooding, who assisted in the presentation of the plaintiff's case against Dow Chemical Company. Mr. Gooding then explained to the Board the results of the aforementioned meeting at The Heritage concerning The Heritage Health Center roof and stated that while the Dow Chemical Company did not admit responsibility for the roof failure, they nevertheless said, "We are here to do what is right." They admitted that such a roof should have lasted twenty years, but that it failed in ten years. They further admitted that Dow Chemical Company had lost its case with Dinwiddie Construction Company under similar statement of facts, and that while again they were not admitting to any fault in The Heritage roof failure, they would not be adverse to paying "their fair share" of the replacement cost of The Heritage roof, suggesting that "their fair share" might properly be one-fourth of one-half of the total replacement cost since the architect, the general contractor and the roofing contractor should rightfully be involved in each case for one-fourth of this amount also. Mr. Gooding stated that after further consultation with Mr. Mann, and Mr. Mann by telephone with Mr. Otto, we notified the representatives of Dow Chemical Company at this same meeting that as things now stand, should it come to a lawsuit, we would probably bring the action as between The Heritage and Dow Chemical Company alone rather than enjoin the architect and other contractors. Mr. Gooding related that the Dow representatives had agreed that the repair of the roof would be best accomplished by the complete removal of the roof and the Dow insulation under its surface, and that the group, which included a representative of the Alta Roofing Company, the original sub-contractor which had installed the roof, had concluded that the approximate replacement cost might well come to \$15,000 to \$16,000 plus such other costs for repairs and damages previously incurred both on the roof and within the structure resulting from leakage of water.

Other suggestions made by the Dow Chemical Company during that meeting were also briefly discussed, including that of joining all of the contractors and the architect in a replacement of the roof at cost, and with Dow Chemical Company possibly furnishing some of the new insulating materials free of charge if the new Dow surface insulation roofing procedure were used in the replacement. Mr. Gooding stated that this latter process is called an "upside down roof" by the Dow Chemical Company.

The Board of Trustees resolved that we follow Mr. Byron Nishkian's suggestion as earlier made to Mr. Mann that Mr. Gunnar Andersen be contacted and asked to design a new roof system for the Health Center, and that he and Mr. Mann seek the necessary bids and proceed in the replacement of said roof without delay. It was further resolved that Mr. Gooding continue to act in The Heritage's best interest and that he have the authority, if necessary, to bring legal action as between The Heritage and Dow Chemical Company and such other contractors that he may see fit to enjoin. The Board of Trustees agreed with Mr. Gooding that we seek an amount not less than 50% of the replacement cost for the new roof.

The subject then turned briefly to the public vs. private foundation status of The Heritage, and Mr. Howard reported that he hoped that the Internal Revenue Service would adjudge us to have been "a public foundation" - not subject to the taxes under the evidence provided them of our

past few years of operation, but that even with this possible favorable judgment we would still have to prove our public foundation posture from year to year unless or until the legislation now pending in Washington, D.C. removed the foundation status problem.

There being no further business, the meeting was adjourned.

Respectfully submitted,

David L. White
Secretary-Treasurer

March 14, 1974

A special meeting of the Board of Trustees was held on March 14, 1974 in the offices of Mr. George Otto, 555 California Street, San Francisco, California, for the purpose of reviewing bids which have been submitted in connection with the proposed remodeling work on the third floor of the Morgan Building.

Those present were: Mr. George Otto, Mr. Jack Logan, Mr. William Flueger, Mr. Harry Baker and Mr. Lemuel Matthews. Guests present were Mr. Gunnar Anderson, the architect for the job, and Mr. James Mann, Heritage Administrator.

The meeting was called to order by Mr. George Otto. Mr. Mann introduced Mr. Anderson, who proceeded to read the results of submitted bids from the following contractors:

Kingshill & Sons	* \$32,875
Pearson & Johnson	\$39,377
Graystone Builders	\$42,300

Mr. Anderson announced that Graystone Builders had withdrawn their bid after learning that it exceeded by several thousand dollars the bids of the other two contractors. He went on to explain that the amounts of these bids did not include the bids from painting contractors which were to be submitted on a separate basis as a result of a deficiency in the original specifications, which was called to his attention by Mr. Peters of the Hinton Painting Company.

The members of the Board of Trustees voted to accept the bid of the Kingshill Construction Company providing that Mr. Byron Nishkian, structural engineer, be consulted as to the reliability of the Kingshill Company. The question of requiring a bond on the work was discussed briefly and left unresolved.**

There followed a brief discussion of questions raised during the joint meeting of March 13 which combined the ladies of the Community Service and Relations Committee of the Board of Directors and the Trustees present some of the statements made by Mr. Henry Howard at the March 13 meeting and a general discussion followed relating to the possible need for public fund raising programs. It was suggested that a committee composed of two or three members of each of the boards be formed to further study this question as it related to our public versus private foundation status and the possibility of taxation by the Federal government. Mr. Otto quoted Mr. Howard in stating that taxes to The Heritage might average some \$16,000 a year if The Heritage was determined a private foundation by the Internal Revenue Service.

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There being no further business, the meeting was adjourned.

Respectfully submitted,
Daniel L. White

The final Kingshill bid taken together with the bid awarded to Clinton Painting Company was later amended to equal \$38,103. It should also be noted that some additional work not listed in the architect's specifications is anticipated, and may equal \$3,000 to \$4,000 additional cost. This detail was not, however, available during this meeting.

During a poll of members of the Board of Trustees a few days later, it was decided that a bond would be unnecessary since Mr. Nishkian and the architect fully approved the Kingshill Construction Company's reliability.

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SPECIAL MEETING OF COMMUNITY SERVICE & RELATIONS COMMITTEE AND THE
LIAISON COMMITTEE OF THE BOARD OF TRUSTEES HELD ON MONDAY, MARCH 11,
1974 AT THE OFFICES OF CLARK DODGE & COMPANY, 555 CALIFORNIA STREET,
SAN FRANCISCO, CALIFORNIA.

THOSE PRESENT WERE: Mrs. Victor Richards, Mrs. Byron Nishkian, Mrs.
C. B. Porter, Mrs. Robert Sherman, Mr. Henry Howard, Mr. George Otto,
Mr. Jack Logan, Mr. Joseph Moore and Mr. James Mann, Heritage Administrator.

Mrs. Richards opened the meeting by stating that we called this meeting because we were asked by Mr. West to think about fund raising ~~and~~ due to taxation and community involvement. The Community Services Committee did have a meeting, but we thought we had no background ^{on which} to make decisions legally or what you had in mind about our raising money or how much you would support us, and we thought we should be informed as to what we should do and where we should go from here. We all feel very keenly that The Heritage should have a new direction, and maybe not just for fund raising. If you are thinking of fund raising, a one-shot deal won't be of much help. It has to be something annually. We thought we would give you our views and then you could give us your views.

Mrs. Richards called upon Mrs. Nishkian, who stated that women's groups who solicit for funds are usually very large groups. As far as The Heritage is concerned, Mrs. Nishkian stated that after being president for three years and working with Mrs. Metcalf for the three years she was president, she felt that when it comes to anything involving community projects, this should be accomplished by the combined efforts of the Board of Trustees and the Board of Directors. She said that she felt that The Heritage has been sort of "sitting" for the last ten years and that maybe we have to expand and take our capital and invest in another convalescent home, for example.

Mrs. Porter stated that she has probably been connected with the organization longer than anyone present. She said she was president when (over)

Mr. Howard stated that as a consequence of enactment of the Revenue Act of 1969 a tax of 4% on total invested income is imposed on private foundations. The Heritage comes under the definition of a private foundation. At a level of invested income of say \$400,000 the tax is around \$16,000 a year. Assuming that legislative relief is a long way off, a publicly supported institution is an organization deriving 10% of its income from outside sources. If The Heritage generated public support on a regular basis, it is not so much the amount of money raised through public support, but the regularity with which it seeks such support. As an example, sponsoring a Spring Opera performance on an annual basis would be a fund raising activity wherein a portion of the proceeds would go to The Heritage and bring us within the realm of a publicly supported institution. Also mentioned were bazaars, rummage sales, etc. scheduled on a regular basis.

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a merge was made with the Crocker Home, and she knows something of the financial background. She raised the question of why we are supposed to raise money with the amount of my money that we have?

Mrs. Richards:

With the present inflation and increased cost of living, is it feasible to keep on writing Life Care Agreements for these people? Mrs. Porter asked if we couldn't have an escalator clause in these contracts and Mr. Mann pointed out that we do have such a clause in these contracts. Mr. Main pointed out that we have some 26 Residents on Old Age Assistance and over 50% of present Residents did not pay an entrance fee because they couldn't afford to pay such fee. At the beginning of 1974 the Federal Government took over the Old Age Assistance Program. Until a few months ago we were getting about \$162.00 per month from Residents receiving assistance. They have now been raised and we will be getting \$250.00 per month which is nearly half of our cost of care. That source of income for the balance of the year plus the new source of income we have from the three private patients in the Health Center (approx. \$100 per day) will net us \$45,000 of income which we did not have before. In addition, it is hoped that the new apartments to be constructed in the Morgan Building will be completed by June will net us another \$7,500 in monthly income plus entrance fees which should be in some \$85,000. It is estimated that it will cost \$35,000 to build the new apartments. We are also spending \$58,000 on sprinkler systems and \$32,000 in new carpeting plus another \$5,000 miscellaneous costs, the two balance out. If we add up our new income, it will be \$137,000 and costs of \$130,000.

Mrs. Richards asked if the end results of the discussion today will be that we will work together. It was pointed out that we need to know what suggestions should be made, who will implement them and what effect there would be and what is going to be the long range program. It was suggested that the Board of Directors should adopt a policy whereby public support for The Heritage should be studied and inquired into. Then the next step would be to organize a joint meeting with John May or some such person and sketch out the fundamentals of the program and then go on from there. Mrs. Nishkian said they will have a Community Services meeting after the next Board meeting and will then have some ideas to bring forth.

Getting back to the foundation tax status, Mr. Mann asked Mr. Howard if we had a larger capital debt, for example, buying a building, this would reduce our capital on hand and therefore reducing our income, and the problem would be immediately resolved and money could flow back into the corporation by way of entrance fees from the new people coming in to help defray the costs of new construction or new building. Mr. Howard pointed out that we have filed a notice with the Internal Revenue Service that we do not consider that we are a private foundation. Mr. Mann stated that there is a ruling due any day on this matter. Mr. Mann reported further that recently a discussion was held on the possibility of purchase of a next door apartment building containing 12 units. Income from entrance fees on 12 units could run \$30,000 per unit or a total income of \$300,000. The purchase of such a building would be tying up some of our ~~income~~ capital

and yet ~~is~~ bringing in money from a public source in the sense that the people moving in are public. It would also lower the ratio of investment income to total income. Mr. Mann stated that consideration was also being made as to converting the flats which the Society owns into eight more units there. Mr. Otto stated that these are the kinds of considerations he would like reduced to figures. Mr. Mann stated that the general idea was to add to the general population of The Heritage by purchase of a building .

Mr. Otto stated that the completion of the five new units should be accomplished first, and secondly convert the ~~building~~ flats and get that behind us, and than as this thing proved itself out go on from there.

Mrs. Richards stated that it was the feeling of Board members that we could not go ahead with anything without the approval of the Trustees and the legality of such a program.

Mrs. Nishkian stated that this matter will be taken up at the next Board of Directors meeting, following which the Community Services Committee will meet again and discuss any recommendations which might be made as to fund raising or publicly participating programs.

If Heritage were brought within the definition of a Hospital - the law would not apply.

Escape =

Public Supported - "10% or more from general public support, - under all the circumstances"

or at less than 10% - if Heritage generated a considerable amount on a general basis.

"other charitable fields" - would help if regular + public support on a regular basis.

Spring Opera - Regular event

Seniors Citizens Day - \$1.00 apiece.
Aids seniors + raises income.

Bull - under Sect. of Treasury spoke with vague - favor toward relief by law to houses like the Heritage.

March

Community Services & Relations Comm.
Meeting with Liaison portion of Bd of Trustees

Present - Mrs Richens

Mrs Nishikian

Ladies Mrs Porter

Mrs Sherman

Men Mr Howard

Mr Otto

Mr Logan

Mr Moore

Admin - Mr Mana

"Nishikian
Convalescent Home - Perhaps"

Low income Home?

Mr Howard - Present Tax Policy

69 Tax Reform act - 4% TAX of net investment income
on Private Foundation

If we do nothing we might be charged a
tax of 6% (now 4%) on about \$300,000.00
or about \$18,000. a year (possibly \$16,000 a year)

*Final
Draft*

CAPITAL EXPENDITURES

1974 BUDGET

Defined by Susan Bush: "Anything used for longer than one year and over \$200.00." (\$100.00 in private industry)).

CONNECTS

COSTS

Residential Painting & Remodeling:

A. Adding Apartments for 5 Persons to Morgan Building 3rd Floor

(1) Construction of necessary walls, closets and door openings and 5 bathrooms	\$ _____
(2) Plumbing 5 baths (Tub/Shower, Lav., Water Closet, Vanity, Electrical and Ventilation.)	\$ _____
(3) Paint & carpet 5 rooms, i.e. paint 5 carpet 4 Paint: \$845.00 Carpet:\$1,520.00	\$ 2,365.00
(4) Extra Sprinkler Heads & installation (N/C)	\$ -- 0 -
(5) Ceilings, Drop - 3 Units on 2d floor	\$ 385.00
(6) Architects Fees	(Maximum) \$ 3,500.00
	TOTAL \$ _____

B. Painting of Residents' Rooms, Offices

(1) Res. 15 Rooms @ \$80.00 per room (do it ourselves)	\$ 1,200.00
(2) Offices 5 offices @ 125.00 a room	\$ 1,146.00
	TOTAL \$ 2,346.00

Paint Trim of Cottage

Drain Cleaner Snake 3/4" #7000T-Margo 2-3/4" X 50' Drum & Spring sets With #1 Head Set (Quote from P. E. O'Hair	\$ 180.00
	\$ 555.70

Sump Pump (To bail out boiler rooms, Mrs. Henderson's Office, and Harry Chen's quarters. Four times each year - rooms are flooded by city sewer pressure) \$ 50.00

fire Bells - Revise wiring to allow all to ring at same time (in all areas) ("If at panel \$50.00") \$ _____

6' x 8' Stage Platforms 16" High \$620.00
 and stair step (Freight incl.) 33.95) \$ 653.95

Change and replace two toilet bowls & tanks \$ 250.00

Paint Health Center Exterior & Shutters \$ 1,850.00

One Clothes Dryer for Laundry Room - 30 lb.
 Present 20 lb. Tray model is obsolete and will probably need replacing within the year. Parts are not obtainable and can only substitute. (Tax incl.) \$ 635.00

H CENTER:

Redecorating: Underdrapes \$1,500.00
 Overdrapes 940.00)
 Cubicle Curtains 861.50) \$ 3,400.00

Change location of washer & dryer to Nurses station area and free room for patient use.) \$ 250.00

Paint and clean bathroom if necessary.)
 Vent new area) \$ 325.00

New Jacuzzi unit \$ 325.00

Patients' call cords (present too short)
 12 cords 10 to 12 feet long @ \$1.00 per ft. \$ 140.00

Hall Mirrors to enable nurses to observe patients. \$ _____

Tank Vacuum Cleaner for under bed cleaning in H.C. \$ _____

EKG Machine \$ 700.00

Bulletin Board for Staff Room (present one too small) \$ 75.00

PROJECTS APPROVED IN 1973 BUT CARRIED OVER TO 1974

Emergency Power Supply

Health Center Painting and Lounge Mural \$ 840.00

Kitchen Remodeling: \$ 1,600.00

Employee Dining Room \$ _____

Harry's Office \$ _____

New Refrigerator Freezer \$ _____

All New \$5,300.00 \$ 5,300.00

Part Used 4,068.00

Sprinkler System \$ 58,000.00

Carpet & Pad replacement - 75 apartments
2,000 yds. @\$16.00 per sq. yd. installed \$ 32,000.00

Light Fixture Replacement \$ _____

Residence - Ceiling Units) Study and
) choice necessary

Health Center - Bed Units)

December 13, 1973

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held in the Board Room of Dodge Cox, Crocker Plaza, San Francisco, California on Thursday December 13, 1973 at 2:00 P.M., Mr. Cecil O. West, President, presiding.

Present: Messrs. Baker, Harris, Howard, Logan Matthews, Moore, Otto, Pflueger, West, White, and Mr. James Mann, Administrator.

Minutes: The minutes of the September 18, 1973 meeting which had been mailed to all members, were approved upon motion duly made, seconded and carried.

Mr. West stated that the principal discussion at this meeting will be on the 1974 budget, which has already been gone into very thoroughly at several other meetings and has been approved by the Board of Directors. The Operating Budget shows an overall total savings of \$20,000 over last year's budget. Salary increases for 1974 will be up 5.3% over 1973. The largest item of increase is food which is projected at \$105,000 as compared to \$87,000 for 1973, or 15% above the actual projection for 1973. There is a great decrease in drug costs, and there should be a \$5,000 savings every year from now on in connection with drug costs. This was accomplished by Residents paying for their own drugs in accordance with their contracts. This had not been done in the past.

The Capital Expenditure items were brought up for discussion. Mr. Mann reported on projects which are currently being worked on. Remodeling will be done in the Morgan Building third floor to add apartments for five more Residents. Preliminary line drawings for this work have been completed and submitted with application to the State Department of Social Welfare for approval of this additional residential space, however, the State office has informed us that a final approval of our request for license extension cannot be given until all remodelling work is done. The premises will then be inspected for fire safety, etc., and there is little doubt but that the requested increase will be granted. It was pointed out that Mr. Tom Jenkins has assured that it is perfectly safe to go ahead with this project. Mr. Mann reported that the Fire Inspector was in recently, and he said he could see no reason why the work could not be approved. It was the general consensus of opinion that 1) we did desire to proceed with this project, and (2) that final drawings would be necessary before any further State opinion could be rendered and before bids could be obtained from contractors, and since we could only be out a maximum of \$3,500 in architect's fees, we should proceed accordingly with the drawings. The question was raised as to whether we should have a motion to this effect, and Mr. Otto suggested that this matter could be approved along with the whole of the budget. Mr. Mann stated that estimated further income from these five units could be as much as \$80,000 to \$90,000 in entrance fees and at least \$1,250 per month in care fees.

Mr. Mann continued with the capital expenditure items for 1974. Projected costs for painting are based upon our own Maintenance Department doing the work. Cost would be tripled if an outside contractor were to do the work. The drain cleaning snake is needed because of constant

backup from outside which plugs up the drains. Also a sump pump is needed to bail out rooms which are flooded by city sewer pressure. The fire bells need to be adjusted so that they all ring at the same time. The stage platforms would sufficiently elevate entertainers so that the audience could see them. They are portable and could be easily moved and stored. Two toilet bowls and tanks must be replaced in the Morgan Building. The Health Center redecorating may run as high as \$3,700. If outside patients are taken in, we may find it necessary to have additional space in the Health Center. If so, we would have to move the washer and dryer and put in a proper vent in the roof. The Health Center is also in need of a new Jacuzzi unit, which has proven to be excellent therapy for the patients. Also, some of the patient call cords are too short and need to be lengthened. Mr. Mann reported that Dr. Henderson would like an EKG machine for the Health Center. Mr. Mann stated that we may be able to purchase such a machine through the State Surplus Agency.

Upon completion of discussion of the above proposed 1974 budgetary items, Mr. Otto made a motion which was duly seconded and carried that the Capital Expenditures and Operational Budget be approved as presented.

Projects approved in 1973 but not completed were discussed. Mr. Otto questioned the delays in completion of previously approved projects, particularly as to the carpet installation. Mr. Mann replied that the addition of new carpet to the building was delayed because of a shortage of material and by the ordering procedures of Western Contractors. As to the kitchen renovation, Mr. Mann reported that several of the approved items have already been installed, but that the ice machine and walk-in freezer have not been installed, and remodeling of Harry Chen's office and the new employees' dining room downstairs has not been completed. The oven has been adjusted and the wok has been installed and is now in operation serving 90 meals a day to elderly Chinese in Chinatown. We will be reimbursed by the Federal government for labor costs in connection with this project and also the cost of food will be repaid to us.

Roof repairs were discussed. Roof can be patched at a cost of \$750.00. As the Health Center is only seven years old, it was felt that the roof should not be leaking and in need of repair, and that perhaps defective material was used. Mr. Mann was asked to check this out with the contractor.

The tax situation was discussed. Relief Bill H.R. 2259 was roadblocked by the House Ways and Means Committee, and H.R. 4200 likewise probably will not be acted upon during the current session of Congress. It was reported that we must attract public support. The Chinese food program is a start, however we need public financial support for the entire overall operation of the home. A consistent program should be instituted on a systematic basis. It was suggested that a committee be appointed to consider this point, probably composed of members of the Board of Directors. Mr. Otto suggested that we recommend to the ladies that they should give some thought as to how to pursue this matter. Mr. Otto made a motion which was seconded and carried that the ladies be approached to formulate plans for public appeals for funds on a regular basis. We are a private foundation and we want to be an exempt private

foundation, and the necessary papers for deferment until proposed regulations are passed have been filed with the Internal Revenue Service. Mr. White reported that our tax assessment has been raised by 7% this year, however, we still get 100% exemption on real estate taxes.

Directors and Officers liability insurance was again brought up for discussion. Mr. West stated that the best quotation received was a prepaid three year premium of \$5,667.00. He added that liability as a non-profit organization is quite remote. After discussion, a motion was made, seconded and carried that Directors and Officers Liability Insurance not be carried.

Mr. West reminded members of the Board of The Heritage Annual Christmas Party to be held on December 19th.

Mr. Mann presented a completed application to be submitted to the State which would make us eligible to purchase surplus property. The Board of Trustees must approve such action. A motion was made by Mr. Otto, seconded and carried that this application be approved.

Upon motion duly made, seconded and carried, the meeting was adjourned at 3:25 P.M.

Respectfully submitted,

David L. White,

David L. White
Secretary

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society, together with the Liaison Committee of the Board of Directors, was held in the Board Room of Dodge & Cox, Post & Montgomery Streets, San Francisco, California, on Tuesday, September 18, 1973 at 2:00 P.M. Mr. Cecil O. West, President, presiding.

Present: Messrs. West, Logan, Harris and Howard
Mesdames. Nishkian, Bridge, Sherman, Balcom and Metcalf
Mr. James N. Mann, Administrator

Absent: Messrs. Baker, Matthews, Moore, Otto, Pflueger and White

Minutes: Mr. West stated in the June 21, 1973 minutes there were several editorial errors. He read into the record a corrected paragraph on Insurance, also in the paragraph on Sprinkler System, the line "the insurance savings of \$2,000." should be deleted as no such figure was discussed. It was moved, seconded and carried to delete said error, and incorporate the corrected paragraph. Corrected copies will be distributed to the Board. On the matter of the cost of coverage for Directors and Officers Liability, Mr. West stated there was no figure available yet. However, the completed proposal forms are now in the hands of Marsh McLennan and this figure will be forthcoming.

Budget: Mrs. Sherman reported that our budget is doing nicely this year and we will be starting on next year's budget sometime in October. We are now \$26,000. ahead of our forecast. We still have a few major expenses between now and the end of the year but Mr. Mann feels we will still come out \$26,000. for the year. Certain portions of the budget are way off, such as salaries and food especially. We will have to do some reconsideration on salaries, and figure our food budget on figures of the last three months because of the large price increases. Our returns from Medicare have been \$7,204. so far this year, which does not reflect in our budget.

A general discussion was held of Lybrand, Ross Bros. & Montgomery's method of reporting. Mr. Logan made a request that we have a meeting with Lybrand, because they set up accounts to show assets and liabilities and cost of care for their convenience. However, this does not give the Trustees a clear enough picture of the financial position of The Heritage.

Budget: Mrs. Sherman continued, the cost of care is going up. This month we had 115 Residents at a cost of \$502., compared with June when we had 117 Residents at an average cost of \$481., the point being with only 115 Residents the average cost increases and we become less efficient.

Mrs. Metcalf continued for Mrs. Sherman: We are concerned with keeping the census up, at present we are licensed for 32 people in the Health Center and 98 people in the home. Mr. Mann and the Finance Committee have 2 recommendations, for the approval of the Board of Trustees and which will be presented to the Board of Directors next Tuesday for approval.

1. The Home: We would like Mr. Mann to investigate the cost of converting rooms on the third floor, now used for the waitresses' rest area, into apartments. We know we can put in one room & bath for sure and possibly two to four more. With your approval, we will have Mr. Mann see if it would be economically feasible, and if we would have any license problems. By adding two or three more Residents we could bring down our cost per capita. Even if the State refuses to extend our license, we could still add one room our license at present allows one more Resident. An entrance fee of \$15,000. to \$20,000. would more than cover the cost of conversion.
2. The Health Center: At present 18 beds are occupied, we are licensed for 32, we have 14 empty beds. Mrs. Porter has checked to see if there were any restrictions on our license when we built the Health Center. There is nothing that says we cannot take in outside people. There is at present a note in our file that we can reserve a third of our units for outside people. Mr. Mann would like to fill 4 to 6 beds with outside people at the going rate of convalescent homes of \$35.00 a day for one person in a two bed room. With a contract, such as the one written by Mr. Jenkins for the Sequoias, we would have enough flexibility to move these people out, if we should have need for the space. By reserving only 4 units for this purpose, it would bring in an income of approximately \$47,000. a year, thus reducing our Medical Costs of \$19,600. and our cost of salaries in the Health Center, which run \$151,000. Mr. Mann does not feel we could get into any difficulty. By reserving only 4 units, we would still have 10 beds available for our own use.

A general discussion was held as to the types of cases that should be bought in, long term patients or convalescents, problems of removing them if need arises, legal problems etc.

Mr. West stated he thought it is the consensus of the Board of Trustees to utilize these beds to our best advantage and yet not restrict ourselves as far as care to our regular Residents.

Mr. West and the other Trustees felt we should determine the cost of converting the third floor rooms and look into licensing problems.

Mr. Logan: On the other side of the budget, we have taken in, in the first quarter of this year \$102,661., in the second quarter a net of \$15,500. from entrance fees. This is \$117,000. added to the endowment fund. So far to the end of June we show \$4,470,891. As long as the Finance Committee continues to do the same quality investment job they have been doing since the first of the year, we should be in good shape. These are negative figures of course:

First quarter down 5.8%

Second quarter down 3.5%

In both periods the margin by various indexes are down 40% more. The kinds of stocks in our portfolio at this time have been favorably affected by the market in the last two months, so it is possible we will have a plus in the third quarter.

Mr. West asked if we were having problems with salaries?

Miss Bridge: We are going over the salaries at present. We have obtained comparisons from the Union, Local 250 contracts and the Nurses Association scale. Mr. Visker at The Heritage is compiling this data and we will make our recommendations and bring them to you. In the past the Board has taken action to keep our salaries as close to union scale as possible if not above.

Admissions: Miss Balcom distributed a summary of admissions for 1972 and 1973 (see attached). We have been able to admit more people in 1973, and with Mrs. Camm and Miss Long's admissions fee, we will have taken in \$170,000. this year. Miss Balcom then distributed a copy of the table we use for admissions. She went on to explain how we arrive at our admissions fee, and the monthly care rate. Miss Balcom continued, her point in bringing this material was to show that we are asking for quite a bit and it was her hope that we could take in some people with less money. The overall picture shows a general change of philosophy, we seem generally more concerned with dollars and cents.

We are seeing people with little capital to put down however, they have a larger monthly income due to a fixed pension and social security. Is it possible to accept them?

We have turned so many people away, what I would like to determine would it be possible to say accept 1 out of 10 with less funds?

A general discussion was held on subsidy, operating cost, capital expenditures, trust accounts, reserve fund, etc.

Mr. West agreed to the idea of accepting persons with less capital and larger monthly pensions if we were very sure of the stability of the pension fund.

All the Board members agreed that the idea of accepting 1 person out of 10 with less funds would be realistic. However, we must be realistic and keep in mind our responsibility of keeping The Heritage operating on a sound financial basis.

Mr. Logan stated he would like to obtain figures from Lybrand, that might assist us in determining our necessary charges.

Mr. West suggested we wait until we obtain these figures from Lybrand. He asked Mr. Logan to try and get the necessary information and then we can proceed from there.

Mr. West asked for the Administrators report.

Administrator's Report: Mr. Mann stated Allan Automatic Sprinkler System is now engineering the sprinkler system and it should be installed sometime in the near future. Almost all sprinkler pipes will be concealed, for the total approved cost of \$58,325. This includes a contract of \$5,000. plus, to remove and replace 60% of the acoustical ceiling on the second floor of the Perry Building. On the second floor of the Morgan Building, there are 3 or 4 apartments that do not have dropped ceilings. With the work we are considering, I would suggest we explore the possibility of adding dropped ceilings, as this would allow us to hide the sprinkler pipes plus the additional plumbing we would need to install bathrooms on the third floor. This is something we have not discussed before.
We have completed the exterior and interior painting of the north and south stair-well towers of the Perry Building. Also the exterior work on the Morgan Building which included steam cleaning the bricks, sealing the surface with Thompson's water seal, the pointing of the bricks, caulking and painting the metal surfaces of the windows and doors, and repairing the tiles on the roof at a cost of nearly \$16,000. We hope to start carpeting the rooms that need it the most, before too long. The bids on the carpet are approximately \$30,000. We have ordered several items of equipment for the kitchen. We are taking that in stages. We have to date ordered a wok for approximately \$900., and a convection oven at approximately \$1,200., and 3 stoves with ovens and 8 burners plus a grill top. These will be installed by Gas Consumers Co. at a cost of about \$800., and added to that a Kidde Fire Protection System. This unit will be installed in the hood over the stoves at a cost of approximately \$890.

Mr. West stated, we have specifically approved the purchase of the wok for an amount of a little over \$1,000. We have not specifically approved these other expenditures. When we approved the budget last Fall or early January, we approved the renovation of the kitchen, with the proviso any amount in excess of \$1,000. would have to be approved specifically. Mr. Mann would you give me the total we are discussing, and approximately how much more we will spend to complete the job?

1972

<u>Resident</u>	<u>Lump Sum</u>	<u>Monthly</u>
Long	\$20,000	\$275
Camm	25,000	225
Mohlfeldt	20,000	250
Gibson	15,000	310
Sjoholm	25,000	250
Carpenter	40,000	300 (2)
Reinberg	25,000	240

1973

<u>Resident</u>	<u>Lump Sum</u>	<u>Monthly</u>
Jenkins	\$24,000	\$220
Barrett		700
Jones		610
Lynch	30,000	336
Foster	20,000	170 (2)

Mr. Mann stated we are committed to approximately \$3,533 and later there will be another \$3 or \$4,000 for a walk-in refrigerator freezer.

Mr. West requested a motion be made to the effect, that we approve these items to which we are already committed.

It was moved, seconded, and carried.

Mr. West requested Mr. Mann prepare a further estimate of what we need do, and the amounts, so we can approve them.

Old Business: None

New Business: None

There being no further business it was moved, seconded, and carried to adjourn.

Mr. West: We would like to welcome Mr. Henry Howard to the Board of Trustees, we are delighted to have him with us.

Respectfully submitted,

David L. White

David L. White
Secretary

1972

<u>Resident</u>	<u>Lump Sum</u>	<u>Monthly</u>
Long	\$20,000	\$275
Camm	25,000	225
Mohlfeldt	20,000	250
Gibson	15,000	310
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Foster	20,000	170 (2)

	COLUMN BREAKDOWN	ANNUAL 1973	1973 MONTHLY	COLUMN BREAKDOWN	ANNUAL 1974
ELATION, HOLIDAY & SICK PAY		\$25,400	\$2,116.67		
EMPLOYEES BENEFITS		\$73,944	6,162.00		21,000.
PICA 5.85 on \$12,600.	\$20,950				76,438.
W. Comp.	10,267			24,933.	
Retirement Pension (Pogson)	6,000			10,000.	
Unemploy.-State	8,418			6,000.	
Fed.	1,237			4,000.	
Group Ins. - Blue Cross	13,572			1,855.	
Retirement Pen. Plan (CAHA)	13,500			14,395.	
				15,255.	
OFFICE SUPPLIES	2,000		166.67	2,360	2,360.
CLEANING SUPPLIES	7,797		649.75	9,154.	9,154.
(Soaps, waxes, compounds, and HK. supplies)					
DRUGS AND MEDICAL SUPPLIES	11,346		945.50	3,085.	3,085.
\$10,806					
+5% 540					
\$11,346					
DECORATING, FURNISHING, MAINT. & REPLACEMENTS	7,050.		588.00		7,000.
Basic					
Curtain & Drapery - 1st Fl.	\$1,350.			1,300.	
Furn. Recond. & Refin.	3,000.			3,000.	
Furn. Upholstery	1,200.			1,200.	
Other: Recarpeting, painting	1,500.			1,500.	
Piano retuning					
HOUSEKEEPING REPL.—	7,935		661.00		10,941.
HC Divider Curtains					
HC Linens	\$1,000			1,000.	
HK Linens	1,037			1,296.	
Curtains	1,050			1,313.	
Shades	525			557.	
Uniforms	954			1,010.	
Mattresses/Pillows	263			300.	
Garbage Can Liners	315			334.	
Garbage Cans	315			334.	
Vacuums	75			80.	
Polishers	150			225.	
Pots, Pans, China	210			223.	
Carpet Rep.-Residents	1,041			3,269.	
	1,000			1,000.	
	\$7,935				
RINTING		996	83.00		1,500.
Accounting forms					
Heritage Brochure.					
QUIPMENT M&R		4,479	373.25	4,000	4,000.
TV/RDO					
Washer-Dryer					
Boiler & System					
Kitchen Maint.					

	COLUMN BREAKDOWN	ANNUAL 1973	1973 MONTHLY	COLUMN BREAKDOWN	ANNUAL 1974	MONTHLY 1974
BUILDING M&R		\$10,760	\$ 897.00		11,410	
Tools & Materials						
Doors & Windows						
Plumbing						
Electrical						
Roof Repair	750					
Paint & Equip.	150					
Carpentry						
Painting	5200					
FOOD PURCHASES		87,002	7250.00		105,000	
Straight line projection for 1972 plus 6%						
CONTRACT MAINTENANCE		17,401	1,450.08		17,568	
Laundry	900			1,265		
Gardener	6,300			6,420		
Elevator	2,950			3,111		
Scavenger Serv.	1,500			1,500		
Pest Control	375			375		
Fire Extinguisher	125			130		
Fire Alarm	105			396		
Gas Consumers	285			312		
Filters & Flues	151			144		
Xerox Machine	4,481			3,600		
Typewriters	133			126		
Firemaster	96			133		
Monroe Calculator				56		
MEDICAL CARE		19,610	1,634.17		26,283	
Straight line projection for 1972						
GARDENS		3,651	304.25		3,650	
Spraying	\$ 630			448		
Pruning	1,643			1,643		
Plant/Fert.	1,000			1,181		
Garbage	239			239		
Pest Service	139			139		
UTILITIES		20,890	1,740.83		22,160	
Straight line projection for 1972 plus 5%						
Water	\$4,722 - 1 yr.					
Gas & Elec.	15,560 - 1 yr.					
HONES		2,542	211.83		2,720	
Based on straight line projection for 1972						

PROGRAMS & PUBLICATIONS

Birthday Parties
 Flowers for House
 Special Parties
 and Bingo
 Holiday Favors &
 Hobby Shop
 Records, Films,
 Scripts
 Library
 Honorariums
 Resident Bus Trips
 Annual Tea
 Christmas Parties

LEGAL SERVICES

Jenkins +5%

ACCOUNTING SERVICESPROFESSIONAL SERVICES

Staff Physician
 Dietitian
 Plus:
 Engineering-Kitchen
 Kitchen Planning
 San. Dept - Social Worker license

CONFERENCES & MEETINGS

Principally AAHA & CAHA
 (includes dues, registr.
 lodging, meals, etc.
 Cont. Educ. Req. +\$500

TRAVEL

(Planes, car rental,
 taxis, mileage, bridge,
 parking, etc.)

Taxi Chits
 CAHA
 AAHA

INSURANCE

Straight line projection
 for 1972 +2%

ENTRANCE PHYSICALSMISCELLANEOUS

BREAKDOWN	ANNUAL 1973	1973 MONTHLY	COLUMNIC BREAKDOWN	ANNUAL	BUDGET 1974
				1974	
	\$ 4,535	\$ 377.92		5,578.	
\$ 270			328.		
500			700.		
275			450.		
365			700.		
85			150.		
300			300.		
190			250.		
500			650.		
1,100			1,100.		
950			950.		
	3,150	362.50		3,998.	
	8,008	667.33		9,235.	
	16,189	1,349.08		16,480.	
\$7,200			7,500.		
6,489			6,480.		
1,000			1,000.		
1,500			1,400.		
160			100.		
	1,761	146.75		2,161.	
	2,880	240.00		1,480.	
440			500.		
\$2,220			280.		
80			700.		
400					
	9,047	753.92		9,800.	
	1,139	94.92		1,385.	
	1,091	90.92		400.	

BOARD OF TRUSTEES

June 21, 1973

present: Mr. Logan Mr. West, Mr. Baker, Mr. White, Mr. Otto, Mr. Pflueger, Mr. Moore and Mr. Mann.

Excused: Mr. Harris and Mr. Matthews

Minutes: The minutes of the previous meeting were read and approved as corrected.

Operations: Figures from the annual audit are outstanding. Food costs are only 1% over variance for this year.

Pension Plan: CAHA's new pension plan would have cost us more money. The new plan has been reviewed and it is recommended that The Heritage keep the old pension plan. A resolution regarding the pension plan is attached to these minutes.

Insurance: At Mr. West's request Marsh & McLennan reviewed our entire insurance program. As a result it was decided to increase the Extra Expense Insurance from \$250,000. to \$400,000. Earthquake insurance was discussed again and no action was taken because of the cost. Directors and Officers Liability insurance was also discussed and Mr. West will obtain a quotation from Marsh & McLennan on the cost of coverage.

Sprinkler System: Allan Automatic Sprinkler Company was the low bidder at \$50,975. The pipes in the Morgan Building lobby will be concealed bringing the total to \$53,215. The additional removal of acoustical tile brings the grand total to \$58,325. It was moved, seconded and carried that the Board of Trustees accept the combined bid of the Allan Automatic Sprinkler Company and Pritchard & Stone.

New Admissions and Vacancies: All vacant rooms have been filled.

Washington Legislative Climate: Nothing to report. SB 1004 has been withdrawn and SB 795 will have to be voted on again.

Expansion of the Board: Mr. Henry Howard will be invited to join the Board of Trustees.

Carpets: Western Contract Furnishers has submitted a bid of \$14.00 per yard for wool carpeting. This is \$5.00 per yard less than Sears' bid of \$19.00 per yard. It was moved, seconded and carried that Western Contract Furnishers be invited to carpet The Heritage rooms.

Old Business: None

New Business: None

Respectfully submitted,
Handy L. White
David L. White
Secretary

The Heritage
3400 Laguna Street
San Francisco, California 94123

Resolutions adopted by the Board of Trustees of The San Francisco Ladies' Protection and Relief Society at its meeting held on June 21, 1973.

On motion duly made by Mr. George Otto, seconded by Mr. David White and approved, it was RESOLVED: That the Board of Trustees terminate participation in the California Association of Homes for the Aged Pension Plan as of July 1, 1971 because of the increased cost due to the increased benefits schedule.

It was further RESOLVED: That the old California Association of Homes for the Aged Pension Plan in effect prior to July 1, 1971 through the Aetna Life Insurance Company be continued.

Certified to be a true and correct copy of said resolutions.

President

Dated: _____ 1973

BOARD OF TRUSTEES

April 12, 1973

Present: Mr. Otto, Mr. West, Mr. Logan, Mr. Pflueger, Mr. Baker, Mr. Matthews, and Mr. White. Mr. Mann and Mrs. Nishkian were also present.

Minutes: Approved as submitted

Financial Report: the Budget for the month of March was under expended. Costs are down due to the drop in medical costs and the cut in salary overhead. Food costs are over the budget projection and we are receiving Medicare payments for physicians and professional fees.

The following capital expenditures were discussed and approved:

A sprinkler system for the Morgan and Perry Buildings including all storage areas.

Painting of the Health Center rooms after the sprinkler system is installed.

It was moved, seconded and carried that the lowest qualified bidder be awarded the sprinkler contract.

Sale of the Reno Property: Mr. C. J. Colligan, a real estate promoter has offered \$380,000.00, all cash to seller subject to a 90 day lease period. It was moved, seconded, and carried that Mr. White correspond with Mr. Colligan and tell him that the Society is interested in selling the property for \$400,000.00 all cash to seller with a 90 day lease. ~~See below - NO OPTION~~

Acquisition of Property adjoining the Heritage: There is an apartment building next to The Heritage on the Bay Street side that is for sale at \$300,000.00. After much discussion, it was decided that the subject should be dropped.

Liaison Committee: Community Services are strongly advocated by Tom Jenkins and Mr. Howard. The Food for the Elderly Project for the Chinese people was defined by Mrs. Nishkian. The cost to us will be \$1,300.00 for the installation of a wok. This will come under the kitchen remodeling costs. There will be a need for an additional kitchen helper. After six months, we may apply for a federal grant to help defray the costs of the project. It was moved, seconded, and carried that the project be approved but that a written agreement should be obtained before the project is begun.

Occupancy at The Heritage: There are now four empty rooms, two large and two rather small ones. The survey letter sent by the Admissions committee generated only 50 withdrawals.

Board of Trustees
April 12, 1973
Page 2

However, the list is growing smaller.

The Heritage received a grant from the Landis Foundation totaling \$6,240 and 390 shares of Western Bank stock. The donation is to be kept confidential.

The meeting was adjourned at 4:05 PM.

Respectfully submitted,

David L. White

David L. White,
Secretary

ABSENT: Mr. Matthews

MINUTES: The minutes of the previous meeting were summarized by Mr. West and approved.

LIAISON COMMITTEE: The Committee devoted its' time to the discussion of Admission Committee Policies and Procedures. The ladies of the Committee looked to the Board of Trustees for guidance in connection with their financial problems. Miss Balcom presented figures which showed that The Heritage's rates are not competitive with those of other homes in the area.

ADMINISTRATOR'S REPORT: Mr. Mann reported that a Mr. Hurd from IRS has been in touch with him on several occasions to challenge us with regard to our financial arrangements for incoming Residents. Mr. Mann has turned over the material requested by Mr. Hurd to Mr. Jenkins as he handled a similar case in the east quite successfully and may be able to help us in the same manner. Form #2218 regarding our status as a private foundation has been forwarded by Mr. Mann to Lybrand, Ross Brothers and Montgomery for completion. A questionnaire will be sent out to the members of the Board of Trustees so that they might list their contributions to the community. In this way, The Heritage may be able to show that it is a service oriented organization rather than a private foundation.

NEW BUSINESS: An ammended bill has been received from Henry Howard's office for services rendered regarding our foundation status with the Federal government. Mr. Howard advised the Board that the Federal bill regarding our status would not be voted on until after the first of the year. It was moved, seconded, and carried that Mr. Howard's bill be paid. The Finance Committee of the Board of Trustees will meet on December 5, to decide whether or not the Board will continue to use the services of the Wells Fargo Bank Investment Services.

There being no further business, the meeting was adjourned at 3:50 PM.

Respectfully submitted,

Daria L. White.

ABSENT: Mr. Matthews

MINUTES: The minutes of the previous meeting were summarized by Mr. West and approved.

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There being no further business, the meeting was adjourned at 3:50 PM.

Respectfully submitted,



David L. White
Secretary

MINUTES OF THE BOARD OF TRUSTEES

August 16, 1972

Present: Jack S. Logan, Cecil O. West, George J. Otto, Lemuel Matthews, David L. White and James N. Mann. (new Administrator of The Heritage).

Minutes: Minutes of the previous meeting were not read.

Purpose of this Meeting: The purpose of the meeting is to discuss the pension plan made available to the employees by the Board of Trustees. The background of the pension plan is well known to all members present. On May 15, 1971, CAHA members enrolled in the pension plan met in Los Angeles to discuss proposed changes in the pension plan. The Heritage did not have a representative present at this meeting. Three alternative proposals were discussed and the members present chose the alternative which changed the waiting period for eligibility from two to one year period. This would make an additional 20 employees eligible for the pension plan which would raise our monthly cost about \$419. The present plan now includes some 20 employees at a cost of \$799. per month, if The Heritage were to convert to the new pension program the budget would be overexpended by about \$4,000. per year. The Trustees were not happy with the new pension plan and it was moved, seconded and carried that Mr. West pursue the retention of the old plan and ask that Western Insurance Associates administer it on an individual basis as CAHA has discontinued the plan.

Mr. Otto reported that he would be out of town during the month of September.

The meeting was adjourned at 3:30 P.M.

Respectfully submitted,

David L. White

AUGUST 16, 1972

A special meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at Dodge and Cox 35th Floor, Post at Montgomery Sts. San Francisco, California on August 16, 1972, Mr. Cecil O. West, President, presiding.

PRESENT: Mr. L. Matthews, David White, Jack S. Logan, George Otto, and Mr. Cecil O. West.

ABSENT: Mr. Robert D. Harris, Harold G. King, Joseph A. Moore, and William Pflueger.

The purpose of the meeting was to discuss the pension plan made available to the employees by the Board of Trustees. The background of the pension plan was well known to all members present.

On May 5, 1971, CAHA members enrolled in the pension plan met at the Hollenbeck Home to discuss proposed changes and upgrading of the plan. The Heritage did not have a representative present at this meeting.

Three alternate proposals were discussed and the members present subsequently chose the alternate which essentially changed the waiting period for eligibility from two to one year and increased the benefits by approximately 33% for future service.

The additional cost for the increased benefits for the original 20 members covered would be approximately \$348.23 per month or \$4,178.75 per annum. Due to the new one-year waiting period, 13 additional employees would have become eligible for coverage as of July 1, 1971 at a monthly cost of \$419.96 approximately \$800 per month. The cost of the new plan would be approximately \$1,568. per month.

Mr. West had been given to understand by Western Insurance Associates that we could retain the old plan by paying an additional administration fee or expense factor of from \$500 to \$1,000 per annum. In view of the substantial increase in cost of the new plan, it was moved, seconded, and carried that Mr. West would pursue the retention of the old plan and endeavor to negotiate as low an annual administration fee as possible.

Respectfully submitted,

David X. (Signature)

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

A special meeting of the Board of Trustees of the SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY was held at Wells Fargo Bank, Meeting Room #2, 464 California Street, San Francisco, California, on Wednesday, March 8, 1972 at 2:30 P.M.. The President of the Society, Jack S. Logan, presided at the meeting.

TRUSTEES PRESENT:	Jack S. Logan David L. White Harold G. King Harry L. Baker Joseph A. Moore, Jr.	Cecil O. West Wm. Pflueger George J. Otto Robert D. Harris Lemuel H. Matthews
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DIRECTORS PRESENT:	Mrs. Robert Sherman Mrs. Lawrence Metcalf Mrs. William Nigh
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GUEST PRESENT:	James A. Ferren, Administrator
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A quorum of the Trustees being present, and the meeting having been duly called, the President announced that the meeting would proceed with the transaction of business.

The President appointed a Nominating Committee of three Trustees: David L. White, Chairman, Harry L. Baker and Robert D. Harris to report their Nomination of the new Officers of the Board of Trustees, to be submitted at the Organization Meeting following the Annual Meeting of the Society on Thursday, May 4, 1972.

The President then presented a quotation for the repairing and painting of the Ornamental Iron Fence and Gates surrounding the property at 3400 Laguna Street. The quotation from Russell Hinton Company outlined repairs to be done by Vulcan Forge Inc., in the amount of \$2,250.00. Mrs. P. Rettenmayer, Board of Directors is donating \$1,500.00 toward the fence repair.

Upon motion duly made and passed, the quotation was accepted with a vote of thanks to Mrs. Rettenmayer for her generous donation.

Mr. West presented the Blue Cross Hospital Group plan for employees and motion duly made and passed to cancel Aetna Group plan thru CAHA and adopt Blue Cross plan effective April 1, 1972.

The President then read a letter from Mr. Lemuel H. Matthews stating our donation from the Ebba Burrows Estate in cash and securities amounted to \$350,839.21. A donation from the Estate of Henrietta Fesca in the amount of \$4,031.25 and \$11,831.10 from the Estate of Hortence Pracht. Making a total of \$366,701.56 transferred to our investment portfolio.

Special Meeting March 8, 1972

Continued --- Page 2.

Mr. White presented another offer from Mr. Cavanaugh of Reno, Nevada to purchase the Society's Reno property now for \$325,000.00 cash. The Board duly made motion and passed to keep the Reno property unless the Society could sell for at least \$350,000.00 to \$400,000.00.

Mr. King, Chairman of the Investment Committee duly made motion for the Trustees to appoint an Ad Hoc Committee on Investments and motion passed. The following were appointed:

George J. Otto, Chairman
Jack S. Logan
Robert D. Harris
Cecil O. West
Wm. Pflueger

No further business appearing, upon motion duly made and passed, the meeting was adjourned at 3:30 P.M..

David L. White
David L. White
Secretary-Treasurer

Russell Hinton Co.



PAINTING & DECORATING

GEORGE M. PETERS, President
1213-1215 FELL ST., SAN FRANCISCO, CALIF. 94117

Phone 431-2346

February 17, 1972

The Heritage
Attention: Mr. Ernie Chandler
3400 Laguna Street
San Francisco, Calif., 94123

Gentlemen:

We wish to thank you for the privilege of submitting the following quotation for the repairing and painting of the Ornamental Iron Fence and Gates surrounding the property located at the above address.

The Fence will be repaired as outlined by Vulcan Forge Inc., in the letter of February 7, 1972.

After repair work is completed we will scrape and touch up all remaining rust spots with Red Lead Primer, and apply one coat of Black Sash and Trim Enamel, to the Fence on the Bay Street, Laguna Street and Francisco Street sides, including Entrance Stair Railling.

New section of Railing on Bay Street shall be painted an additional coat of paint.

Brick work and sidewalks shall be covered with dropcloths to protect them from spatters of paint.

The cost of painting the ornamental fence and railing as outlined above will be Eight Hundred and Sixty-Five Dollars, (\$865.00).

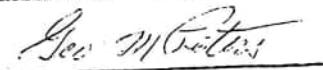
Total Cost of Fence Work:

Vulcan Forge	\$1,385.00
Painting Fence	865.00
	<hr/>
	\$2,250.00

We trust this will meet with your approval and that we will be favored with your acceptance.

This estimate shall be considered as a Contract upon the acceptance and signing of the duplicate copy by the owner, or his agent.

Respectfully submitted,
RUSSELL HINTON CO.


Geo. M. Peters

GMP/dh

COMPENSATION • PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE CARRIED

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

A special meeting of the Investment Committee of the Board of Trustees of the SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY was held at Wells Fargo Bank, Meeting Room #2, 464 California Street, San Francisco, California, on Friday, March 3, 1972 at 2:00 P.M.. The Chairman of the Investment Committee, Mr. Harold G. King, presided at the meeting.

TRUSTEES PRESENT:	Jack S. Logan David L. White Cecil O. West	Harold G. King, Chairman George J. Otto Wm. Pflueger
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GUEST PRESENT:	Mr. David A. Shephard, Jr., Assistant Vice-President, Wells Fargo Bank, Investment Management Service Mr. Colby A. Cogswell, Assistant Vice-President, Wells Fargo bank, Investment Management Service
-------------------	---

A quorum of the Trustees being present and the meeting having been duly called, the Chairman announced that the meeting would proceed with the transaction of business.

The Investment Committee authorized Wells Fargo Bank to vote proxies in routine matters at the annual meeting of stockholders of Wells Fargo & Co. for our 1400 shares. Meeting to be held on Tuesday, March 21, 1972 at 2:00 o'clock P.M..

The Chairman then presented the proposed buys & sells of Mr. Cogswells letter dated February 29, 1972. A total of assets received into our portfolio since December 31, 1971 from the Estate of Fesca, Burrows and Pracht in the amount of \$366,701.56 to be invested.

The Committee approved \$175,000.00 investment in Bonds, sell 300 shares of Staufer Chemical from the Pracht Estate. Retain 1900 shares Borden, Inc..

Purchase as follows:

- 1700 shares Baltimore Gas & Electric
- 1400 shares Commonwealth Edison Co.
- 500 shares Continental Can Co., Inc.
- 1500 shares United Utilities Inc.

No further business appearing, upon motion duly made and passed, the meeting was adjourned at 3:00 P.M..

David L. White
David L. White
Secretary-Treasurer

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

A special meeting of the Executive Committee of the Board of Trustees of the SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY was held at Meeting Room #1, Wells Fargo Bank, 464 California Street, San Francisco, California, on Monday, January 31, 1972 at 2:00 P. M. The President of the Society, Mr. Jack S. Logan, presided at the meeting.

TRUSTEES Jack S. Logan George J. Otto
PRESENT: David L. White Harold G. King
 Cecil O. West

TRUSTEES Wm. Pflueger
ABSENT: Robert D. Harris

GUEST
PRESENT: James A. Ferren, Administrator

A quorum of the Trustees being present, and the meeting having been duly called, the President announced that the meeting would proceed with the transaction of business.

Mr. White stated that the primary purpose of the meeting was to consider a request to purchase the Reno property. Mr. White was contacted by Mr. Cavanaugh of Reno, to meet and discuss the possibility of arranging a sale. Mr. White stated we purchased the Reno property in 1948 at \$400,000.00. Leased to Lerner Shops of Nevada from 12-1-1948 to 4-30-1999 with rental income of 5 1/2% per year on \$400,000.00 = \$22,000.00 a year net. Total rent payable from 4-1-72 to 4-30-1999 = 27 years, 1 month = \$595,833.33. The zoning law was changed one year ago to permit building a 200 room Hotel in this block. Mr. Cavanaugh and family are in the construction business and want to purchase our property without the Lerner Shops of Nevada lease in order to construct a Hotel on large parcel of land. Lerner Shops of Nevada stated they want to continue lease; therefore Mr. Cavanaugh made an offer with the lease to continue. A firm offer of \$325,000.00 was made with a down payment of \$25,000.00 and a note to the Society of \$300,000.00 paying interest on balance and the Society would retain property until mortgage paid in full. All papers appended hereto.

Motion was duly made and passed to retain the Reno property.

Mr. Ferren, Administrator informed the Board of the status of the New Life Care Agreement that Mr. Thomas Jenkins of Hanson, Bridgett, Marcus and Jenkins, are working out with the Department of Social Welfare. The Board asked Mr. Ferren to work together with Mr. Jenkins and try and get Mr. Jenkins to write term of contract for a three year period. The Board stated the responsibility for the New Life Care Agreement was Mr. Jenkins and the Department of Social Welfare.

No further business appearing, upon motion duly made and passed, the meeting was adjourned at 3:05 P.M..

David L. White

David L. White
Secretary-Treasurer

TennShips of Nevada 151 - 55 North Virginia St.
Reno, Nevada.

W - 50' 2.74" x 140.

Term: - \$ 12/1/48 to 4/30/99.

Int: - $5\frac{1}{2}\%$ per yr on 400,000 \$ 22,000 yr. Net Net
the Net Payable 4/1/72 to 4/30/99 - 27 yrs - 1 mo = \$95,833

TOTAL PAYMENTS UNTIL AFTER IF LOAN PAID OUT 694,650

NET PROCEEDS D.P. 15,412
\$ 710,062

EXCESS PAYMENTS \$ 114,229 ⁰⁰.

Tenn Shys of Nevada 151 - 55 North Virginia St.
Reno, Nevada.

50' 2.74" x 140.

Value: \$ 12/1148 to 4/30/99.

Int.: 5 1/2% per yr on 400,000

Interest Payable 4/1/72 to 4/30/99 - 27 yrs - 1 mo = \$95,833 ³³/₃

\$ 22000 yr. Net Net

TOTAL PAYMENTS UNTIL OFFER IF LOAN PAID OUT 694,650

NET PROCEEDS D.P. 15,412
\$ 71,006.2

EXCESS PAYMENTS \$ 114,229.00.

HOWEVER WE WOULD STILL HAVE THE REAL ESTATE.

SIMPLE COMPARISON

\$ 2315.15 x 17 = ~~27786~~

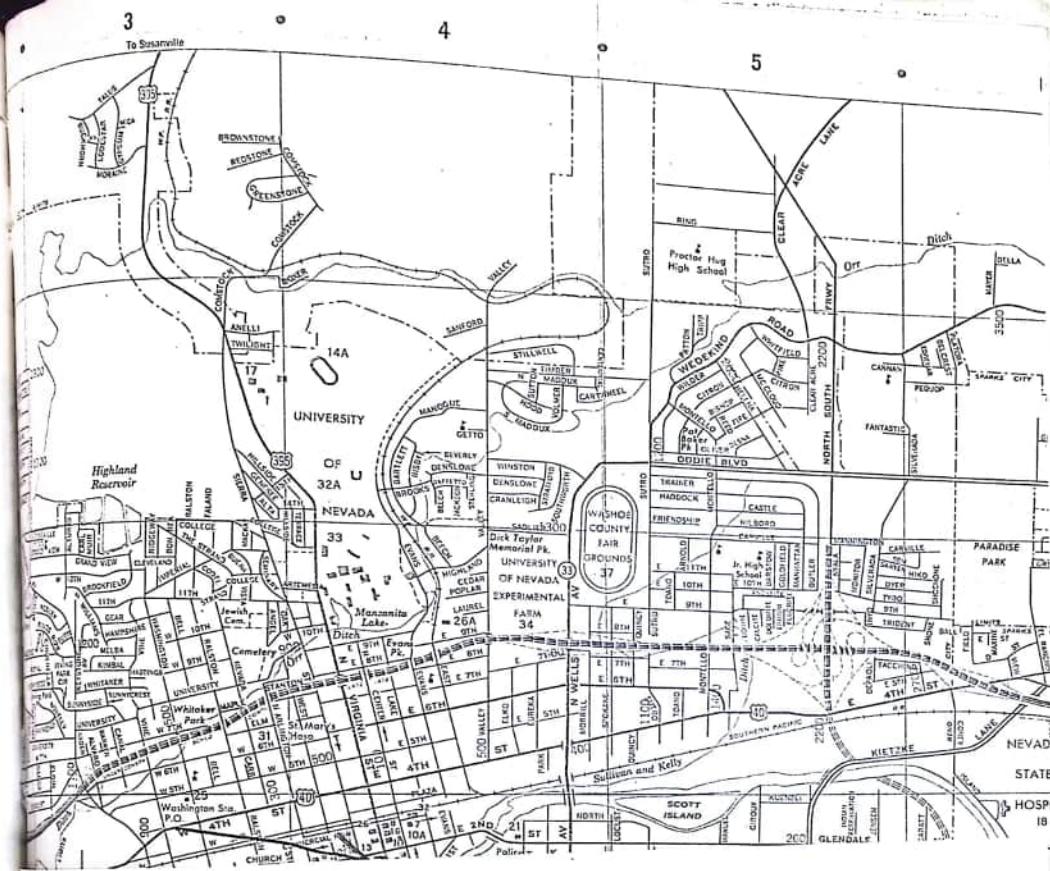
Present Rent

\$ 22000
INCR. ANN. INCOME \$ 5786.00 (INCL RET. OF PRINC.)

1st YEAR INT. \$ 24000

5th YEAR INT. \$ 2152 -

\$ 325000 ~~6.77%~~ RETURN.
TOP SALE UNDER NORMAL CIRCUMSTANCES IS 8%. \$ 375000



SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

A special meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at Wells Fargo Bank, Meeting Room #2, 464 California Street, San Francisco, California, on Thursday, August 26, 1971, at 2:00 p. m. The president of the Society, Mr. Jack S. Logan, presided at the meeting.

TRUSTEES

PRESENT:	Jack S. Logan	David L. White
	George J. Otto	Harry L. Baker
	Harold G. King	Memuel H. Matthews
	Robert S. Harris	Cecil O. West

TRUSTEES

ABSENT:	Joseph A. Moore, Jr.
	Wm. Pflueger

BOARD OF
DIRECTORS

PRESENT:	Mrs. William H. Nigh, Jr.
----------	---------------------------

BOARD OF
DIRECTORS

ABSENT:	Mrs. Lawrence V. Metcalf
	Mrs. Robert S. Sherman
	Mrs. Byron Nishkian

OTHERS

PRESENT:	James A. Ferren, Administrator
	James R. Avedisian of Lybrand, Ross Bros. & Montgomery
	Henry W. Howard of the law firm of Howard, Prim, Smith, Rice & Downs.

A quorum of the Trustees being present, and the meeting having been duly called, the President announced that the meeting would proceed with the transaction of business.

The President introduced Mr. Henry W. Howard of the law firm of Howard, Prim, Smith, Rice & Downs and Mr. James R. Avedisian of Lybrand, Ross Bros. & Montgomery, Certified Public Accountants.

Mr. Howard was thereupon asked to speak to the Board regarding the Tax Reform Act of 1969 and he presented to the Board a statement of facts, which is appended hereto.

At Mr. Howard's suggestion, and after presenting the foregoing statement relating to the Tax Reform Act of 1969, he recommended options with reference thereto as follows:

- (1) Accept its status as a private foundation and through careful legal planning avoid any of excise taxes except the 4% tax in investment income.
- (2) Have our firm go to Washington to speak to the appropriate parties inside the IRS to determine what probability there is to get the IRS to modify its regulations -- particularly with regard to the definition of hospitals.
- (3) Have our firm go to Washington to talk with staff members of the House Ways and Means Committee to determine what chance there might be for legislation to exempt old age homes like the Heritage.
- (4) Litigate the private foundation issue with the IRS on the ground that the regulations defining hospitals are too narrow, or that the Heritage falls within the rather nebulous category of a public charity and therefore should be exempt. In this regard, I think we can make a forceable argument that the Heritage is not the kind of organization which originally motivated Congress to pass these provisions of the Tax Reform Act. Unfortunately, the legislation itself does appear to go far beyond the original abuses.
- (5) Consider affiliation with Church or hospital.
- (6) Raise more public money.

The Board of Trustees having heard a report from Henry W. Howard, attorney at law, and from Mr. James R. Avedisian of the accounting firm of Lybrand, Ross Bros. & Montgomery, with respect to the impact upon the Society of the provisions of the Tax Reform Act of 1969, and having been fully informed with respect to the matter, does hereby authorize the following:

Mr. Howard and the law firm of Howard, Prim, Smith, Rice and Downs shall be and they are hereby retained by the Board to undertake an effort on its behalf to:

Discuss with the appropriate officials of the Internal Revenue Service the particular status of The Heritage under the law, to the end that a ruling may issue exempting the Society from the payment of taxes under the Act, or the adoption or amendment to Treasury Department regulations issued under the Act which would have a similar effect;

Investigate the feasibility of securing legislation through Congress which would clearly exempt organizations such as the Society from the application of the provisions of the Tax Reform Act of 1969;

Do such things in connection with the foregoing as Mr. Howard, in his judgment, may deem desirable and appropriate to the end sought.

The services to be rendered by Mr. Howard and his firm shall be in addition to such services which may hereafter be rendered with the authority of the Board of Trustees by Mr. Thomas M. Jenkins, the regularly retained counsel of the Society.

No further business appearing, upon motion duly made and passed, the meeting was adjourned at 3:30 p. m.


DAVID L. WHITE
Secretary-Treasurer

Discuss with the appropriate officials of the Internal Revenue Service the particular status of the Harlanite under the law, to the end that a ruling may issue exempting the Society from the payment of taxes under the Act, or the adoption of amendment to Treasury Department regulations issued under the Act which would have a similar effect.

Investigate the feasibility of securing legislation through Congress which would clearly exempt organizations such as the Society from the application of the provisions of the Tax Reform Act of 1969;

to such things in connection with the foregoing as Mr. Howard, in his judgment, may deem desirable and appropriate to the end sought.

the services to be rendered by Mr. Howard and his firm shall be in addition to such services which may hereafter be rendered with the authority of the Board of trustees of the Society.

other business appearing, upon motion duly made and passed,
meeting was adjourned at 3:30 p. m.

David L. White
DAVID L. WHITE
Secretary-Treasurer

THE HERITAGE

Preliminary Remarks:

Our firm was asked to review the history and current operation of The Heritage and to assess the impact upon the society of the Tax Reform Act of 1969. We view our task as a consultation, so to speak, the purpose of which is to confirm, or explain from a fresh viewpoint, or add to or refine views and opinions already expressed to your board by your counsel, and our esteemed friend and colleague at the bar, Tom Jenkins.

I warned Jack Logan at the outset that we could not guarantee a magic solution to the problem that the law now confronts you with, and that our views and opinions should in many respects be expected to parallel those of Tom, whose experience in the field of taxation of charitable foundations is very great.

This is an interim report, and in several important

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

A special meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at Wells Fargo Bank, Meeting Room #2, 464 California Street, San Francisco, California, on Wednesday, March 3, 1971, at 2:30 p.m. The President of the Society, Mr. Jack S. Logan, presided at the meeting.

TRUSTEES PRESENT:	Jack S. Logan George J. Otto Harold G. King Wm. Pflueger	Robert S. Harris David L. White Harry L. Baker Jos. A. Moore, Jr.
TRUSTEES ABSENT:	Cecil O. West	Lemuel H. Matthews

A quorum of the Trustees being present, and the meeting having been duly called, the President announced that the meeting would proceed with the transaction of business.

The minutes of the Special Meeting of December 2, 1970, were read by David L. White to the Board of Trustees and were approved and accepted with one minor change. The minutes of the Special Meeting of December 9, 1970 were deferred until the next meeting for approval.

The President then introduced the new Administrator, Mr. James A. Ferren, to the Board of Trustees of the Society. The Trustees welcomed Mr. Ferren and wished him well in his new post. Mr. Ferren stated he was looking forward to his assignment.

The President then appointed a nominating committee of five Trustees; David L. White, Harold G. King, Harry L. Baker, Jos. A. Moore, Jr.; and Robert S. Harris, to report their nomination of the new officers of the Board of Trustees, to be submitted at the Organization Meeting following the Annual Meeting of the Society on May 6, 1971.

The President pointed out the necessity for prompt action by Investment Committee on periodic recommendations of Wells Fargo Bank Investment Management Service. Mr. White was appointed to answer Wells Fargo Bank's letter of December 18, 1970, appended hereto, giving them guidelines for the Security Portfolio of the Society.

The President discussed a Special Meeting to be held at a later date with Mr. Thomas M. Jenkins of Hanson, Bridgett, Marcus & Jenkins and Mr. Roy Nordman of Lybrand, Ross Bros. & Montgomery CPA's, relative to the new regulations from the Federal Government Reform Act of 1969.

Special Meeting March 3, 1971
Continued --- Page 2.

The President read a letter dated February 18, 1971, from Mrs. Aimee Stkovic, Licensing Representative of the Department of Social Welfare, appended hereto, stating application for renewal of license was approved and is effective from February 24, 1971 through February 23, 1972.

The President also read letters, appended hereto, from Department of Social Welfare to Thomas M. Jenkins of Hanson, Bridgett, Marcus & Jenkins regarding new Life Care Contract for The Heritage.

The President then reported partial payment of Edith Drant's subsidy claim in the amount of \$9,771.89, leaving a balance due as claim against her estate of \$12,088.87.

The following funds have been received to date by the Society:

Nina Newell Estate, Gift	\$ 5,000.00
W. E. Tittle Estate, Donation	69.53
M. Heitsman, Subsidy Claim	272.75
E. Drant Estate, Subsidy Claim, Partial Payment	9,771.89
Mildred Schilling, Gift for Entertainment	50.00

arding
Wells

The President explained a meeting that was held with Mr. Ted Van Bebber of Lybrand, Ross Bros. & Montgomery, CPA's, regarding Admission Committee policies. It was decided to follow a procedure of getting current financial statements at the present time from prospective Resident and if securities are listed on statement, to get value when acquired and value when Resident moves into the Home to determine the capital gain or loss for tax purposes. It can then be determined how Resident will pay entrance fee. We have been trying to work something out with Mr. Thomas M. Jenkins of Hanson, Bridgett, Marcus & Jenkins and Mr. Roy Nordman and Mr. Ted Van Bebber of Lybrand, Ross Bros. & Montgomery on setting up some type of annuity for new Residents.

The President stated at the December 2, 1970 Special Meeting of the Board of Trustees that Mr. Van Bebber suggested paying plan "B-Medicare" for Residents and motion was duly made and passed. We now find this should have been a decision by the Board of Directors; therefore the Board of Trustees is rescinding this motion.

The Board of Trustees commended Mrs. Marian Bell, retiring Administrator, for her very able services and expressed regret at her decision to retire.

No further business appearing, upon motion duly made and passed, the meeting was adjourned at 3:45 p.m.

David L. White
DAVID L. WHITE
Secretary-Treasurer

Since 1852

WELLS FARGO BANK

NATIONAL ASSOCIATION

HEAD OFFICE
44 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94120

December 18, 1970

INVESTMENT MANAGEMENT SERVICE

Investment Committee
San Francisco Ladies' Protection
and Relief Society
c/o Mr. Jack S. Logan
Dodge & Cox
Post & Montgomery Streets
San Francisco, Ca. 94104

Gentlemen:

The purpose of this letter is to articulate our understanding of your wishes regarding the character and nature of investment counselling and management expected from Wells Fargo Bank's Investment Management Service (IMS).

1. The Board will continue to determine what percentage of assets will be committed to fixed-income securities. From time to time, the Board may seek our advice or opinion on such matters as selection of bond investments, maturity scheduling, appropriate size of individual holdings, etc., but it is not a function of the IMS to initiate recommendations on any aspect of the fixed-income portfolio other than to advise the Board when and if a given position no longer meets quality standards the Wells Fargo would impose upon itself as a trustee.

2. The Board directs IMS to continually review and analyze all equities held in the portfolio, and, when it deems proper, to make recommendations for changes consistent with the following investment objectives and guidelines:

1. As a whole, the equity portfolio, including cash and equivalents that are available for equity investment, will be structured in a manner most likely to produce an above-average level of current income and maintain the purchasing power of the capital involved. This is the prime objective.

2. Growth in capital value is also desired, but no investment activity related to the achievement of this objective should significantly impair the likelihood that the prime objective will be met.

Investment Committee
San Francisco Ladies' Protection
and Relief Society
Page Two
December 18, 1970

3. Until otherwise agreed between the Board and IMS, the current yield of the stock portfolio shall be considered adequate if it does not fall appreciably below that of the Dow-Jones Industrial Average (3.81% as of the close of business, December 16, 1970).
4. Each equity investment will be in a company which possesses a strong financial condition. The criteria regarding amount of net assets, dividend history, etc. as set forth in Section 31595.4 of Assembly Bill 211 (introduced in January of 1967 to deal with permissible equity investments in California public retirement funds) will serve as a guide to, but not a limitation on, IMS in recommending new stock purchases to the Board. The pertinent segments of this subsection are set forth on the enclosure. The purpose of this guide is to give some assurance to the Board that the dividend-paying ability of the companies represented in the portfolio will be reasonably secure in times of severe general economic conditions, in addition to supporting the likelihood that such companies will retain sufficient financial strength in difficult times to permit them to fully participate in subsequent periods of economic recovery.

* * * * *

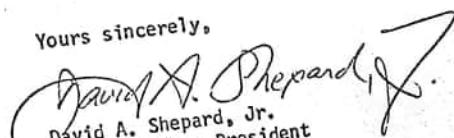
It is our hope that you will review the foregoing and advise us of changes and/or additions that you feel are necessary. By no means do we consider these criteria a substitute for more frequent communications between the Board and IMS than has been the case in the past. It is our suggestion that we meet with the Finance Committee following its receipt of each of our quarterly reports to review progress and discuss any other matters relative to the portfolio which the Board may wish to broach. We would view this as a minimum contact level.

Investment Committee
San Francisco Ladies' Protection
and Relief Society
Page Three
December 18, 1970

We are preparing some recommendations for your consideration which we think are consistent with the comments made earlier in this letter. These should be in your hands later in the week.

Best wishes for the Holiday Season.

Yours sincerely,


David A. Shepard, Jr.
Assistant Vice President

treasurer

The following are excerpts from subsection 4 of section 31595 of AB211 introduced
January 24, 1967.

"Such corporation has total assets of at least one hundred million dollars
(\$100,000,000)."

"Such corporation has paid a cash dividend on its common stock in at least
8 of the 10 years next preceding the date of investment and the aggregate
net earnings available for dividends on the common stock of such corporation
for the whole of such period have been equal to the amount of such dividends
paid, and such corporation has paid an earned cash dividend in each of the
last three years;"

CALIFORNIA-HUMAN RELATIONS AGENCY
DEPARTMENT OF SOCIAL WELFARE

MARKET STREET
SAN FRANCISCO 94103

February 18, 1971

RONALD REAGAN, Governor



Mr. Jack F. Logan, President
Board of Trustees
San Francisco Ladies' Protection and Relief Society
1950 - 12th Avenue
San Francisco, California 94116

Dear Mr. Logan:

THE HERITAGE
SF 6 AIB

The application for renewal of license of the San Francisco Ladies' Protection and Relief Society to conduct The Heritage as a residential care home for 97 aged persons has been approved. The license, which is effective from February 24, 1971 through February 23, 1972, has been forwarded to Mrs. Bell. The law requires that the license be posted in a prominent place.

Based on one visit to the home on February 4, 1971, its operation under the dedicated leadership of your board and the able administration of Mrs. Bell appears to continue to operate smoothly.

We were very pleased to learn that your board of trustees and your board of directors are considering merging into one board. Such a merger should provide for a more ready exchange of information and views, save time of all concerned, and expedite action on decisions made.

Our only other recommendation at this time is that the written personnel policies for The Heritage be revised during the coming year to reflect current practice.

Treasurer

Mr. Jack F. Logan

- 2 -

February 18, 1971

please accept our best wishes for another productive year ahead in serving
residents at The Heritage.

sincerely yours,

Mrs. Aimee Petkovic

Mrs. Aimee Petkovic
Licensing Representative

cc: Mrs. Lawrence V. Metcalf, President
Board of Directors
The Heritage
2990 Vallejo Street
San Francisco, California 94123

cc: ... Marian Bell, Administrator
The Heritage
3400 Laguna Street
San Francisco, California 94123

reasurer

LAW OFFICES
HANSON BRIDGETT MARCUS & JENKINS
CITIZENS BUILDING
ONE KEARNY STREET
SAN FRANCISCO, CALIFORNIA 94108

SUTTER 1-5500
CABLE: SCHOHANJEN

26 February 1971

Mr Michael P Bogda, Jr
Continuing Care Fiscal Specialist
Field Fiscal Operations Bureau
Department of Social Welfare
744 P Street
Sacramento 95814

Dear Mr Bogda:

Your letter of February 3, 1971 addressed to Jack S Logan,
President of the San Francisco Ladies Protection and Relief
Society has been referred to me.

P
Perhaps there has been some lack of communication. After
the proposed form was sent to me I communicated with the
Chief of your Legal Office, Mr Rudolf H Michaels, and sug-
gested that there was a number of problems in connection
with the suggested draft. I gave as an example the problems
relating to "subrogation" and pointed out that this was not
in accordance with the law and was one matter that needed
changing in all the forms. Thereafter, on May 5, 1970, we
clarified that point as is indicated by a copy of the en-
closed letter from Mr Michaels on that subject.

V
There were subsequent discussions in July and September on a
number of other areas of concern but due to a mutually heavy
calendar Mr Michaels and I did not get these completed. On
January 28, 1971, I received a letter from Mr Michaels, copy
enclosed, indicating that there was unfinished contract

Treasurer

Mr Michael P Bogda, Jr
26 February 1971
Page -2-

business, and I assumed that after Mr Hollingshead had an opportunity to acquaint himself with the matter we would be working with him.

I do hope that this brings your files up to date and I will be happy to talk about it with you.

Sincerely,

Thomas M Jenkins
TMJ/jp
Encls

cc: Mr Jack S Logan
Dodge & Cox
35th Floor Crocker Plaza
San Francisco 94104

White
Secretary-Treasurer

RONALD REAGAN, Governor
CALIFORNIA-HUMAN RELATIONS AGENCY
DEPARTMENT OF SOCIAL WELFARE

SH14
January 28, 1971

Thomas M. Jenkins, Esq.
Hanson, Bridgett, Marcus & Jenkins
Citizens Building
One Kearny Street
San Francisco, California 94108

Dear Tom:

You may have already read about this in the paper; but, at the risk of duplication, I wanted to tell you that I am leaving the Department of Social Welfare as of February 1.

Among my many regrets will be that of not having any more official dealings with you.

I also regret having to leave some unfinished business behind, particularly the agreements of Heritage and Portola Valley Homes.

My successor here will be Mr. Roy Hollingshead. The Program Specialist is Mr. Michael Bogda. I am sure that they will be able to work out with you whatever problems there may be and that the friendship between this office and yours will continue.

I am comforted about the knowledge that I will still be able to see you at law school and Bar Association events, and I hope you will let me know when you come to Sacramento.

Sincerely,

Rudy

Rudolf H. Michaels, Chief
Legal Office

W. White
Secretary-Treasurer

CALIFORNIA-HUMAN RELATIONS AGENCY
DEPARTMENT OF SOCIAL WELFARE

RONALD REAGAN, Governor

May 5, 1970



Thomas M. Jenkins, Esq.
Hanson Bridgett Marcus & Jenkins
Citizens Building
One Kearney Street
San Francisco, California 94108

Dear Tom:

Thank you for bringing to our attention the problem created by referring to "subrogation" in the guide material we developed for the drafting of extended care contracts between residential care homes and their guests.

We accept, and agree with your position that there is no subrogation with respect to tort claims and plan the following action to clarify the situation:

1. At the next opportunity, to propose amendment of Section 42765 of the Administrative Code by changing the title from "subrogation" to "Third Party Liability" and to change the language to allow inclusion of a right to a lien on any recovery by the guest on the basis of third party liability.
2. To modify the language of the guide material by changing the heading of Section XVI to read "Third Party Liability" and to provide for a lien instead of "subrogation, if any."
3. To advise those who have already received copies of the material to modify it as outlined above.

We think that the modifying clause "if any" really prevents this from being a serious problem. It does make the provision an illusory one under present law.

Mrs. Bullard tells me that it will not be too difficult to pass the word to the people who have already received the material--I hesitate to call it a "model" now that you have pointed up the flaw in it. Evidently nobody has as yet actually used the "subrogation" clause.

Mrs. Bullard and I are really grateful to you, congratulate you on your most recent civic achievement, Your Honor, and hope that you will give us a reaction to our plan. The public hearing on the regulation change will come up in two or three months. Best regards!

Sincerely yours,

Rudolf H. Michaels
Rudolf H. Michaels, Chief
Legal Office

David L. White
David L. White
Secretary-Treasurer

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

A Special Meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at Wells Fargo Bank, Meeting Room #1, 464 California Street, San Francisco, California, on Wednesday, December 9, 1970, at 2:30 p.m. The 1st Vice-President of the Society, Mr. Cecil O. West, presided at the meeting.

TRUSTEES	Cecil O. West	
PRESENT:	George J. Otto	Robert D. Harris
	David L. White	Wm. Pflueger
		Harry L. Baker
GUESTS	Wm. F. Adams, Wells Fargo Bank Investment Management Department	
PRESENT:	David A. Shepard, Jr., Wells Fargo Bank Investment Management Department	
TRUSTEES	Jack S. Logan	Lemuel H. Matthews
ABSENT:	Harold G. King	Jos. A. Moore, Jr.

A quorum of the Trustees being present, and the meeting having been duly called, the 1st Vice-President announced that the meeting would proceed with the transaction of business.

On motion made and duly passed, the minutes of the December 2, 1970, meeting were deferred until the next quarterly meeting.

Mr. West then stated the Society had received a letter of recommended changes from Wells Fargo Bank Investment Management Service dated September 4, 1970. Motion was made and duly passed not to approve the recommended changes.

Mr. Shepard, Assistant Vice-President, Wells Fargo Bank Investment Management Service proposed they meet with the Investment Committee of the Society following any suggested recommendations. Motion was made and duly passed by the Board of Trustees.

Motion was duly made and passed to have Mr. Shepard write a letter to the Investment Committee, (appended hereto) to articulate the character and nature of investment counselling and management expected from Wells Fargo Bank's Investment Management Service.

No further business appearing, upon motion duly made and passed, the meeting was adjourned at 3:45 p.m.

David L. White
David L. White
Secretary-Treasurer

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY
"The Heritage"
3400 Laguna Street
San Francisco, California 94123

Telephone 567-6900

March 29, 1971

Wells Fargo Bank
464 California Street
San Francisco, California 94120

Attention: Mr. David A. Shepard, Jr.
Assistant Vice President
Investment Management Service.

Gentlemen:

Please pardon our delay in replying to your letter of December 18, 1970 which was presented and discussed at the regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society, on March 3, 1971.

We believe that your letter accurately confirms the understanding of the guidelines which we had previously discussed with you and Mr. Adam for the handling of our investment portfolio by your Service. We suggest that you eliminate the statement set forth as paragraph three, as we do not necessarily expect to tie the yield of the stock portfolio to the Dow Jones Average. The Board wishes to assure you that its Investment Committee will work promptly with you on all future recommendations as they are present to them.

Thank you very much for your communication of December 18.
Very truly yours,

David L. White

David L. White

DLW:es

SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY

A special Meeting of the Board of Trustees of the SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY was held at Wells Fargo Bank, Meeting Room #1, 464 California Street, San Francisco, California, on Wednesday, December 2, 1970, at 2:30 p.m. The President of the Society, Jack S. Logan, presided at the meeting.

TRUSTEES
PRESENT:

Jack S. Logan	Robert S. Harris
Cecil O. West	Lemuel H. Matthews
George J. Otto	Harry L. Baker
Harold G. King	Wm. Pfueger

Ted Van Bebber, Account Manager, Lybrand, Ross Bros. & Montgomery, C.P.A.'s.

DIRECTORS
PRESENT:

Mrs. Robert S. Sherman, Treasurer

TRUSTEES
ABSENT:

David L. White	Jos. A. Moore, Jr.
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A quorum of the Trustees being present, and the meeting having been duly called, the President announced that the meeting would proceed with the transaction of business.

A motion duly passed, the minutes, as printed and distributed to the Board members, of the Special Meeting on September 2, 1970, were approved and accepted.

Mrs. Sherman presented the 1971 proposed Annual Budget for \$723,600.00 with an \$80,679.00 increase over the 1970 Annual Budget. She explained a large part of the increase was in the salary budget as we are following the CAHA manual and Union #250 levels. Drugs have gone up approximately 10% and other services have also increased. The Board of Directors have no major replacements in the budget at this time. Mrs. Sherman stated the increase also includes \$12,000.00 annually for a Security Guard Service. She also stated now that we have had the new commercial washer installed in the laundry, everything is going fine. The major things that need to be done to the Home are painting, replacing carpet, etc. It was decided to do carpeting, plumbing, and other major repairs over a period of 1/3 each year for the next three years. Motion was duly made and passed to accept the 1971 Proposed Budget in the amount of \$723,600.00, plus \$1,509.00 capital outlay.

Mr. Logan briefed the Trustees on the meeting he attended at Lybrand, Ross Bros. & Montgomery in regard to tax laws that would be applicable to the Home. He asked Mr. Van Bebber who would be considered managers of the Home and he stated the Board of Trustees for sur tax liability and non-compliance.

Mr. Logan briefed the Trustees on changing our accounting system to CAHA Uniform Accounting and Reporting System which will make our audits easier and better reporting to the Government. He then introduced Mr. Ted Van Bebber of Lybrand, Ross Bros. & Montgomery, C.P.A.'s, to review the new system. Mr. Van Bebber stated there was a very

Special Meeting December 2, 1970.

Continued -- Page 2.

strong movement in California and other states to urge each Government agency to accept a uniform report from Retirement Homes. Mr. Logan stated at this point the uniform system would be more practical for Mrs. McCombs and staff and the change over could be done January, 1971. Mr. Thomas Jenkins of Marcus, Bridgett, Hanson & Jenkins, Attorneys, had reported to Mr. Logan there would be many new regulations to comply with and on the new system we will be reporting and doing the same as other Homes. Motion was duly made and passed to install new Uniform Accounting system. It was approved for Mrs. McCombs to secure another manual for herself in addition to the one kept by the Administrator. Mr. Van Bebber stated the cost of changing to the new CAWA system would be approximately \$1,000.00.

Motion was duly made and passed to approve Mrs. Marian F. Bell, Administrator to sign alone up to limit of \$50.00 per check on the Residents Trust account at Wells Fargo Bank, Account #21-12489. Nothing above \$50.00 requires two signatures.

Motion duly made and passed for the Home to pay "Plan B" Medicare after January 1, 1971, for the residents after considerable discussion by Mr. Van Bebber and Board members.

Motion duly made and passed to combine savings accounts and bank accounts to reduce work load.

Mr. Logan stated the Society needs to give serious consideration to investment procedures. Motion made and passed to call a Special Meeting of Investment Committee.

Mr. Logan reported to the Board of Trustees receipt of the following funds:

Mrs. Rettenmayer	Gift for Infirmary Committee	\$350.00
C. A. Dickey	Gift	25.00
Mrs. Bowes	Gift for Christmas Fund	50.00

No further business appearing, upon motion duly made and passed, the meeting was adjourned at 4:00 p.m.

David L. White,

DAVID L. WHITE
Secretary/Treasurer

TRUSTEES - REG. MEETINGS
003 - 1999

Mr White
joined Trustees
March 1, 1949

WJ Wilson Jones

Minute Book
395-11

Outfit
0395-11
WITH FILLER 903-10-25

MADE IN MEXICO

BOARD OF TRUSTEES' MEETING
September 16, 1993

A regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Andrew Edwards, CB Commercial Real Estate Group, Embarcadero Center West, San Francisco, California on September 16, 1993 at 2:00 p.m. Trustees present were Messrs. Edwards, Howard, Noble, Otto, Sams, Wheary and present were Mesdames Baker, Mitchum, Moller, and Richards. Mrs. Barbara White; and Mesdames Baker, Mitchum, Moller, and Richards. Mrs. Barbara Cox McGinley, Administrator and Ms. Kaye Moore, Administrative Secretary, were also present. Trustees absent were Messrs. Bennington, Morshead and Scollin.

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Mr. Edwards, Chairman, called the meeting to order at 2:00 p.m., requesting consideration of the minutes of June 17, 1993, which previously had been distributed. With a correction noted in the spelling of Mr. Noble's name and upon motion duly made, approval of the minutes was unanimous.

Mrs. McGinley gave the report of the Administrator stating that Sara-Jo Faucher, RN, by the end of her trial period, turned out to be the best candidate for the position of Director of Nursing Services and has been hired in that capacity. A decision has been made to hire a Director of Admissions with experience in marketing. Joan Crawford will join the staff in that role beginning October 1 and will work 20 hours per week. Ms. Crawford has years of marketing experience, coming to us from Aldersley, a retirement home in Marin County. She also has a BA degree in gerontology. Miss Meissner, formally Admissions Coordinator, will return full time to the Activities Department.

Mrs. McGinley distributed a report she prepared at the request of Chairman Edwards which included a spreadsheet detailing aspects of competing retirement homes in San Francisco, Marin, East Bay and Peninsula. The second section of her report addressed marketing pros and cons, describing perceived benefits and negatives of The Heritage. There was some discussion over the issue of the size of the rooms available at The Heritage and the feasibility of combining certain rooms to create more suites for couples. (We have an increasing number of couples who are making application.) To illustrate this possibility, Mrs. McGinley provided drawings of sample floor plans. She pointed out the work could be done in house with minimal expense. In summarizing her report, Mrs. McGinley strongly urged the formulation of a profile of the ideal candidate by going back to the Society's founding purposes. Subsidy qualifications should be clarified and a sliding scale established. Then, by identifying this profile and targeting geographical areas she said, we should have a waiting list instead of vacancies.

Mr. Edwards stated that he was very impressed with the report and the discussion that it provoked. Large issues have been raised that need further study within a marketing framework that addresses our mission statement. We can look then at how to position ourselves in the

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marketplace while maintaining our charitable goals. The new marketing person will be included in addressing the financial, physical and human components of our long range planning. He thanked Mrs. McGinley for her report and asked members to review it in order to develop some course of action.

Mrs. Moller reported that the refrigeration project is now complete and the expansion joint repair is well underway. The dining room work will not be scheduled until after first rains to be sure the roof no longer leaks. She then reviewed the Marketing Study prepared by Kingsley and Associates pointing out that all of their recommendations except having a fundraiser (which has never been done) and use of local newspapers have been effectively executed.

Mr. Edwards stated that in the absence of Mr. Morshead, there would be no report of the Chief Financial Officer. He called for new business.

Mr. White described a new lease executed for the lower level of the Francisco Street flats. The agreement is for \$1450/month effective September 1, 1993. This is an "as is" arrangement with no expense to the Society and as a result of the tenants taking immediate possession, there was little no rental loss. It was moved (Mr. Sams) and seconded (Mr. Otto) to approve the lease as presented. The motion carried.

On the issue of board vacancies, Mr. Otto stated that he has received no nominations. Mr. Edwards noted that the Bylaws allow for an additional two Trustees and encouraged members to submit names to Mr. Otto.

On behalf of the Board, Mr. Edwards acknowledged receipt of a significant bequest from the Estate of Bernice B. Springer, a nine year resident of The Heritage, who died in December 1992. The gift of approximately \$498,000 will be used in a manner consistent with her wishes, and Mr. Edwards will pay tribute to her in the *Heritage Happenings* newsletter. A suitable memorial is under consideration.

Mr. Edwards called attention to The Heritage brochure and urged members to use it as a tool for effective community outreach.

Mrs. Moller announced that the Christmas Party has been set for Wednesday, December 15, and will be preceded by the 4th quarter Trustee Meeting as in years past.

There being no further business, the meeting was adjourned at 3:40 p.m.

Respectfully submitted,

David L. White

David L. White

Secretary
DW:km

BOARD OF TRUSTEES' MEETING
December 15, 1993

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage, 3400 Laguna Street, San Francisco, California, on December 15, 1993 at 4:00 p.m. Trustees present were Messrs. Bennington, Edwards, Howard, Morshead, Otto, Sams, Scollin, Wheary, and White. Trustee/Managers present were Mesdames Baker, Mitchum, Moller, and Richards. Staff members present were Mrs. Barbara Cox McGinley, Administrator, and Ms. Kaye Moore, Administrative Secretary.

Mr. Edwards, Chairman, called the meeting to order at 4:05 p.m. and requested consideration of the minutes of September 16, 1993, which previously had been distributed. It was moved, seconded, and carried (Otto/Mitchum) to approve the minutes as recorded.

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Barbara Cox McGinley presented the report of the Administrator by providing an update on the census for the last quarter. Three new residents have moved in -- one couple and a single. Two new private patients have been admitted to the Health Center and three viable applications are currently in process. Joan Crawford, the new Director of Marketing and Admissions, has set the addition of one new admissions per month as her goal. She is expanding the contact list and will be working with the editor of the Marina Times.

On other matters, Mrs. McGinley reported that there are no buckets in the hallway this winter since the troublesome leak has been repaired. The members of the Resident Council have elected new officers for 1994 with Mrs. Gallatin, President. Mr. Sands will be retiring as Editor of the *Heritage Happenings*. No one has yet volunteered to take his place. Joan Crawford, however, will be circulating a different kind of newsletter which will be sent to the governing boards as well as community people.

Mr. Morshead stated that he will combine his report as Chief Financial Officer with the first item of new business, the 1994 budget. The favorable variance against the budget reflects a very generous bequest from Mrs. Springer. However, he pointed out, even without that gift, in nearly every category we see favorable variances reflecting conscientious cost cutting by staff. He made a point of crediting Mrs. McGinley's leadership as this excellent fiscal management has been a hallmark since the beginning of her Administration. He stated that the budget committee has met twice and with their recommendation he presented draft three of the 1994 budget. Management has done a good job of paring down. He moved, and Mr. Otto seconded, adoption of the budget as presented. During discussion of the motion, Mr. Morshead credited the investment acumen of Mr. Otto for keeping The Society in a comfortable financial position. The motion carried unanimously.

Mrs. Moller gave the report of the Board of Managers saying The Managers are very pleased with the day-to-day operations and are proud of the fact that there are no leaks this winter. She also reported that the deck is beautiful with new tile. The next project, a big one, will be the refurbishment of the dining room. It needs window coverings, lighting, painting and service stations. The dessert and coffee event held to acknowledge the gift from Mrs. Springer was well received and encouraged other contributions. The Managers will be looking at sliding scale fees for monthly care this year and will increase private patient daily fees in April.

Mr. Scollin, in his Insurance Consultant report, complimented staff on getting a substantial workers compensation dividend. Cigna is our current carrier for general business package policy. We are due for another appraisal. Mr. Morshead recommended that we also do a fine arts inventory. Mrs. Moller stated that the House Committee of the Board of Managers will do the inventory.

Dr. Sams then presented a report on supplemental medical insurance with handouts prepared for Trustees. He reviewed pages 7-11 of our Life Care Contract and pointed out that 50% of our residents have some sort of supplemental coverage and while we have some exposure, it is not great. Mr. Otto praised the presentation and recommended that any action be held in abeyance at this time. Mr. Howard moved that The Society continue to self insure for the time being and that we continue to monitor the situation. The motion was seconded by Dr. Sams. During discussion, it was suggested that the Managers study this issue. Perhaps the new Marketing Director could prepare a brochure pointing out the advantages of keeping supplemental policies. Dr. Sams stated that he and Dr. Bennington would be willing to act as consultants to a study. A vote on the motion was called and it carried unanimously.

Mr. Edwards noted that with the untimely death of Mr. Charles Noble, there are now three vacancies on the Board of Trustees. Dr. Bennington offered as a candidate, Mrs. Garcia-Kennedy, Vice President for Strategic Planning for McKesson. She has experience in investment banking, and is knowledgeable about health care issues. She has been approached and has expressed an interest in serving. It was moved, seconded and carried (Howard/Morshead) to extend an invitation to Mrs. Garcia-Kennedy to join the Board as a Trustee. Mr. Edwards and Dr. Bennington will follow up. Mr. Edwards requested that thought be given to the other two vacancies. Mr. Edwards praised the work Mr. Noble was doing as Chair of the Investment Committee and Mr. Morshead noted that we need a polished investment person to fill a vacancy.

Mr. Morshead asked that these minutes reflect the status of the Emge gift, which was received in October-November 1982 in the amount of \$118,469.63. At that time, the gift amounted to 2.05% (or about 1/50) of the total endowment. Trustee minutes from 1982 are sketchy. Mr. Morshead and Mrs. Leonards were members of the Society then, and wish these minutes to reflect the intentions of the trustees and managers at that time that the Emge gift be

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deposited in the general endowment in order to provide in the simplest manner for its optimum growth. The gift was to be tracked to assure it plus its appreciation and accumulated earnings could be recovered from the endowment when called for by the managers. The trustees and managers agreed that the managers would use the Emge gift for some project or projects which would add to the amenities of the Heritage. The current trustees acknowledge and accept the above resume.

There being no further business, the meeting was adjourned in memory of Mr. Charles E. Noble at 5:40 p.m.

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Respectfully submitted,
David L. White.
David L. White
Secretary

DLW:km

BOARD OF TRUSTEES' MEETING
March 17, 1994

A regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Andrew Edwards, CB Commercial Real Estate Group, Embarcadero Center West, San Francisco, California on March 17, 1994 at 2:00 p.m. Trustees present were Messrs. Edwards, Howard, Morshead, Otto, Sams and White; and Mesdames Baker, Garcia-Kennedy, Mitchum, Moller, and Richards. Mrs. Barbara Cox McGinley, Administrator, and Ms. Kaye Moore, Administrative Secretary, were also present. Trustees absent were Messrs. Bennington, Scollin, and Wheary.

Mr. Edwards, Chairman, called the meeting to order at 2:05 p.m. by welcoming Mrs. Norma Garcia-Kennedy to The Board of Trustees as its newest member. He then requested consideration of the minutes of December 15, 1993, which previously had been distributed. It was moved, seconded and carried (Mitchum/Morshead) to approve the minutes as submitted.

Mrs. McGinley began the report of the Administrator by stating that the new position of Marketing Director is now in place and Joan Crawford, serving also as Director of Admissions, has as her goal one new admission per month. So far she is exceeding her goal. She is working closely with the Admissions Committee in developing language which will appropriately describe our fee structure and charitable mission. As this is a delicate area, she is proceeding cautiously. The question of whether or not to advertise arises. Mr. Edwards noted that we need to finalize our marketing plan before addressing advertising issues.

One resident, soon to be admitted, will be paying full cost of care. Mrs. McGinley noted that most residents' cost of care is subsidized by 50%. Mrs. Georgia Foster, a resident of The Heritage for 22 years, died on February 1 at age 104. The family will hold a memorial for her at The Heritage.

Security has become an important issue as there have been two occasions of unauthorized entries. The most vulnerable points have been targeted for immediate action which she will describe later in the agenda. Mr. Edwards asked to hold discussion until Mrs. McGinley makes her full report under New Business.

Thanking Mrs. McGinley for her report, Mr. Edwards then called on Mr. Morshead to present the report of the Chief Financial Officer.

Two months into the year is inconclusive from a financial perspective. Our performance measured against our long term game plan will be determined when the financial model is run again. This will be done before the May Annual Meeting. One big issue will be the 1997 renegotiation of the ground rent for the Cathedral Hill Hotel property on Van Ness Avenue which is tied to a formula based on the fair market value of the land.

Mrs. Moller, President of the Board of Managers, reported that the Long Range Planning Committee has looked into the issue of accreditation. We are certified by Social Services and the accreditation could create more problems than it would solve. It was voted down in 1988,

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1990 and 1994 as unnecessary. Reinforcement of the parapet is complicated because of the slate roof. Sandy Barker's bid for the work was high and a second, better bid was solicited through Levin Nishkian. It was moved, seconded and carried (Morshead/Mitchum) to accept the low bid for the parapet and charge it to long term non routine maintenance.

Mrs. Moller also reported that PG&E has moved the shut off valve from inside The Heritage to outside, a matter of major safety importance. This was done at PG&E's expense. As of April 1, 1994 private patient fees will be increased to \$140.00/day. We are still on the low side.

Mr. Edwards asked if there was any other Old Business before moving along on the agenda. Mrs. Richards reported the new employee manual has finally been completed and has been reviewed by Patricia Knight, a labor lawyer. It has been printed in house and will soon be distributed at a special meeting held to educate employees. Mr. Morshead asked if we need to have a special appeals body in the event an employee has no recourse with administration, and who would constitute that body. Mrs. Richards said she believed that the Policies and Procedures Committee of the Board of Managers constituted an appeals body but she will investigate further. Mrs. Moller formally thanked Mrs. Richards and her committee for her work on this undertaking.

Under New Business, Mr. Edwards called on Mrs. McGinley to present her proposal and recommendations for a security system. Mrs. McGinley noted that as the neighborhood has changed, she and Mrs. Moller have reviewed problems and options. As described earlier, the greatest problem is the Health Center door and unauthorized entry there. Another vulnerable point is the door from the parking lot/loading dock area into the kitchen. The latter problem has been addressed with the installation of an alarm on the door with controlled times for entry. The proposal for the Health Center door is the addition of a full time guard. This would increase the current expenditure of \$30,000 to \$90,000 in staffing expenses. Mrs. Conroy is in charge of security and is working with American Protective Services to review job descriptions for the guards. Mrs. Moller stated that the Managers want to look into other options including electronic door closures and closed circuit TV monitors in order to address the whole system.

After discussion on the matter, there was a consensus of the Trustees not to vote on any specific action but rather to endorse the Board of Managers' plan and to monitor the situation in the months ahead.

On the matter of Board vacancies, Mr. Edwards presented the name of candidate Robert Devlin for nomination to the Board of Trustees. Mr. Otto, Mr. Scollin, and Mr. Wheary have met him. He comes with a background of 25 years in the securities field, specifically asset management and investment counseling, and he helped set up the endowment program for the California Historical Society. He would be an excellent addition to the Investment Committee. It was moved, seconded and carried (Howard/Sams) to elect Robert T. Devlin to the Board of Trustees. Mr. Edwards will notify him and call a meeting of the Investment Committee. He asked members to continue thinking of potential additions to the Board. One area of expertise to consider is that of construction management. Mr. Otto noted that another real estate specialist would be desirable.

Mr. White stated that, for the record, the lease on the upper unit of the Francisco Street flats, currently occupied by Mr. Zelkin, has expired and suggested a modest monthly increase (\$50-\$100) be requested of the tenant. After some discussion, Mr. Otto recommended that Mr. White follow his best judgment on the matter and other members agreed.

Mr. Edwards briefly updated members on legal matters stating that The Heritage was dismissed from the Cathedral Hill Hotel asbestos suit which was filed around Christmas time without legal expense to the Society. There is a workers' compensation situation for which we are using the Hanna Brophy firm who specializes in this area. With respect to the Heuer Estate subsidy claim, we have had no response from the UC Regents. Mr. Edwards has written a follow up letter to the General Counsel. If there is still no response, we will need to decide on a course of action.

There being no further business, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

David L. White
Secretary

DW:km

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BOARD OF TRUSTEES' MEETING

June 16, 1994

A regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Andrew Edwards, CB Commercial Real Estate Group, Embarcadero Center West, San Francisco, California on June 16, 1994 at 2:00 p.m. Trustees present were Messrs. Devlin, Bennington, Edwards, Howard, Morshead, Otto, Sams Scollin, and White; and Mesdames Baker, Moller, and Mustacchi. Mrs. Barbara Cox McGinley, Administrator, and Ms. Kaye Moore, Administrative Secretary, were also present. Trustees absent were Mrs. Norma Garcia-Kennedy, Mrs. Elizabeth S. Mitchum, and Mr. James T. Wheary.

Mr. Edwards, Chairman, called the meeting to order at 2:00 p.m., requesting consideration of the minutes of March 17, 1994. It was moved, seconded and carried (Otto/Moller) to approved the minutes as distributed.

Mrs. McGinley, Administrator, stated that using 24 hour security guard coverage for the past three months has been very successful. She described the changing environment of the neighborhood, citing examples of people on the grounds, jumping over fences and attempted entry. As we have so many doors to secure, (18 in all) security is a challenge. After much study and consultation with experts, Mrs. McGinley recommended keeping the current schedule for security guards, augmenting our system with the addition of surveillance equipment to include video cameras, monitors, buzzers and identification equipment. She recommended an amendment to the 1994 budget authorizing the Finance Committee of the Board of Managers to review bids for such equipment (including employee identification cards) not to exceed \$60,000. This, she said, would put into place a comprehensive and effective security plan.

Discussion followed. Mr. Otto moved acceptance of the recommendation, seconded by Mr. Morshead. The motion: To amend the 1994 budget to include a security plan which will 1) continue the permanent employment of American Protective Services on a contractual basis to provide guards on a three shift per day schedule and 2) adopt installation of security equipment at a cost not to exceed \$60,000.

Mr. Morshead gave the report of the Chief Financial Officer stating that our financial position is sound, showing ahead of budget. He and James Freund, Controller, have run the model again, projecting into the year 2007. Projections are based on a population of 110. We are currently at 104. We also have space available in the Health Center for private patients at this time. We need to look at estimates of what inflation will do.

Mrs. Moller gave the report of the President of the Board of Managers noting that the parapet project is now complete. Mr. Charles Page, architect, is being consulted regarding the dining room renovation project. Mr. A.W. (Sandy) Barker, whose firm did our Age and Depreciation Study, is looking at our structure in terms of the Americans with Disabilities Act regulations. He states that 1550 Francisco Street -- with wheelchair access -- can be considered our main entrance with an appropriate sign at the Laguna Street door. He is also looking at the condition of the railing and windows. Mrs. Moller also reported that the Self Help for the Elderly

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contract has been re-negotiated and encouraged Trustees to tour the Chinatown Kitchen. She then cited two cases of 84 year old applicants, two years over the 82 year age limit. Both individuals are in excellent health. After some discussion, it was moved, seconded and carried (Morshead/Moller) to waive the 82 year age limit in these two cases. This does not represent a change in the age limitation policy, only individual exceptions based on each case. Dr. Sams noted that actuarial studies should be done before making any long term changes. The question is how many low cost years as opposed to high cost years.

Mr. Edwards provided an update on the legal matter concerning the Helen Heuer estate. As no action is forthcoming, the Board directed Mr. Edwards and Mr. Howard to continue to pursue the matter with the University of California Regents.

Under New Business, Mr. Edwards called attention to a summary of appointments to the Board of Trustee Standing Committees, asking for approval. It was moved, seconded and carried (Morshead/Bennington) to so approve.

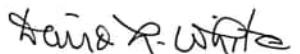
There was some discussion regarding a Board vacancy. Mr. Edwards put forth the name of Diane (Mrs. Peter) Richards. Mrs. Richards has recently resigned from the Board of Managers to get an advanced degree in nursing. She is a highly qualified and experienced individual. It was moved, seconded and carried (Howard/Otto) to appoint Mrs. Richards to the Board of Trustees. Mr. Edwards will invite her.

Mr. Edwards reported that the Friends of The Heritage was launched last fall by a significant bequest from Mrs. Springer. An appropriate recognition of gifts might generate others. There is ongoing discussion on how to acknowledge. The Board of Managers wants Trustee input. Mr. Morshead stated that unrestricted gifts are best and encouraged Managers to move forward.

Mr. Edwards then provided Board members with a detailed review and history of the Society's real estate holdings including the Van Ness property, the building in Reno, which is leased the Lerner Stores, and the Francisco Street flats. The Investment Committee will continue to monitor these properties.

There being no further business, the meeting was adjourned at 3:45 p.m.

Respectfully submitted,



David L. White
Secretary

DW:km

BOARD OF TRUSTEES' MEETING
September 15, 1994

A regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Andrew Edwards, CB Commercial Real Estate Group, Embarcadero Center West, San Francisco, California on September 15, 1994 at 2:00 p.m. Trustees present were Messrs. Devlin, Edwards, Otto, and White; and Mesdames Baker, Garcia-Kennedy, Moller, Mustacchi, and Richards. Mrs. Barbara McGinley, Administrator, and Ms. Kaye Moore, Administrative Secretary, were also present. Trustees absent were Bennington, Howard, Morshead, Sams, Scollin and Wheary.

Mr. Edwards, Chairman, called the meeting to order at 2:00 p.m. , requesting consideration of the minutes of June 16, 1994. It was moved, seconded and carried (Otto/Moller) to approve the minutes as distributed.

Mr. Edwards welcomed Mrs. Richards to the Board of Trustees. She brings significant experience and knowledge of the Society as a former member of the Board of Managers.

Mrs. McGinley, presented the report of the Administrator, stating that installation of the new security system is nearing completion. She reported that the project is coming in under the requested \$60,000 for an expected total closer to \$50,000. She also reported that the current Director of Nursing Services, Mrs. Faucher, has resigned. Turnover in this position has prompted her to examine the job description with the possibility of making some changes in the nursing and administrative responsibilities of the job. Any changes will be consistent with Title 22 regulations. She is currently interviewing candidates. Room 109, presently used as an office for the Director of Nursing, will be returned to resident use. The Director of Nursing will have better contact with the Health Center with closer proximity.

In anticipation of a presentation on the dining room renovation project scheduled for 2:30 p.m., Mr. Edwards asked Mrs. Moller to brief members on the current status of their proposal, adding, that he, Dr. Sams, and Mr. Morshead met with members of the Managers in late July to discuss preliminary planning issues. Mrs. Moller reported that the dining room was constructed in 1957 and is part of the connector wing of the Perry Building. She described the background and current proposal with supporting rationale, noting that window replacement, new lighting and the ventilation system are priorities. A brief discussion followed after which Mr. Charles Page, Architect with Page & Turnbull; Mr. Tom DuFurea, also with Page & Turnbull, and Mr. Rick Leicher, The Leicher Company, were invited to give a formal presentation of the proposed project. Mr. Page presented some preliminary architectural drawings, describing design concepts and rationale. Mr. Leicher, who would serve in the capacity of construction manager, elaborated on the economics of the project, including budget and timing issues.

The guests were then dismissed with thanks for the presentation. During the discussion that followed, Mrs. Moller and Mr. Edwards explained that the proposed funding source was the Emge Fund, a special purpose, non-endowment account which has grown to approximately \$260,000. When the discussion ended, Mr. Edwards stated that the Chair would entertain a

motion to formally implement the dining room renovation project using Page & Turnbull as architect and the Leicher Company as construction manager with a budget not to exceed the current balance in the Emge Fund. It was so moved (Devlin) and seconded (Mitchum). The motion carried. Aye: Baker, Devlin, Edwards, Moller, Mustacchi, Richards, and White. No: Garcia-Kennedy, Otto.

Mr. Morshead, Chief Financial Officer, reported to Mr. Edwards via telephone that the financial position of the Society continues to be within budget, and all categories are in line. Financial data faxed from the Controller's office to Mr. Edwards provide details of this report.

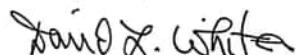
Mrs. Moller completed the report of the President of the Board of Managers by stating that the Personnel, Policies, and Procedures Committee, chaired by Mrs. Mitchum, will undertake a revision of the Society By-laws and update staff and Managers' job descriptions this year.

Mr. Edwards reported that in late July, there was a major presentation regarding The Heritage Pension Plan with representatives from Western Insurance Associates, Aetna, Cigna, and KMPG Peat Marwick in attendance. There was a comprehensive review of the current plan in light of certain investment opportunities for assets available for diversification. The issues addressed in the meeting underscore the need to examine the funded status of our plan and the sufficiency of its benefits vis-a-vis industry standards. Subject to approval of the Board of Trustees, the by-laws provide that the chair may establish such committees as deemed advisable. Mr. Edwards requested Board approval to establish a special committee to examine and make recommendations to the Board regarding the pension plan. The committee would cease to exist upon completion of its task. It was moved (Otto) and seconded (White) to authorize Mr. Edwards to appoint such a committee. The motion passed unanimously.

Mrs. Richards reported with regret the death of long time member of the Board of Managers, Mrs. Phillips Stackhouse. The Society extends sympathy and gratefully acknowledges her years of dedicated service.

There being no further business, the meeting was adjourned at 3:50 p.m.

Respectfully submitted,



David L. White
Secretary

DW:km

BOARD OF TRUSTEES' MEETING
December 14, 1994

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage, 3400 Laguna Street, San Francisco, California, on December 14, 1994 at 4:00 p.m. Trustees present were Baker, Bennington, Devlin, Edwards, Mitchum, Moller, Morshead, Mustacchi, Otto, Sams. Trustees absent were Garcia-Kennedy, Howard, Scollin, Wheary, and White. Staff members present were Barbara McGinley, Administrator, and Kaye Moore, Administrative Secretary.

Mr. Edwards, Chairman, called the meeting to order at 4:05 p.m. and requested consideration of the minutes of September 15, 1994, which previously had been distributed. It was moved, seconded, and carried (Otto/Devlin) to approve the minutes as recorded.

Mrs. McGinley presented the report of the Administrator, stating that Barker and Associates will conduct a survey of the premises to determine the degree of compliance with accessibility requirements as prescribed by the Americans with Disabilities Act. The assessment will begin this Friday. The timing is good considering the pending dining room renovation. She then discussed plans for relocation of residents during construction. A computer committee will be formed to function as part of the Finance Committee of the Board of Managers. This committee will serve to evaluate future needs. We now have 15 work stations, nine printers, and a variety of software. The new Director of Nursing, Mrs. Pometta, has now completed her first two months. The job description now requires more "hands on" nursing. The DON's office has been moved back into the Health Center. We can now accept another private patient. Mrs. McGinley and Dr. Henderson welcome referrals. Mrs. Pometta is currently tracking the amount of nursing care required by residents in independent living. Dr. Henderson and Mrs. McGinley are investigating managed health care options.

Chief Financial Officer, Stuart Morshead, reported that as of October we were ahead of projected budget against actual. Variances are minor and are in our favor.

President of the Board of Managers, Mrs. Moller, reported that the Managers will be focusing on the budget, the marketing plan, and the dining room renovation in the coming year.

Under New Business, Mr. Edwards announced that Joan Crawford, Director of Admissions and Marketing, has been invited to answer questions regarding the 1995 Marketing Plan, a working document which has been approved by the Board of Managers. The plan was distributed and Ms. Crawford reviewed specific initiatives and strategies, reporting that the database is up. It will serve to provide important information for future planning. After Ms. Crawford left, Dr. Bennington moved and Mrs. Moller seconded a motion to approve the 1995 Marketing Plan as presented. The motion carried unanimously. Dr. Bennington stated that it would be helpful to quantify reasons given by potential applicants who choose not to move into The Heritage.

Updating the dining room renovation project, Mr. Edwards reported that he and Mrs. Moller attend weekly meetings with the architect, Page & Turnbull, the construction manager, the

Leicher Company, and the Muratore Corporation, the general contractor. The Long Range Planning Committee of the Board of Managers also meets regularly on this project. Muratore was the low bidder from a field of four and was unanimously selected at a project meeting in November. Mr. John DeMartini, who has worked on Heritage projects in the past, will direct the work. Construction is expected to take three months and will begin in mid-January.

Mr. Morshead presented the 1995 budget for Trustee approval. He stated that the Emge monies should be removed from the general fund at this time as this is the funding source for the dining room renovation project. He noted that we have held budget expenses constant for two years, crediting careful staff management. It was moved, seconded and carried (Morshead/Mustacchi) to approve the operating budget for 1995. Mr. Morshead then presented the capital budget for 1995. After discussion, it was moved, seconded and carried (Morshead/Moller) to approve the 1995 capital budget as presented.

Mr. Devlin, Co-Chairman of the Investment Committee, reviewed the status of our securities portfolio. He also paid tribute to the financial expertise and leadership of Mr. Otto and the late Mr. Noble. Our asset allocation strategy is being conservatively modified to increase overall yield which, in turn, will increase revenues. Mr. Devlin hopes Mr. Morshead and Controller, James Freund, will attend the next meeting of the Investment Committee.

There being no further business, the meeting was adjourned at 5:40 pm.

Respectfully submitted,



Andrew W. Edwards
Chairman

AWE:km

BOARD OF TRUSTEES' MEETING
March 16, 1995

A regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Andrew Edwards, CB Commercial Real Estate Group, Embarcadero Center West, San Francisco, California on March 16, 1995 at 2:00 p.m. Trustees present were Messrs. Devlin, Edwards, Howard, Morshead, and White; and Mesdames Garcia-Kennedy, Mitchum, Moller, and Richards. Mrs. Barbara McGinley, Administrator, and Ms. Kaye Moore, Administrative Secretary, were also present. Trustees absent: Baker, Bennington, Otto, Sams, Scollin and Wheary.

Mr. Edwards, Chairman, called the meeting to order at 2:10 p.m., requesting consideration of the minutes of December 14, 1994. It was moved, seconded and carried (Morshead/Howard) to approve the minutes as distributed.

Mrs. McGinley began the report of the Administrator by stating that we are two months into the dining room renovation project and all is going remarkably well. The residents appear to be enjoying the changes in their routines. There are no complaints. Plumbing repairs and window replacement in rooms above the main dining room have been completed. Changes in Health Center staff responsibilities coupled with moving the Director of Nursing's office back into the Health Center are producing improved management and substantial cost savings over last year. As there is surplus revenue in the Public Nutrition Program, the Managers have decided to donate \$30,000 to Self Help for The Elderly for the purchase of a new van. Mrs. McGinley presented a decorative, framed certificate as a symbol of the gift at the annual Spring Banquet and ceremony held on March 10. There have been four new admissions and two deaths since the last quarterly meeting. One new private patient is expected on March 28. There are three very fragile patients currently in the Health Center. On January 30 Mrs. McGinley met with representatives from managers, trustees, staff, and Dr. Henderson to discuss options for Heritage participation in a managed care health plan (HMO). This meeting was the culmination of months of intensive study of this issue. By consensus, all participants in the study -- including Dr. Bennington, Dr. Sams and Dr. Henderson -- endorsed the following proposal: 1) that we require all new residents upon admission to enroll in Health Net with Dr. Henderson as primary care physician and 2) that all current residents be urged to enroll. It was so moved (Morshead) and seconded (Garcia-Kennedy). After discussion the vote was called; the motion passed unanimously.

Mr. Morshead, Chief Financial Officer, stated that while there is a slightly unfavorable budget variance for the first quarter, it is so small as to be insignificant. We are accomplishing what was budgeted for in December. Approximately \$217,000 has been spent to date on the dining room project. The Investment Committee's strategy of shifting a portion of the securities portfolio into government bonds will have a favorable impact on income.

Mrs. Moller began the President's report by paying tribute to Mrs. Victor Richards who was valued for her years of devoted service to The Heritage. She was the mother-in-law of Trustee Mrs. Peter Richards. Mrs. Moller extended condolences to the Richards family on behalf of The Boards of The Heritage. Since the last quarterly meeting, the primary focus of the Managers has been the dining room renovation project. Demolition revealed badly deteriorated galvanized cold water pipes which had to be replaced with copper. Mrs. Moller brought samples of the old clogged pipes to the

meeting. She noted that the galvanized cold water pipes in the Perry Building are in similar condition and will soon have to be replaced as well. Mr. Bob Ginn of Reichel Engineering has worked closely with The Heritage in this area for many years and is a valuable resource. Mrs. Moller reiterated Mrs. McGinley's observations that the residents are dealing very well with the disruptions caused by the dining room renovation. The project is on schedule and should be completed by the May 4th Annual Meeting. On another construction matter, Muratore Corporation has offered a bid of \$6,700 to bolt the flats at 1536-1538 Francisco to the foundation for seismic protection. In light of the excellent work Muratore is doing on the dining room project, the Finance Committee of the Board of Managers recommended approval of this bid. There was some discussion on the Society's policy requiring three bids for such expenditures. Mr. Morshead then moved (Mrs. Mitchum seconded) that given these special circumstances, in this instance only, the three bid policy expressly be waived. The motion carried unanimously.

Mr. Edwards thanked Mrs. Moller and Mrs. McGinley for their excellent reports on the dining room project. In the absence of Dr. Sams, Mr. Edwards reported that he met with Dr. Sams, Mr. Devlin, Mr. Morshead, Mrs. McGinley and Controller, James Freund on March 6 to look at options regarding the employee pension plan. It is a highly complex issue and the Pension Plan Committee, under the leadership of Dr. Sams, is pursuing the services of an independent consultant.

Mr. Devlin, Co-Chairman of the Investment Committee, distributed a report summarizing the recent activity in the Society's securities portfolio with supporting rationale for changes in asset allocation.

Mr. Edwards distributed an analysis of the Society's current operating deficit prepared by Controller, James Freund. Graphs depicting the financial history of the past 10 years support a conclusion that while extreme variations in non-operating revenue impact the year-to-year financial position, the financial pattern is normal for this organization. Since 1991, there has been a concerted effort to contain costs and increase operating revenues. Mr. Edwards credited Trustees Otto, Morshead, and Devlin, and the Board of Managers as well as diligent staff work of Mrs. McGinley and Mr. Freund for making progress in this area.

Mr. Edwards reminded the Nominating Committee of the May 4 Annual Meeting at which time new officers and a full board will be elected for 1995-96. Members of the Nominating Committee are: Mr. Otto, Chairman, Dr. Bennington, Mrs. Garcia-Kennedy, Mr. Morshead, and Mr. Scollin.

The results of the meeting time survey were distributed. As the majority of votes showed a preference for the present time of 2:00 p.m., there will be no change for now. However, this will continue to be monitored periodically.

There being no further business, the meeting was adjourned at 3:35 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary
DW:km

BOARD OF TRUSTEES' MEETING

June 15, 1995

A regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Andrew Edwards, CB Commercial Real Estate Group, Embarcadero Center West, San Francisco, California on June 15, 1995 at 2:00 p.m. Trustees present were Barber, Cooper, Devlin, Edwards, Mitchum, Otto, and White. Trustees absent: Bennington, Garcia-Kennedy, Howard, Moller, Morshead, Richards, Sams, Scollin and Wheary. Barbara McGinley, Administrator, and Kaye Moore, Administrative Secretary, were also present.

Mr. Edwards, Chairman, called the meeting to order at 2:05 p.m., requesting consideration of the minutes of March 16, 1995. It was moved, seconded and carried (Otto/Mitchum) to approve the minutes as distributed.

Mrs. McGinley began her Administrator's Report by noting that this year the Annual Meeting on May 4 was held in conjunction with a celebration of the opening of the newly renovated dining room. Mrs. Mitchum was elected to succeed Mrs. Moller as President of the Board of Managers. Weekly meetings on administrative matters will continue with the new president. The celebration for the dining room reopening was well attended by residents, members of both boards, and Advisory Council members. A special dinner was served to the residents. The Director of Admissions and Marketing resigned on March 23. In the course of a search for her replacement 44 resumes were reviewed. The top two candidates were interviewed by three Managers in addition to the Director of Personnel and the Administrator. Ms. Gayle Reynolds was selected unanimously. On other matters, enrollment in the Health Net Seniority Plus, the newly adopted health maintenance organization, has been excellent with 70 enrollees as of this date. An employee family picnic is planned for Saturday, May 20 and will include residents. This will be held across Laguna Street in Moscone Park, the first of what is hoped will be an annual event. She called attention to the fact that the Health Center is running better than \$23,000 under budget, proving the effectiveness of recent cost control measures. One new resident has recently moved into a suite created as a result of upgrading of the facility. Two under utilized rooms were combined resulting in a highly desirable unit which was made available at an entry fee of \$60,000 and monthly fee of \$1750. This led to a discussion of the census and room count. Mrs. McGinley pointed out that the census and a vacant room count must take into consideration the fact that our population currently has shifted. We have a low Health Center census and three vacancies in the personal care unit. These vacancies cannot be filled by new admissions as the units (or beds) must be available to life care contract individuals. Seven single units only are presently available. No suites are vacant. In answer to a question of future room combinations (in order to provide larger units and/or more suites) Mrs. McGinley stated that there are no specific plans for the immediate future. However, should a couple want to move into a suite before one becomes available, staff is prepared to do some creative planning. Upgrading is considered whenever a unit turns over. Mr. Edwards restated the Society's commitment to upgrading the facility as a part of a proactive marketing plan.

In the absence of Stuart Morshead, Chief Financial Officer, Mr. Edwards reported that, based on the May Report, The Society's financial condition is strong with revenues running slightly under

budget (5%) year-to-date. Expenses are under control running \$10,000 under budget, year-to-date. Income from the securities portfolio is increasing according to plan. The newly completed dining room project was well executed and concluded within financial projections.

Mrs. Mitchum began her report by introducing Mrs. Anthony Barber and Mrs. John Cooper. Mrs. Barber is Treasurer of the Board of Managers and Mrs. Cooper is First Vice-President. Both were elected to serve as Trustee/Managers for the Year 1995-96. Thanks to the work of the Nominating Committee with Mrs. Mustacchi's leadership the Board of Managers roster is at full complement of 25 with four new members: Mrs. Kent Barber, Mrs. Martha Nell Beatty, Mrs. Mary Hauser, and Mrs. David Tudor. Since the last quarterly Trustee meeting, the Managers voted to increase the monthly care fee by 4½% (effective July 1, 1995) with two residents exempted because of financial hardship. Two others have requested a review of the increase. On the whole, the increase has been well received. July will be Board vacation month. A task force has been formed in response to the generous grant from the Georges DeBatz Trust of \$25,000 for a program in the arts. This group is composed of several residents, staff, and Managers: Charlton, Hickerson, Barber, and Cooper. They will be meeting for the purpose of looking at the definition and scope of the project, level of interests among residents and projected participation. Mrs. Moller is putting finishing touches on the dining room project. The Americans with Disabilities Act (400 pages) has been studied. It appears that we have little that needs immediate attention save for signage directing disabled to the accessibility of the 1550 Francisco Street entrance. Mrs. Mitchum requested consideration of a variance in the age limitation for a candidate who is 83 years old. The Admissions Committee has recommended his approval and his health is good. It was moved, seconded, and carried (Otto/Devlin) to exempt this candidate from the 82 year age limitation. Mrs. Mitchum then raised the question of whether or not a new resident could pay the entry fee in stock. After considerable discussion of the matter, the consensus of the Board was negative. Mr. Otto felt The Society should not be exposed to the risk involved. Mr. Edwards noted that The Society should come up with a plan for dealing with such questions. Various forms of creative financing should be explored with the Director of Admissions and Marketing. Currently The Society has no mechanism for receiving stock.

Under New Business, Mr. Edwards stated that the By-laws call for the appointment of Standing Committees to be ratified by the Board. The Committees are as follows:

Executive Committee:

Andrew W. Edwards, Chairman
James Bennington, M.D.
Henry W. Howard
Stuart W. Morshead
Bruce J. Sams, M.D.

Investment Committee:

George J. Otto, Co-Chairman
Robert T. Devlin, Co-Chairman
Andrew W. Edwards
Bruce L. Scollin
James T. Wheary

Nominating Committee:

George J. Otto, Co-Chairman
James Bennington, M.D., Co-Chairman
Norma Garcia-Kennedy
Stuart W. Morshead
Bruce L. Scollin

Co-Directors of Real Estate:

Andrew W. Edwards
David L. White

Insurance Consultant:

Bruce L. Scollin

Long-Range Planning Committee (Special)

Diane Richards, Chairman

Mr. Edwards noted that Mr. Howard asked to step down from chairing the Long Range Planning Committee and Mrs. Richards accepted the position subject to Board ratification. It was moved, seconded, and carried (Otto/Devlin) to approve the committees as proposed.

Mr. Devlin, Co-chairman of the Investment Committee distributed a Schedule of Maturities and Investment Summary with comparison figures for the months of February and May. The Investment Summary demonstrates the recent reallocation of funds in the portfolio between cash and equivalents, fixed income, and equities. The Schedule of Maturities as of May 31, 1995 shows a redistribution of investments to fill a previous gap in the 5-10 year maturities.

Mr. Edwards stated that Dr. Sams (who was unable to attend today's meeting due to business travel) and the Pension Plan Committee met on June 1 with Leif Carlson, of Carlson, Quinn and Associates, pension plan consultants, to explore alternative strategies for The Heritage. Options include a Money Purchase Plan or a Tax Sheltered Annuity (TSA) 403(b) Plan. The Committee is still studying these issues and will bring a recommendation to the Trustees at an appropriate time.

There being no further business, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

David L. White

David L. White
Secretary

DLW:km

BOARD OF TRUSTEES' MEETING
September 21, 1995

A regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Andrew Edwards, CB Commercial Real Estate Group, Embarcadero Center West, San Francisco, California on September 21, 1995 at 2:00 p.m. Trustees present were Barber, Devlin, Edwards, Mitchum, Moller, Morshead, Sams, and Wheary. Trustees absent: Bennington, Cooper, Garcia-Kennedy, Howard, Richards, Scollin and White. Barbara McGinley, Administrator, and Kaye Moore, Administrative Secretary, were also present.

Mr. Edwards, Chairman, called the meeting to order at 2:00 p.m., requesting consideration of the minutes of June 15, 1995. It was moved, seconded and carried (Morshead/Mitchum) to approve the minutes as distributed.

Mr. Edwards called upon Mr. Devlin to present the report of the Investment Committee which met on September 14. Because of the recent death of Mr. Otto, Mr. Devlin will serve as Chair of the Investment Committee. Another member will be added soon. Mr. Devlin thanked Mr. Edwards for the letter of tribute to Mr. Otto. In keeping with the general philosophy established by Mr. Otto, the Committee continues to look at timing and quality in making changes to the investment portfolio. At present the allocation is 67% equities, 30% bonds, and 3% cash equivalents. The quality is high and bond maturity dates are well distributed.

Mr. Edwards invited Sue Delez to join the meeting for a presentation on the Public Nutrition Program. Ms. Delez is the Director of Food Services for The Heritage. In this capacity, (in addition to supervising food service for Heritage residents) she manages staff and supervises meal preparation for Self Help for the Elderly's food program for older citizens of San Francisco. The program is financed by a federal grant to Self Help for the Elderly. They contract with The Heritage for the preparation and management of approximately 13,000 meals per month. Ms. Delez gave a slide presentation that was put together to explain the program to residents. It illustrated equipment, people, and production. Three menus (Chinese, Filipino, and American) are prepared in the Stockton Street kitchen for delivery to nine sites. Delivery is done by Self Help for the Elderly drivers. After Ms. Delez was thanked and excused, discussion of the subject continued. The program is so well managed and efficient that there is a history of some accumulation of surplus funds. Mr. Morshead and Mr. Wheary proposed reviewing the contract formula to find a way to prevent excess funds from accumulating in the future. Mr. Edwards will add this issue to the March and June quarterly agendas in order to effect any changes prior to the contract renewal date of July 1, 1996.

Mrs. McGinley presented the Administrator's Report. Mrs. Pometta, Director of Nursing Services, has held that position for one year now. During that time, there has been a restructuring of management responsibilities in the Health Center resulting in some excellent cost savings. The skilled nursing facility is under budget year-to-date by \$18,000. Of that sum, \$11,000 is represented by salaries and wages. A non-nursing staff person is now responsible for developing work schedules. This has reduced overtime, use of sick and vacation time, and

eliminated costly use of registry personnel. The current low census is of great concern and this condition is being addressed immediately. Gayle Reynolds, Director of Admissions and Marketing, has been directed to spend at least 50% of her time in the community. She is meeting with individuals and small groups to tell The Heritage story. The 1996 Marketing Plan will go to the Board of Managers next month for approval. Eight applicants are now being processed. One very qualified candidate presents a problem in light of the requirement that all new residents enroll in the HealthNet health maintenance program. Because this candidate is a retired federal employee, he (and a member of our staff) has been told that he must retain his Kaiser Senior Advantage health insurance. The Admissions Committee requests a waiver of the HealthNet requirement in this case. The request was granted unanimously.

Mr. Morshead, Chief Financial Officer, began his report by reiterating that continued vacancies concern everyone. This must be given top priority because maintaining a census below the optimum of 107 to 108 is costly long term. There may be increased capital requirements commencing in 1999 as our major commercial leases expire. The Budget Committee will be meeting in October and November in order to have the 1996 budget ready for Managers' approval in November. Members of the Budget Committee are: Mrs. Barber, Mrs. Cooper, Mr. Edwards, Mrs. Moller, Mr. Morshead, Mrs. Mitchum, Mrs. Richards, Dr. Sams, and Mr. Wheary. Staff representation on the Committee include Administrator, Barbara McGinley, and Controller, James Freund.

President of the Board of Managers, Mrs. Mitchum, began her report by passing around a picture of a tree limb broken from a large tree close to the Health Center. She said it was fortunate no damage or injuries resulted. As a consequence, however, the Managers have contracted with an independent arborist to assess the status of our gardens including major trees and plantings. In updating the DeBatz Grant for the arts, she reported that the residents are planning an outing, complete with transportation, to the DeYoung Museum in October -- all expenses paid from funds from the Grant. Mrs. Mitchum then reviewed an outline of proposed repairs to the Perry Building cold water pipes and related projects. All of these maintenance upgrades are mandated in the Age & Depreciation Study of 1989 and are, as Mr. Edwards pointed out, consistent with our marketing objectives. A lengthy discussion regarding specifics of the plan, and in particular, bids and estimates, then followed. It was agreed that the project is necessary. It was moved, seconded, and carried (Morshead/Wheary) that the Perry Building Project be approved in concept and that competitive bids on specific work and scope will be referred to the Executive Committee of the Board of Trustees. The question of adding one additional maintenance person to facilitate the relocation of residents will be reviewed by the Budget Committee.

Dr. Sams reported that he met earlier today with Leif Carlson, pension plan consultant, regarding proposed changes to employee pension benefits. Mr. Carlson will be submitting a written report. The formula for contributions has yet to be developed.

Mr. Edwards showed Trustees a historic resolution acknowledging the death of Trustee, George A. Newhall. The resolution is contained in the 1930 minute book and it was noted that a copy was sent to the Newhall family. Mr. Edwards proposed a similar tribute in memory of Mr. Otto. In addition, Mrs. Mitchum proposed that Mr. Edward's letter addressed to the Boards of

The Society on the occasion of Mr. Otto's death be added in its entirety to the minute book. She stated that the flag on the grounds of The Heritage was flown at half staff on the day of Mr. Otto's funeral and that an announcement had been made to the residents regarding the tribute. It was moved, seconded and carried (Wheary/Morshead) to proceed with preparing the resolution and with the addition of the letter to the minute book.

As there is now one vacancy on the Board of Trustees, Mr. Edwards encouraged members to submit names of appropriate nominees.

There being no further business, the meeting was adjourned at 4:07 p.m.

Respectfully submitted,



Andrew W. Edwards
Chairman

AWE:km

The Heritage

San Francisco Ladies' Protection and Relief Society
3400 LAGUNA STREET
SAN FRANCISCO, CALIFORNIA 94123
(415) 202-0300

MEMO

To: The Heritage Board of Trustees
Board of Managers
Advisory Council

From: Andrew W. Edwards
Chairman
Board of Trustees

Date: September 5, 1995

If The Heritage doesn't seem quite the same this week, it's because we have just lost George Otto. However, I know that he is looking down on us with a sharp and watchful eye toward the well-being of The Society.

George will be remembered as one of those exceptional individuals that made a very significant contribution to the history and growth of The Heritage. Applying his 69 years of experience (yes, 69!) in the securities industry, he should be credited with the success and profitability of our investment portfolio which he managed pro bono for 30 years. His approach to investing was based on conservative fundamentals, high quality, and common sense. In our Investment Committee meetings, I can still hear him say, "Young man, buy stocks like Exxon and hold them for the long term. You will never regret it." In our Board Meetings, George always spoke his mind. He voiced strong opinions which were clearly articulated and vigorously defended. His eloquent reports at our Annual Meetings will long be remembered as part of our lore.

George joined our Trustee Board in 1965. He was Chairman of the Board from 1974-1977. In addition to chairing the Investment Committee, he served on the Executive Committee and Nominating Committee for many years.

George's service to The Heritage was shaped by his deep caring and concern for the welfare of our residents and by the strength of his character and indomitable spirit. He could have withdrawn long ago with great distinction – an engaging man of wit and charm with a warm and gracious manner, lifelong career accomplishments, and an extraordinary record of community service. But slow down, he did not. At 91, he was still filled with the zest of life, actively involved in his career and community interests while serving as an inspiration to all of us.

As we reflect on the life of George Otto, we extend our deepest expression of gratitude, respect, and sympathy to his wife, Marie, and their wonderful family. We will greatly miss him as a dear friend, a valued counselor, and an honored Trustee.

BOARD OF TRUSTEES' MEETING
December 13, 1995

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage, 3400 Laguna Street, San Francisco, California, on December 13, 1995 at 4:00 p.m. Trustees present were Barber, Bennington, Cooper, Devlin, Edwards, Garcia-Kennedy, Mitchum, Moller, Richards, Sams, Wheary, and White. Trustees absent were Howard, Morshead, and Scollin. Staff members present were Barbara McGinley, Administrator, and Kaye Moore, Administrative Secretary.

Mr. Edwards, Chairman, called the meeting to order at 4:05 p.m., requesting consideration of the minutes of September 21, 1995, which previously had been distributed. It was moved, seconded, and carried (Mitchum/Moller) to approve the minutes as recorded.

Mrs. McGinley began the report of the Administrator by announcing that she has heard from Trustee Henry Howard that the Georges DeBatz Foundation has renewed its grant for the Arts Program to The Heritage in the amount of \$10,000. She also announced that Sue Delez, our Food Service Director, who is a contract employee of Sodexo, has been promoted within that company and will be leaving The Heritage after three years of superior service. While this is an important promotion for Mrs. Delez, she will be missed greatly. Sodexo will be sending candidates for her replacement. A recent Commission on Aging inspection of the Chinatown Kitchen was excellent. Other events of note since the last Trustee meeting include two staff members' participation in the Administrator in Training Program. Mrs. McGinley is acting as preceptor for this year long study program for Cindy Johnson, Personnel Director, and Howard Conroy, Director of Resident Accommodations. This will prepare these individuals to obtain an administrator's license for Residential Care Facilities for the Elderly, providing us with licensed backup and important continuing education for staff members. Mrs. Pometta, Director of Nursing, and Mrs. McGinley attended an informative workshop on state and federal regulations. Mrs. McGinley reviewed the current census, stating that this continues to be a matter of great concern and the occupancy problem will receive top priority in 1996. One new resident has signed her contract; she plans to move in January. The effects of the recent storm have been minor. Mrs. McGinley has been working with staff and Mrs. Mitchum in the planning stages of the proposed Perry Building Project.

Chief Financial Officer, Stuart Morshead, unable to attend this meeting because of the storm, was in touch with Mr. Edwards who reported on Mr. Morshead's behalf that operating expenses to date are consistent with the budget for the current year. All financial reports and projections are satisfactory.

Mrs. Mitchum, President of the Board of Managers, thanked Trustees for contributions to this year's Employee Appreciation Fund which was distributed at the annual employee party December 8. Because aging trees on our property have been a recent concern, the Managers have employed an arborist to assess the viability of trees and other plantings. This will aid in future landscape pruning and replacement. Leaks have been a plague recently with one over the chapel and another over the dining room. Insurance will cover both of these problems. On another matter, Mrs. Mitchum stated that the Admissions Committee has asked for a variance for a candidate who is over the 82 year age limit. The matter was referred for further study.

Mr. Devlin, Chair of the Investment Committee, reported that the market value of the Society's portfolio has crossed the \$15,000,000 mark. The asset mix remains conservative as this

committee continues to re-evaluate and adjust asset allocations. Mr. White complimented Mr. Devlin and his committee on such excellent performance.

Dr. Sams, Chair of the Pension Plan Committee, stated that this study is a complicated one. Prior to making a recommendation, the Committee will obtain further information.

Under New Business, Mr. Edwards announced that the 1996 Marketing Plan moves concurrently with the 1996 budget. The draft plan has been approved by the Board of Managers and is presented at this meeting for Trustee approval. Gayle Reynolds, Director of Marketing and Admissions, had a significant role in preparing the plan which is essentially a refinement and re-structuring of the 1995 Marketing Plan. Strategies have been changed to reflect the order of importance with a focus on the Resident Marketing Committee and community outreach. It was moved, seconded, and carried (Bennington/Moller) to approve the 1996 Marketing Plan as presented.

On behalf of Mr. Morshead, Mr. Edwards presented the 1996 budget for Trustee approval. Mr. Morshead has described the budget as realistic and well within long term financial objectives. Noting that \$687,000 in the capital budget should be treated as a supplemental appropriation for the Perry Building Project, Mr. Edwards stated that Mr. Morshead recommends approval of both the operating and capital budgets for 1996. It was moved, seconded, and carried (Bennington/Sams) to approve the 1996 Operating Budget. It was also moved, seconded, and carried (Mitchum/Bennington) to approve the 1996 Capital Budget.

Mrs. Mitchum stated that Oliver Dibble has been hired as the construction consultant and project manager for the Perry Building Project. They have obtained bids for plumbing and windows and recommended acceptance of the Reichel bid for plumbing and the O'Reilly & Faina bid for windows. Mr. Edwards stated that he is impressed with the level of detail used to evaluate sub-contractors. He requested more time to review this information with other Trustees, tabling a decision for now. Mrs. Mitchum requested a decision by December 28 to keep the project on schedule.

Mr. Edwards reminded Trustees that we need to fill the Board vacancy and requested names for consideration. He also encouraged members to contribute to the Friends of The Heritage. Special cards designed for this purpose are always available in the lobby and in the Health Center and were made available in the meeting. Immediately after adjournment, there will be a brief ceremony in the Julia Porter Sitting Room honoring the late George J. Otto. A resolution, documenting his distinguished service to The Heritage, has been prepared by a professional calligrapher to be presented to Mrs. Otto and other members of the Otto family. Furthermore, in keeping with this tradition, a copy of the resolution will be included in the Minute Book of this meeting. After reading the resolution, Mr. Edwards requested that it be formally adopted. It was so moved, seconded, and carried (Wheary/Sams).

There being no further business, the meeting was adjourned at 5:20 pm.

Respectfully submitted,

David L. White

David L. White
Secretary
DLW:km

—Whereas, on the thirty-first day of August,
nineteen hundred & ninety-five there passed from this life

GEORGE J. OTTO

- WHEREAS, Mr. Otto had then served as a member of the Board of Trustees of the San Francisco Ladies Protection & Relief Society for more than thirty years including service as chairman of such board and its investment committee; and
- WHEREAS, during all of that period he generously gave of his time, wisdom and abilities to promote the financial interests & general welfare of this institution, thus enabling its Board of Managers to maintain and extend its beneficent purposes; and
- WHEREAS, we, his fellow trustees in our association with him have been ever deeply impressed by his high character, sterling integrity, clear sense of fairness & engaging & gracious demeanor;
- NOW, THEREFORE, in recognition & appreciation of these facts and of the irreparable loss suffered by this society in the passing of Mr. Otto, be it and it is hereby
- RESOLVED, that in respectful memory of our late trustee, George J. Otto, we now express & record our deep sense of appreciation of his fine, unselfish service to this society, and we further express and record for the society and ourselves profound sorrow and regret at his passing from us; and be it further
- RESOLVED, that this resolution be spread in full upon the minutes of the December 13, 1905 meeting of the trustees of the San Francisco Ladies' Protection & Relief Society & that a copy hereof be forwarded in expression of our deep sympathy to the family of Mr. Otto.

Trustees of the
San Francisco Ladies' Protection & Relief Society



Attest: *[Signature]* — Secretary



BOARD OF TRUSTEES' MEETING
March 21, 1996

A regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Andrew Edwards, CB Commercial Real Estate Group, Embarcadero Center West, San Francisco, California on March 21, 1996 at 2:00 p.m. Trustees present were Barber, Cooper, Edwards, Mitchum, Moller, and Richards. Trustees absent: Bennington, Devlin, Garcia-Kennedy, Howard, Morshead, Sams, Scollin, Wheary, and White. Barbara McGinley, Administrator, and Kaye Moore, Administrative Secretary, were also present.

Mr. Edwards, Chairman, called the meeting to order at 2:00 p.m., requesting consideration of the minutes of December 13, 1995. It was moved, seconded and carried (Mitchum/Barber) to approve the minutes as distributed.

Mrs. McGinley gave the Administrator's Report, stating that the new Director of Food Services, Steve Tuggle, has been very well received by the Residents. He is responsive to their comments and suggestions. Helen Yuen, Program Director for Self Help for the Elderly, the public nutrition program, came to lunch at The Heritage, met Mr. Tuggle and discussed plans to add meals for an adult day health center. The contract is up for renewal in June. The Heritage is the recipient for the second year of a \$10,000 grant from the Georges DeBatz Foundation. Thanks to Trustee Henry Howard's interest in this program for the arts, residents will continue to enjoy a variety of arts related activities. Residents offer innovative suggestions through their Executive Council. Currently a quilt project is underway with participation of Health Center residents. Another new resident activity is education and training in the use of computers. Several classes have been held with excellent attendance. It is possible that graphic arts work on computers might come under the DeBatz program in the future. The first of four marketing newsletters for 1996 has been mailed. Ms. Reynolds, Director of Marketing and Admissions, is working with the Marina Times for continued exposure (through advertising and news releases) in the immediate neighborhood. The census has remained stable. Unfortunately, we are not in the position to take another private patient at this time because the patient load in the Health Center is high and some beds must be available for life care residents when the need arises. Mrs. Mitchum said that after the December Trustee meeting, she asked for an analysis of current residents which shows that over half the population is over age 85. This means increasing demand at personal care and Health Center levels of care. It is also clear that the current age limit of 82 should not be raised at this time.

In the absence of Mr. Morshead, Chief Financial Officer, Mr. Edwards gave the finance report. He has been in communication with both Mr. Morshead and Controller, James Freund who report that the financial condition of The Society continues to be sound, in line with projections and within 97% of budget on both revenue and expense. The securities portfolio as of February was approximately \$16,000,000, and the model had projected \$14,000,000. The investment portfolio is in excellent condition under the leadership of Mr. Devlin and his Investment Committee.

In her report, Mrs. Mitchum, President of the Board of Managers, reported one water leak since the last quarter. Her tenure, she noted, has been plagued by a variety of leaks. The latest was into the

ceiling of the Chapel caused by a resident who inadvertently allowed her basin to overflow. No permanent damage was done. The large Cyprus tree in the Julia Porter Garden has been removed as it had become a hazard due to old age. She formally thanked Mrs. McGinley and her husband, Michael, for their work with the resident computer program. Mr. McGinley has been tutoring residents on use of donated computers in one of the first floor rooms. Interest and enthusiasm is extremely high. Much of this is because of the friendly and caring teaching atmosphere. Since the last quarterly meeting, there has been a donation of \$3000 from a resident and a gift from Mrs. Nigh's estate. A.W. (Sandy) Barker, of Barker & Associates architectural firm, has developed plans for the entrance to the front of The Heritage in order to bring the structure in line with regulations mandated by the Americans with Disabilities Act (ADA). These plans are currently going through the city approval process.

Under New Business, Mr. Edwards called on Mrs. Richards, Chair of the Long Range Planning Committee, for her report. In November of 1995 she sent a survey to all members of this committee which asked for 10-20 year projections. Committee members were assigned four areas and asked to indicate goals and objectives for each. They were asked to re-evaluate priorities, assess the current status of our facility, resident profile, question the current long range direction and address any areas of concern. A summary of survey results shows some consensus of opinion and in many instances, many questions that still need to be addressed. In the area of **resident profile** the consensus is that there is an increased need to accommodate couples and that the current, compatible environment should be maintained. Attempts should be made to attract the younger end of the "elder" population (65-70). Questions: Do we need to think of opening a second or even multiple facilities, or consider accommodating people in need of assisted living? In the area of **services**: Current ratio of residents to employees is high, almost one to one. Do we need to offer the residents more support in the way of outing events and support them with van service? How do services compare with our competition in the marketplace? Should there be an anonymous survey of residents for the enlightenment of the Boards? On the **issue boards**: These should be integrated in terms of gender and talent. It was agreed that the boards need to stay ahead of the "curve" and anticipate trends in city living conditions by comparing both ends of the spectrum of facilities. High end facilities such as The Towers and The Carlisle are not sold out while OnLok, which has public funding, has a waiting list at all sites. In the area of **finance and development**: There was a consensus that the need to continue to "grow" the endowment is a high priority. A number of individuals felt the need to be more community friendly by providing more outreach programs. Other questions in this area concerned the future of properties when current leases expire at Cathedral Hill and Reno. Other questions and areas of concern: 1) Are we in competition for the market share? Age, socio-economic class and gender are issues. 2) Demographics of The City are changing. She showed a graph that demonstrated that the population over 65 is moving to the suburbs. Are we marketing to the correct population to maintain our viability? 3) Are we being given the early warning sign of service or quality issues that we are missing? 4) Should we consider becoming a "home for women" once again since this group is the fastest growing segment of the population? The oldest old (85+) are growing the fastest. They are the least educated and the most at risk for falling into poverty. This would meet with our mission statement. There was a lively discussion of these issues and the interpretation of the mission statement. Mrs. Richards will continue to compile this information and will have an additional report in June.

Mrs. Mitchum addressed the next item on the agenda: Perry Building/Francisco Flats. Re-roofing of the flats has begun and should be completed within the week. The Perry Building plumbing project has begun on schedule. She, Mr. Oliver Dibble, Project Manager, Mrs. McGinley, and Bonnie and Howard Conroy, supervisors of Buildings and Housekeeping respectively, met with residents to describe the scope of the project and to answer any questions and concerns residents might have regarding their moves. The construction team meets weekly. So far, all is progressing smoothly. Everything is on target.

Mr. Edwards stated that in connection with the Annual Meeting, scheduled for May 9, there will be a new slate of officers. Anyone with suggestions should contact Dr. Bennington, Chair of the Nominating Committee. He also announced that the Pension Plan Committee has been meeting regularly. Dr. Sams will have a report on their study in June.

There being no further business, the meeting was adjourned at 4:05 p.m.

Respectfully submitted,



Andrew W. Edwards
Chairman

AWE:km

BOARD OF TRUSTEES' MEETING

June 20, 1996

A regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Andrew Edwards, CB Commercial Real Estate Group, Embarcadero Center West, San Francisco, California on June 20, 1996 at 2:00 p.m. Trustees present were Barber, Bennington, Devlin, Edwards, Garcia-Kennedy, Mitchum, Moller, Morshead, Sams, Scollin, Wheary and White. Trustees absent: Howard, Richards, and Stone. Barbara McGinley, Administrator, and Kaye Moore, Administrative Secretary, were also present. Gayle Reynolds, Director of Marketing and Admissions and Leif Carlson, Carlson, Quinn and Associates, were present as guests.

Mr. Edwards, Chairman, called the meeting to order at 2:00 p.m., requesting consideration of the minutes of March 21, 1996. It was moved, seconded and carried (Mitchum/Devlin) to approve the minutes as distributed.

The first order of business was a slide presentation prepared by Director of Marketing and Admissions, Gayle Reynolds. The presentation, she stated, was prepared for marketing purposes in order to promote the advantages of choosing The Heritage as a life care community. The slides were prepared by a professional photographer. Both the monologue and selection of slides have been reviewed by the Board of Managers and by Heritage residents. Helpful suggestions came from both groups. The monologue addresses specific questions asked by prospective applicants. The slides illustrate the beauty of The Heritage as well as the comfort of the Health Center. At the close of her presentation, Ms. Reynolds invited Trustees to suggest names of any community or church groups who might be interested in hearing more about The Heritage. In answer to a question, she stated that the small advertisement running in the Marina Times has produced one applicant who, as a long time Marina resident, thought The Heritage was for women only and that there was a prohibitively long waiting list. Ms. Reynolds was thanked for this presentation and excused from the balance of the meeting.

Mrs. McGinley gave the Administrator's Report. Contract negotiations are currently under way for the continued operation of the public nutrition program administered by Self Help for The Elderly. There was a request for an increase in monthly rent for the facilities of the Chinatown Kitchen from \$200 to \$1000. The Food Committee of the Board of Managers has approved the increase which will come from funds generated by the program. A new contract is forthcoming. The boiler in the Morgan Building is suffering from old age (it's 34 years old) and will need to be replaced in the near future. Staffing is stable. Residents are generally happy in spite of some major disruptions in their lives caused by the plumbing project.

Mr. Morshead, Chief Financial Officer, gave the finance report. He suggested that the \$50,000 entry fee should be re-assessed and requested that Ms. Reynolds prepare some statistics in order to look at the competition. The overall financial picture, he said, is good and investments are sound. The mandated upgrade of the front entrance will be the next major expense. The high vacancy level continues to be challenging. He is pleased to see it addressed aggressively as Ms. Reynolds has demonstrated.

Mrs. Mitchum, President of the Board of Managers, began her report by updating the Perry Building plumbing project which, she said, continues to progress on schedule. The fourth riser has been completed. Replacement of the fire safe windows will entail extra expenses which were not figured into the original projection. The painting and re-roofing segment of the project is yet to be approved by the Trustees. The front entry upgrade referred to by Mr. Morshead is out to bid. The Finance Committee approved a 3% annual increase in the monthly fee (cost of care) for all residents. There were only three requests for reconsideration. These were reviewed and denied. Large trees on the property continue to be a problem. The arborist has been asked to prepare a schedule for removal and replanting. At the request of the Trustees, Mr. Barker has been asked to submit a proposal for an extension of the Age and Depreciation Study. She distributed copies of the proposal. In closing, she stated that the Board of Managers will take the month of July as vacation time, resuming their regular schedule in August.

Mr. Edwards stated that the Pension Plan Committee, under the Chairmanship of Dr. Sams, has been conducting a study of employee retirement benefits over the past year and a half. Leif Carlson, of Carlson, Quinn & Associates, has served as consultant to the Committee and is a guest at today's meeting to assist in describing the results of the study. He then turned the meeting over to Dr. Sams who thanked members of the Pension Plan Committee, both Boards and staff members, Mrs. McGinley and Mr. Freund. Mr. Carlson, he added, was recommended by Mr. Morshead. Federal requirements mandate that Trustees act with "due diligence" in the selection and administration of an employee retirement plan. The committee's actions and recommendations are consistent with this mandate. As a result of many meetings, much study, consultations with experts, and debate, the Committee is recommending a change from the current defined benefit retirement plan to a defined contribution retirement plan. This change will provide more money to the employee at retirement and lower and more predictable costs to The Heritage. He then called upon Leif Carlson to review details of the proposed plan. Because of the sensitive nature of this subject, Dr. Sams noted that confidentiality is of the utmost importance. After distributing handouts, Mr. Carlson explained components of the plan design outline, the formula, eligibility, and the proposed time line. Trustees then went into executive session.

It was moved, seconded, and carried (Sams/Morshead) to terminate the existing defined benefit plan and replace it with a defined contribution plan on the following basis: Type of Plan: Money Purchase Pension Plan. Effective Date: January 1, 1997. Plan Formula: For eligible participants employed by The Heritage on or before 12/31/96, the Plan will provide an annual contribution each year for such eligible participant equal to the greater of a) 4% of their total pay for the year, or b) a percentage of their total pay for the year which, when accumulated with interest to age 65, will be sufficient to provide an annuity payable for life equal to 1.7% of their current year's total pay (age weighted allocation). Notwithstanding the preceding, any eligible participant who is over age 65 will be assumed to be age 65 for purposes of calculating the above age-weighted allocation. For eligible participants employed by The Heritage after 12/31/96, the Plan will provide an annual contribution each year for each such eligible participant equal to 4% of their total pay for the year. The Plan will allow participants to select from a family of funds offered by the Vanguard Group with pooled accounting and quarterly valuations.

The vote being favorable, Dr. Sams and the Pension Plan Committee were authorized to implement the recommendation.

There being no further business, the meeting was adjourned at 4:15 p.m.

Respectfully submitted,



David L. White
Secretary

DLW:km

BOARD OF TRUSTEES' MEETING
September 19, 1996

A regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Andrew Edwards, CB Commercial Real Estate Group, Embarcadero Center West, San Francisco, California on September 19, 1996 at 2:00 p.m. Trustees present were Barber, Devlin, Edwards, Mitchum, Moller, Richards, Sams, Scollin, Stone, and White. Trustees absent: Bennington, Garcia-Kennedy, Howard, Morshead, and Wheary. Barbara McGinley, Administrator, Kaye Moore, Administrative Secretary, and Leif Carlson, Carlson, Quinn and Associates, were also present.

Mr. Edwards, Chairman, called the meeting to order at 2:05 p.m., requesting consideration of the minutes of June 20, 1996. It was moved, seconded and carried (Mitchum/Barber) to approve the minutes as distributed.

Mr. Edwards began the meeting by deferring the reports under Old Business on the agenda in order to address the Pension Committee Plan report prepared by Dr. Sams. In the June Trustees' Meeting, a favorable vote was cast for the adoption of a new employee pension plan. Since that time the Pension Plan Committee has been moving ahead with implementation procedures. Dr. Sams stated that two issues require Board action at this time and asked Consultant, Leif Carlson to review the details. First, Mr. Carlson pointed out, an Administrative Committee must be appointed by the Board of Trustees. He distributed a handout entitled "Action by Consent of the Board of Trustees Related to the Proposed New Money Purchase Plan." The Administrative Committee is responsible for day to day monitoring of the Plan. It reviews policies, procedures and investment selections. After discussion, Dr. Sams moved the adoption of the proposal as presented in this document. The motion was seconded by Mrs. Moller. The language of the proposal states: That the members serving on the Investment Committee of The Heritage shall be appointed to serve as the Administrative Committee for the new money purchase pension plan, such members being Trustees Devlin, Edwards, Garcia-Kennedy, Scollin, and Wheary. The motion carried. Mr. Carlson was instructed to make two changes in the document for purposes of clarification 1) Addition of the legal name San Francisco Ladies' Protection and Relief Society also known as The Heritage and 2) use of the word "current" to describe the plan being replaced.

Mr. Carlson then distributed a document entitled "The Heritage Certificate of Corporation and Amendment to Terminate the Retirement Plan for Employees of The Heritage." Action is not required of the Board on the issue of termination, Dr. Sams explained, because termination of the old plan is implicit in the adoption of the new plan. What does require action is the designation of the individual Trustees appointed to sign this document. He then moved (seconded by Mrs. Mitchum) that the Executive Committee of the Board of Trustees constitute the signatories of this document (Bennington, Edwards, Howard, Morshead, and Sams). The motion carried. Dr. Sams announced that a meeting to explain the new plan to Heritage employees will be held on October 18. Mr. Carlson added that the Committee has looked into the advisability of adding a 401(k) option to the new plan. Technically this would be a separate component, adding no cost and, because 401(k) plans are very popular, could be an attractive employee incentive. Incorporating

the option at this time would be less expensive than adding it at a later date. It was moved, seconded, and carried (Sams/Devlin) to add a 401(k) option to the plan.

Mrs. McGinley then gave the Administrator's report. Since the last quarterly meeting, three new residents have moved to The Heritage and all are doing well. Two residents died recently. Mrs. Foyer was a long term resident whose death has made a suite available to potential couples on the waiting list. Mrs. Moscone, also a long term resident and permanent patient in the health center, died on September 11. There will be a mass celebrating her life held at The Heritage on October 11. She reported that Gayle Reynolds, Director of Marketing and Admissions continues community outreach and has placed an ad in the Miraloma Park Times, a neighborhood newspaper similar to the Marina Times which is likely to produce applicants because of its demographics. She distributed a copy of the advertisement. She also reported that the old intercom system connecting resident rooms to the health center is experiencing intermittent failure of undetermined origin. Efforts to isolate and correct the problem so far have been unsuccessful. As this is the emergency call system, it is important to have it completely functional. It may be necessary to replace the entire system. She is currently investigating new devices and costs for review by the Board of Managers.

Mr. Edwards reported on behalf of Chief Financial Officer, Stuart Morshead, with whom he has consulted. Mr. Morshead reports that year-to-date budget performance is good. Operating expenses are on target. However, revenues are 8.5% under budget due to our vacancy problem. The bottom line is enhanced from non-operating gains on sale of securities. Mr. Devlin added that this financial condition reflects a robust and positive securities environment which cannot be counted upon for future projections. Mr. Edwards stated that Gayle Reynolds is doing a good job on the marketing front and that efforts in this area will continue to be a high priority.

Mrs. Mitchum, President of the Board of Managers, reported that in August a special art project funded by the DeBatz Grant which Trustee Henry Howard has directed to The Heritage was unveiled in the Health Center. Residents have produced a quilt with the help of artist Nadine Gay. The project is featured in the marketing newsletter. Managers attended a reception for participants and artists at the unveiling. The Perry Building plumbing project is on target with phase eight of nine completed. All resident moves will be accomplished by November with the project concluded in early December. Work on replacement of the front entry rail has begun. Reconstruction should take approximately one month. The Heritage employee handbook has been revised by the Personnel, Policies and Procedures Committee with staff assistance from Personnel Director, Cindy Johnson. It has been reviewed and approved by legal counsel, Patricia Knight, Esq. Mrs. Mitchum described problems of potential tree failure as determined by consultants from HortScience, specifically the Deodar cedar at Laguna and Francisco which overlooks the Health Center. As this tree could present serious liability to people and property, the Managers have voted to remove it within the next few weeks. She also announced that the Holiday Party this year has been set for Tuesday, December 17.

Mrs. Richards, Chair of the Long Range Planning Committee, then reviewed the findings of the Committee to date. Demographic data nationwide show that the population over 85 years of age is the fastest growing segment. The elderly comprise 13% of the population of San Francisco

while youth (age 15-44) comprise 50+ % of the population. National studies show that majority of seniors consider moving to some form of senior residential facility only after experiencing some significant life change such as the loss of a spouse, increased physical frailty and diminished mental capacity. In an AARP (American Association for Retired People) survey 84% of the respondents "would like to stay in my own home and never move." Only 6% indicated that they lived in housing designed for seniors. In presenting a summary of the Long Range Committee responses to a recent survey, she noted the following areas of concern: the current resident profile, current services, and financial development. All of these topics deserve further scrutiny. As to the future, the Committee recommends the development of a definition of the target population as well as the economics of the target population and the economics of The Heritage. The Heritage, she said, may need to periodically re-examine its mission statement to be sure it is current.

Mr. Edwards thanked Mrs. Richards and the Committee for this valuable information. He will have this report sent to Board Members and also to Gayle Reynolds. As the Marketing Plan for 1997 is currently being drafted, the Director of Marketing will find the study helpful and timely in developing an effective plan for the year ahead.

Mr. Edwards noted that one vacancy remains on the Board of Trustees and encouraged members to submit names of potential candidates. The recent survey of members regarding choice of meeting times shows a majority in favor of the current time. This issue will continue to be reviewed on a periodic basis. The Real Estate Update agenda item was deferred in light of time constraints. In brief, he said, the upper unit of the Francisco Street flats has been vacated, inspected and evaluated for renovation and re-leasing. The Lerner lease of the Reno property will expire in April, 1999. There will be a rent review of the ground lease on the Van Ness hotel property in June, 1997.

There being no further business, the meeting was adjourned at 3:45 pm.

Respectfully submitted,



David L. White
Secretary

DLW:km

BOARD OF TRUSTEES' MEETING
December 17, 1996

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage, 3400 Laguna Street, San Francisco, California, on December 17, 1996 at 4:00 p.m. Trustees present were Barber, Devlin, Edwards, Garcia-Kennedy, Mitchum, Moller, Morshead, Richards, Sams, Stone and Wheary. Trustees absent were Bennington, Howard, Scollin, and White. Staff members present were Barbara McGinley, Administrator, and Kaye Moore, Administrative Secretary.

Mr. Edwards, Chairman, called the meeting to order at 4:05 p.m., requesting consideration of the minutes of September 19, 1996, which previously had been distributed. It was moved, seconded, and carried (Mitchum/Morshead) to approve the minutes as recorded.

Mrs. McGinley began the report of the Administrator by stating that 12 processing fees have been received this year to date. Two private pay patients and three new residents signed contracts in December bringing the total of new residents for the year to seven. There have been eight deaths. Eight applications are in process with new residents expected to move in early 1997. The marketing program is beginning to show results. There have been three deaths since the last quarterly meeting: Mrs. Wadleigh at 104, Mrs. Joel, and Dr. Hatch. The installation of the new emergency call system is nearing completion. Expenses, as of the end of November, are 2% under budget. The Public Nutrition Program continues to be very effective. At the Employee Appreciation Lunch, held on December 13, employees were recognized for long term service as well as attendance. One third of all employees missed fewer than three days for sick leave. A combination of good teamwork and high motivation has created great employee stability.

Chief Financial Officer, Stuart Morshead, stated that financial reports are as good as can be expected overall, given the current low occupancy level. The Administration has done an excellent job in controlling costs. The expense budget passed last year did not offer opportunities for savings but some were found. The securities portfolio is well ahead of projections due to a robust market and excellent management by the Investment Committee.

Mrs. Mitchum, President of the Board of Managers, reported that the major projects of 1996, the repiping and window replacement in the Perry Building and the replacement of the entry railing, are nearing completion. She thanked Trustees and staff for their support and professionalism during a time of great disruption. There continue to be pressing problems with the aging infrastructure of The Heritage, most of which are addressed in the 1997 proposed budget. Mr. Barker has prepared a preliminary report, and in addition, has recommended adding computerized information regarding room layouts in both the Morgan and Perry Buildings. This information would benefit not only the Maintenance and Housekeeping Departments, but Marketing as well. In addition to addressing issues of bricks and mortar, the Managers will be developing a plan of action for the revitalization of The Friends of The Heritage. There will also be some recommended minor changes in the By-laws in the coming year. In closing, she invited all to join the annual holiday party immediately following this meeting.

Mr. Devlin, Chair of the Investment Committee, reported that while profits were taken during the past year, the position of the Investment Committee remains cautiously conservative with

constant monitoring of the portfolio and general market conditions. There was some discussion regarding recent problems with Wells Fargo Bank's reporting system. Mr. Devlin will follow up on this matter until a satisfactory report is provided.

Under New Business, the first item was the 1997 Marketing Plan. Mrs. Mitchum stated that the Board of Managers approved the 1997 Marketing Plan at its meeting in November. There are few changes from the 1996 version. The goals, strategies, and initiatives remain essentially the same. Increased emphasis has been placed on community outreach efforts, including targeted advertising. The resident Marketing Committee has taken on an important role in providing increased visibility to the larger community. It was moved, seconded, and carried (Morshead/Sams) to approve the 1997 Marketing Plan as presented.

Mr. Morshead then presented the Operating Budget for 1997 as approved by the Board of Managers. It is a realistic budget, he stated, based on a projected census of 103. He provided some historical perspective on changing populations at The Heritage, noting that addressing the issue of increasing the current census is of extreme importance. Once again, proposed expenses are appropriately controlled and conservative. He moved approval of the Operating Budget for 1997 dated December 17, 1996. The motion was seconded by Dr. Sams and carried unanimously. Mr. Morshead then presented the Capital Budget for 1997 as approved by the Board of Managers. Most of the items listed have to do with maintaining and upgrading an aging facility. Other expenses will undoubtedly occur during the course of the coming year. Problems such as the boiler repair must be dealt with as soon as possible. Stating that this proposed budget should properly be titled the Interim Tentative Capital Budget for 1997, he moved its approval. The motion was seconded by Mrs. Mitchum and carried unanimously.

Mr. Edwards reported that the upper Francisco Street flat has been renovated and leased at \$2500/month. He thanked the Managers for overseeing the renovation, which proved to be extensive, and he thanked Mr. White for taking care of the lease negotiations. He then stated that the ground lease for the Cathedral Hill Hotel property on Van Ness is up for rent review in 1997. The amount of ground rent is adjusted every 10 years, and the next adjustment is effective July 1, 1997. The adjustment is made according to a formula in the lease based on the unimproved value of the land. According to thesecond amendment to the lease, The Society must appoint an appraiser by January 1, 1997. He described the negotiating process, its history, and importance. As Co-Chair of the Real Estate Committee, he has contacted Arthur E. Gimmy, MAI, who has the necessary credentials and expertise to represent The Society's interests in these important negotiations. After consulting with Mr. White and others, he highly recommended retaining Mr. Gimmy for this assignment. It was so moved, seconded, and carried (Devlin/Moller). Formal written notice will be given to the parties.

There being no further business, the meeting was adjourned at 5:40 pm.

Respectfully submitted,



Andrew W. Edwards
Chairman
Board of Trustees

**BOARD OF TRUSTEES
SPECIAL MEETING
January 23, 1997**

A Special Meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage, 3400 Laguna Street, San Francisco, California, on January 23, 1997, at 12:00 p.m. Trustees present: Devlin, Edwards, Mitchum, Moller, Morshead, and Sams. Barbara McGinley, Administrator, and Kaye Moore, Administrative Secretary, were also present.

Mr. Edwards, Chairman, called the meeting to order, noting that a quorum was present. At issue was timely approval of a Compromise and Release Agreement resulting from a Workers' Compensation Claim by an employee, Paula Morataya. Mr. Edwards described the details of the case noting that The Society is being represented by Francie Lehmer of Hanna, Brophy, MacLean, McAleer & Jensen. A negotiated settlement in the amount of \$7,500.00 has now been reached subject to approval of the Board of Trustees and the Sacramento Workers' Compensation Appeals Board. It was moved by Mr. Morshead and seconded by Mrs. Moller to approve payment in the amount of \$7,500.00 to the claimant to settle any and all claims. The motion passed unanimously.

There being no further business, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,

Andrew W. Edwards

Andrew W. Edwards
Chairman
Board of Trustees

BOARD OF TRUSTEES' MEETING

March 20, 1997

A regular meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at the offices of Mr. Andrew Edwards, CB Commercial Real Estate Group, Embarcadero Center West, San Francisco, California on March 20, 1997 at 2:00 p.m. Trustees present were Barber, Devlin, Edwards, Mitchum, Moller, Morshead, Sams, Stone, and White. Trustees absent: Bennington, Garcia-Kennedy, Howard, Richards, Scollin, and Wheary. Barbara McGinley, Administrator, and Kaye Moore, Administrative Secretary, were also present.

Mr. Edwards, Chairman, called the meeting to order at 2:00 p.m., requesting consideration of the minutes of the Trustees' regular meeting of December 17, 1996 and the minutes of the special meeting held on January 23, 1997. It was moved, seconded and carried (Morshead/Sams) to approve both sets of minutes as distributed.

Mrs. McGinley gave the Administrator's report. Since the last quarterly meeting, there are candidates for all but one of the available rooms at The Heritage. Five new residents have moved in and six applicants are pending. By the end of April we expect to exceed the budgeted number of residents. She commended Gayle Reynolds, Director of Marketing and Admissions, for excellent work in marketing. As of the end of January, State regulations have been modified to allow hospice care in a resident's room. In the past, a resident with a terminal illness had to be relocated to the Health Center. This change is important for those who might be affected in the future. Another recent change in administration is the modification of the work schedule of the Administrative Secretary, Kaye Moore. She will now be working Monday through Thursday from 10 am until 3:30 pm. She will remain secretary to the Boards and work with marketing on the production of the quarterly newsletter. An Administrative Assistant, Mike Masatsugu, has been hired to work full time in accounting and administration. His responsibilities will be divided between these two departments.

Mr. Morshead, Chief Financial Officer, stated that First Quarter reports show The Society in good financial condition, running under budgeted expenses by \$19,000, most of which is in payroll. Revenue is currently under budget based on 103 residents. In general, projections are good, particularly in light of the increased activity in Marketing and Admissions as reported by Mrs. McGinley.

Mrs. Mitchum, President of the Board of Managers, reported that with the plumbing project completed, general maintenance of the buildings and grounds has taken priority since the beginning of the year. The hallways of the first floor Perry Building require painting and installation of new carpeting. Both projects are scheduled to begin soon. Pruning and removal of a Cypress tree in the Porter Garden has been completed. The winter months saw some outbreaks of respiratory infections among both patients and staff in the Health Center, but with emphasis on good infection control, the problem was managed successfully. Inquiries continue to come in from people over the 82 age limit. Two individuals are particularly noteworthy. One woman, age 84, goes to the Stonestown YMCA five days a week for strength training aerobics

and another, also 84, plays tennis on a regular basis. The Board of Managers would like permission to inform these individuals that they may proceed with the application process. She pointed out that some of the newer residents are younger on the age scale. Current figures show a census of four residents 84 years of age; 24 between 80 and 85; 7, age 85, and 37 are between the ages of 85 and 90. Four of the new residents were under 80 when they entered and one has just turned 70. After some discussion on the matter, there was general consensus that, pending approval by the Board of Managers, these two 84 year old women should be permitted to proceed with applications. On Wednesday, May 7, the Managers will be making a tour of the Chinatown Kitchen. Any Trustees interested in joining the group are welcome.

Mr. Devlin, Chair of the Investment Committee, reported that the endowment of The Society continues to do well in the robust market. The Committee's goal is to reduce equities to 67% and to make cash reserves available for anticipated needs such as the pension conversion and additional Perry Building maintenance projects. Employees have been given information on the new pension plan as well as brochures on the Vanguard funds available to them.

Under New Business, Mr. Edwards reported on the land valuation process currently underway regarding the Cathedral Hill Hotel property. Every ten years the ground rent is adjusted according to a formula set forth in the Lease. Arbitration commenced January 1 and will end on July 1. The Society appointed Mr. Arthur Gimmy, MAI, of Gimmy International, to act as our appraiser in these negotiations with Mr. Edwards serving on the team as a licensed real estate broker. Once the valuation of the land is agreed upon the rent will be negotiated. He will have more to report at the next meeting.

Next there was discussion of a proposed amendment to the By-laws of The Society which would add two standing committees. Since, according to the current By-laws, the President of the Board of Managers "shall have the power, subject to the approval of the Board of Managers, to appoint such other committees as she may deem advisable," it was agreed that amending the By-laws is unnecessary.

Mrs. Mitchum reported that the Perry Building plumbing project has now been completed. The Managers are re-confirming bids for roofing and other exterior work. Staff members and Managers have been meeting with Sandy Barker, the consultant who is in the process of updating the 1989 Age and Depreciation Study. This will provide a guide for spreading costly maintenance and renovations costs over time. A completed report is expected by the next quarterly meeting.

Mrs. Mitchum then distributed copies of the subsidy claim language that appeared in resident contracts prior to 1978. She explained that given the level of subsidy provided all residents, it may be time to reconsider its inclusion. It was generally agreed that the issue needs to be addressed from both a legal perspective as well as the marketing effects of such a contractual provision. Mrs. Mitchum and Mrs. McGinley will follow up with the attorney who last reviewed the contract for an opinion on the legal aspects and with Ms. Reynolds regarding marketing.

Mr. Edwards stated that the Annual Meeting of The Society is scheduled for May 8. Having served as Chairman for four years, he will not be standing for re-election. Dr. Bennington is

Chair of the Nominating Committee. He should be contacted with any nominations for Officers or Board Members. Other members of the Nominating Committee are Trustees Garcia-Kennedy, Morshead, and Scollin.

There being no further business, the meeting was adjourned at 3:15 pm.

Respectfully submitted,



David L. White
Secretary

DLW:km

BOARD OF TRUSTEES' MEETING
June 19, 1997

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage, 3400 Laguna Street, San Francisco, California, on June 19, 1997 at 2:00 p.m. Trustees present were Barber, Bennington, Charlton, Devlin, Edwards, Garcia-Kennedy, Howard, and Richards. Trustees absent were Livingston, Morshead, Scollin, Stone, and Wheary. Staff members present were Barbara McGinley, Administrator, and Kaye Moore, Administrative Secretary. Mr. A.W. (Sandy) Barker, architecture consultant, was present also.

Mrs. Richards, Chairman, called the meeting to order at 2:10 p.m., stating there would be a change in the agenda in order to address Mr. Barker's report as the first item.

Mr. Barker distributed a document entitled "Age and Depreciation Study Update 1996" which consists of a summary of project cost by building, cost by project, and cost by project type. Contained also in the document are summaries sorted by building, cost and priority and summaries sorted by priority, cost, and building. He focused on the last summary, noting that certain items have an immediate priority. Safety and environmental issues need to be addressed now. Re-roofing of the Perry Building, replacing the generator and replacement of the fire alarm system all have high priority because of regulations and safety (in the case of the generator and fire alarm system) and/or aging conditions. After he reviewed the scope of the projects, the estimated costs, and the rationale underlying the prioritization, Mr. Barker was excused from the balance of the meeting.

Mrs. Richards then requested consideration of the minutes of March 20, 1997, which previously had been distributed. It was moved, seconded, and carried (Barber/Charlton) to approve the minutes as recorded.

Mr. Edwards provided an update of the negotiations regarding the Cathedral Hill Hotel property on Van Ness Avenue. There are two parts to this process 1) establishing the current value of the property and 2) negotiation of new rent. At this time, efforts at arriving at an agreement are being blocked by the Lessee's representatives. Mr. Edwards has been in contact with the Executive Committee through conference calls. He stated that while there is little of substance to report at this time, we have excellent legal counsel assisting in this important endeavor and he is optimistic of a favorable outcome.

Mrs. Richards opened a discussion of vacancies on the Board of Trustees. Several Trustees suggested names, some of whom will be contacted. There are three vacancies at present.

Mr. Devlin, Chair of the Investment Committee, reported that the endowment is continuing to grow. Treasury bills are maturing to meet the schedule of expenses. The Investment Committee, consisting of Mrs. Garcia-Kennedy, Mr. Edwards, Mr. Scollin, and Mr. Wheary, maintain excellent communications regarding investment decisions. Re-allocation of assets is a continuing priority.

Mrs. McGinley, Administrator, reported that some of the urgency indicated in Mr. Barker's report stems from a recent inspection by the fire department when the issue of generator fuel storage was raised. In updating the census, she noted that former Trustee, Mr. David White, has now moved into The Heritage. Two more applicants are pending final admissions procedures. We are also anticipating another private pay patient in the Health Center. The 1997 contract with Self Help for The Elderly for the Public Nutrition Program will be re-negotiated in July. No major changes are expected as that program continues to function well.

In the absence of Chief Financial Officer, Stuart Morshead, Mrs. Richards stated that all financial reports are in order.

Mrs. Barber, President of the Board of Managers, stated that the monthly care fee notices have been sent to residents in accordance with the following schedule: the monthly accommodation fees were raised by \$50.00 per month for single rooms (not to exceed \$1675); single suites not to exceed \$1950. Couples' fees were raised \$75.00 (not to exceed \$2550). Only three requests have been made for relief from the increase. These are being reviewed by the Finance Committee. Mrs. Barber praised Mrs. Charlton, Admissions Chair for 1996, and Ms. Reynolds, Director of Marketing and Admissions, for selecting for residency individuals who are a good match for The Heritage community. She also thanked Mrs. McGinley for the 2000 hours of time she gave in order to act as preceptor for two employees in the Administrator in Training Program. The Perry Building hallway painting has been completed and lighting is being researched. The next major project is expected to be the generator and related work.

It was moved, seconded, and carried (Bennington/Howard) that money be allocated in an amount not to exceed \$600,000 for the three priority items outlined in the Age and Depreciation Study, namely roofing, generator and fire alarm system renovation.

There being no further business, the meeting was adjourned at 3:40 pm

Respectfully submitted,



James Bennington, MD
Secretary

BOARD OF TRUSTEES' MEETING
September 18, 1997

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage, 3400 Laguna Street, San Francisco, California, on September 18, 1997 at 2:00 p.m.

Trustees present: Barber, Charlton, Devlin, Edwards, Garcia-Kennedy, Howard, Morshead, Richards and Scollin.

Trustees absent: Bennington, Livingston, Stone, and Wheary.

Staff members present: Barbara McGinley, Administrator, and Kaye Moore, Administrative Secretary.

Mrs. Richards, Chairman, called the meeting to order at 2:10 p.m. requesting approval of the minutes of June 19, 1997. It was moved, seconded, and carried (Devlin/Howard) to so approve.

Mrs. McGinley, Administrator, provided an update of the current census noting that two private patients have recently died. A 100 year old resident whose contract pre-dated the removal of the subsidy clause died. Another private patient was admitted since the last quarterly meeting. Budget planning for 1998 will take into consideration current utilization trends. She noted that needs for personal care and skilled nursing tend to be cyclical and so it certainly would appear that there will be greater need for Health Center space in the future. Department heads are working with James Freund, Controller, on preliminary budget projections for 1998. Mike Masatsuga, has left to complete his doctorate degree in history. His position of Administrative Assistant, is being filled by Deb McBride. Staff celebrated 20 years of service of a Certified Nursing Assistant and 35 years of service of a food service employee. Mr. Mah, Head Chef, retired after 24 years of service to The Heritage and Simon Chan was hired to fill that position. On July 21 the Department of Public Health surveyed the kitchen facilities and found no deficits.

The major projects of waterproofing, painting and roofing are progressing and are nearing completion. The generator and fire alarm projects are moving more slowly due to the need for permits and specific regulations and checks on decisions on the size of the Caterpillar engine to be used on site.

Residents attended a Residents' Council meeting in Friendship Hall on September 18. A physical therapist provided information to the group on preventing falls. Mrs. McGinley addressed the problem of telephone and mail scams and how to avoid them. Residents continue to make innovative use of the funds provided through Mr. Howard and the DeBatz Grant for the Arts. On behalf of the residents, she thanked Mr. Howard for making these funds available. She is still researching costs of a van, including insurance and related expenses.

Mr. Morshead, Chief Financial Officer, reported that operating expenses are on target with only minor shortfalls. The cost of the buy out for the old pension plan was considerably less than was expected. He credited Dr. Sams, Mr. Edwards, Mr. Devlin and Mr. Carlson for their excellent work on the pension plan revision. Roofing and painting expenses are in line with previous projections.

Mr. Devlin, Chair of the Investment Committee, distributed a summary report of investments dated September 18, 1997. The committee's strategy is to maintain approximately 67% of investments in equities and to "ladder up" bond maturities. He said the Investment Committee maintains frequent telephone contact and works well together. Thanks to the Committee, the portfolio is in excellent shape.

Mrs. Barber, President of the Board of Managers, began her report by reading a letter of appreciation from Mrs. Clyde Greene whose husband died recently in the Health Center. She also read a letter of appreciation from the friend of a new private patient. Both letters described the excellent care provided and warm bonds established between Health Center patients and staff. These letters, Mrs. Barber said, reflect not only high standards of operation but an important level of personal attention provided by members of the staff. She then presented the case of a couple and one individual who have indicated an interest in applying to The Heritage. As there is a problem with age limitation, the Admissions Committee has requested an age variance before accepting applications from these individuals. After discussion of the Heritage policy, it was moved, seconded, and carried (Howard/Morshead with Mrs. Garcia-Kennedy dissenting) to approve an age variance for the sole purpose of accepting applications from these potential candidates.

It was also announced that two new members have been added to the Board of Managers: Mrs. Philip (Sondra) deRoulet and Mrs. Warren (Joan) Perry.

Mr. Edwards, Chairman of the Real Estate Committee, reported that since the last quarterly meeting, a new appraiser has been named to represent The Society in the Cathedral Hill Hotel ground rent negotiations. After reviewing the qualifications of seven candidates, Mr. David Bohegian, MAI, was appointed as the new appraiser to represent The Heritage. He has met separately with Mr. Gimmy and Mr. Hanford and also with Mrs. Richards and Mr. Morshead. Negotiations are now proceeding which should result in a rent increase retroactive to July 1. In response to a call from John Washburn, Senior Counsel for Howard Sammons Enterprises, Mr. Edwards is working with attorney Ken Neale of the Howard Rice law firm in connection with The Society's approval rights and financial requirements covering Mr. Washburn's proposed distribution of assets of the Sammons Estate and the substitution of Sammons Enterprises as new guarantor of the ground lease. Mr. Neale is representing The Society and is providing technical expertise in this complex legal and financial process.

Mrs. Richards thanked Mr. Edwards for his continued efforts on these important issues.

Mrs. Garcia-Kennedy, Member of the Nominating Committee, reported that there still are no candidates at this time to fill board vacancies. Suggestions are welcome. She also requested that Mrs. Barber enlist the assistance of the Managers in the search for potential members.

Mr. Edwards suggested that Trustees acknowledge the 48 years of dedicated service of retired Trustee, David White with a suitable commemoration. It was agreed to set a date of October 15, 1997 for a reception in Mr. White's honor.

Respectfully submitted,



Diane B. Richards
Chairman

DR:km

BOARD OF TRUSTEES' MEETING
December 17, 1997

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage, 3400 Laguna Street, San Francisco, California, on December 17, 1997 at 4:00 p.m.

Trustees present: Barber, Bennington, Devlin, Edwards, Livingston, Morshead, and Stone.

Trustees absent: Charlton, Garcia-Kennedy, Howard, Richards, Scollin, and Wheary.

Staff members present: Barbara McGinley, Administrator, and Deb McBride, Administrative Assistant.

On behalf of Mrs. Richards, a motion to appoint Mr. Edwards as Acting Chair, was moved and seconded (Morshead/Barber), and carried unanimously. Mr. Edwards called the meeting to order at 4:05 p.m., requesting consideration of the minutes of September 18, 1997. It was moved, seconded and carried (Barber/Livingston) to approve the minutes as distributed.

Mrs. McGinley, Administrator, reported that since the last meeting in September, flu shots have been administered in the Health Center to all residents and staff who signed up. Howard Conroy received the passing results of the examinations to qualify him for licensure as a skilled nursing facility administrator. Twelve new residents moved in this year to bring the census above the goal to 105. With funds received from the George DeBatz grant for education in the arts by way of Trustee Henry Howard, the Residents voted to purchase a potter's kiln. The November 13th unannounced visit by the Department of Public Health noted no deficiencies. The beginnings of the creation of the Morgan Building suite are underway. The Heritage Disaster Plan was reviewed, and Disaster Kit with search and rescue layout presented. The Heritage continues fire and disaster drills monthly.

The new logo brochures and cards were presented and samples distributed. Mrs. McGinley discussed the possibility of printing the logo and phone number of the Heritage on the side of the van, pending its approval.

The Garden Committee is working on the landscaping for the corner of Francisco and Laguna. They are discussing the possibility of installing a ramp exiting the Health Center leading into a garden. This will ultimately aid evacuation in the event of an emergency, as well as provide a sitting area for the residents to enjoy. Suggestions from the kitchen staff lead to a small portion of the garden for growing herbs.

Mr. Morshead, Chief Financial Officer, reported that budget and operating expenses are mostly in line for the year. KPMG Peat Marwick, the auditing firm we use, has recently merged and will be increasing the cost of their services by 30%. This presents the need to interview other audit firms that are more willing to provide services at a reasonable cost for smaller clients.

Mr. Devlin, Chair of the Investment Committee, stated that while the status of the investment portfolio remains in good shape, the position of the Investment Committee remains cautious with consistent monitoring of the general market conditions. With the upcoming changes in the electric utilities sector, and the instability of the Asian economy, the Committee will remain in close contact with each other to keep the situation running smoothly.

Mrs. Barber, President of the Board of Managers, presented the new name of the Gifts Committee. Formerly called the Friends of the Heritage, the Committee was re-named due to the prevalence of not-for-profit "Friends of..." groups. The nomination and review of names for vacancies on the Board of Managers continues. The House committee is beginning the process of refurbishing, and Gayle Reynolds has just completed the revision of the Resident's Manual.

She announced the possibility of installing a motion detector and light at the front door. This would heighten evening visibility at the main reception area, and increase security for the building. Discussion was then opened for the idea of a security gate for the Francisco parking lot entrance.

Mrs. Livingston, Chair of the Admissions Committee, at Mrs. Barber's request, then presented the 1998 Marketing Plan under new business. First, she represented the Mission Statement, and its primary purpose. The marketing strategies in place for last year remain effective and will continue in the same manner for the upcoming year. The goal is to fill the remaining vacancies and maintain full occupancy. Mrs. Barber and Mr. Edwards credited Gayle Reynolds for a great job in attracting twelve new residents in 1997. It was moved, seconded and carried (Morshead/Barber) to approve the Marketing Plan for 1998 as presented.

Mr. Morshead, Chief Financial Officer, presented the 1998 Operating Budget. He began his report by stating the coming year looks good. It was noted that the draft handed out labeled first draft, should read Final draft. The changes that were made to the budget are small. The operating cost is approximately 8% above budget, including a 3% rise in cost due to the addition of one full time employee to the maintenance department. The other 5% increase was due to unavoidable wage and salary increases. The operating budget shows a net income loss of \$449,800 pending the resolution of the Cathedral Hill ground rent. He moved to approve the operating budget as submitted. The motion was seconded by Mrs. Barber, and carried unanimously.

Next, he presented the 1998 Capital Budget in its final draft. The boiler and generator replacements as well as the fire alarm upgrade are underway, and are included in the report. Also included is the nine passenger van to provide transportation to and from medical appointments, and some activities for the residents. There was discussion of the proposed security gate for the driveway. However, as no accurate bids were available, further discussion is to be postponed. It was moved, seconded and carried (Morshead/Devlin) to approve the Capital Budget as submitted.

Mr. Edwards, Chairman of the Real Estate Committee, reported that the negotiations for the Cathedral Hill ground rent continue to move along slowly. He has been working with our lawyer, John Vlahos of the Hanson Bridgett law firm, to develop a protocols document to aid the negotiation. To date, no formal agreement has been reached by the two appraisers. It is hoped that this will occur by February of 1998. Mr. Edwards then updated the status of the Americans with Disabilities Act lawsuit at the Cathedral Hill Hotel. As the land owner, The Heritage has been brought into the suit, and we are being represented by our lawyer, Kenneth Neale of the Howard Rice law firm.

Dr. Bennington, Secretary of the Board of Trustees, announced Mrs. Garcia-Kennedy has submitted her resignation due to her personal and professional workloads. He then submitted the name of Mr. James Sherman as a new member of the Board of Trustees. Mr. Sherman is available and has indicated a willingness to serve. It was moved, seconded and carried (Bennington/Barber) to elect Mr. Sherman as Trustee. Another potential candidate, Mr. Douglas Day, will also be invited at a later date. Mr. Edwards also discussed the possibility of appointing Donald Kieselhorst, who has expressed preliminary interest. A follow up meeting on this Board vacancy issue will be scheduled for January 1998.

There being no further business, it was moved, seconded and carried (Bennington/Morshead) to adjourn the meeting at 5:45 p.m. Trustees were encouraged to attend the annual Heritage holiday party.

Respectfully submitted,



James Bennington, M.D.
Secretary

JB:dm

BOARD OF TRUSTEES' MEETING

March 19, 1998

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage, 3400 Laguna Street, San Francisco, California, on March 19, 1998 at 2:00 p.m.

Trustees present: Barber, Bennington, Devlin, Edwards, Howard, Livingston, Morshead, Richards, and Sherman. Trustees absent: Charlton, Scollin, Stone, and Wheary.

Staff members present: Barbara McGinley, Administrator, and Kaye Moore, Administrative Secretary.

Mrs. Richards, Chairman, called the meeting to order at 2:10 p.m., requesting consideration of the minutes of December 17, 1997. It was moved, seconded and carried (Morshead/Bennington) to approve the minutes as distributed.

Mrs. McGinley, Administrator, reported that important events since the last meeting in December include a recently conducted survey by the Department of Social Services that was completely deficiency free. This is noteworthy because facilities can be cited for extremely minor infractions. She credits Department Heads and their staff for maintaining such excellence. These surveyors always come unannounced and inspect the physical plant as well as records such as personnel. Josie Pometta will be stepping down in April after 3 ½ years as Director of Nursing. A search is currently being conducted for her replacement. However, Mrs. Pometta will continue on a part time basis as Director of Staff Development, an important position in the Health Center. Gayle Reynolds, Director of Marketing and Admissions, has begun the year long Administrator in Training Program. The redwood deck outside the Health Center is nearly completed. This will provide a sunny place for Health Center residents to enjoy the out of doors. The Managers Grounds Committee will complete landscaping. The new nine passenger van will be arriving at the end of March. It will have the new logo on the side and serve as a marketing vehicle as well as transport.

Mrs. McGinley then detailed on-going problems with Barker and Associates, the architectural firm contractor for specific important major projects. The performance of Mr. Barker has been gravely disappointing and efforts to correct the problems have been fruitless. She and Mrs. Richards and Mrs. Barber have all made concerted attempts to rectify the situation. Safety issues are at stake here as both the fire alarm system and the generator are involved. Permits are required from OSHPD, a state regulatory body and it has been impossible to determine the status of this process through Mr. Barker's firm. She asked for guidance and advice from the Board.

After some discussion on the gravity of the situation, it was moved, seconded and carried (Sherman/Bennington) to instruct Mrs. Richards to write a letter to Mr. Barker stating that the Board of Trustees is impatient about the relationship with Barker and Associates and demanding that he send a summary report of projects in process to include supplemental and

related documentation and any and all working drawings and status of permit processes, signed and dated within 10 working days.

Mrs. McGinley concluded her report by announcing that the DeBatz Grant for graphic arts, under the trusteeship of Mr. Henry Howard, has been renewed in the sum of \$10,000 for another year. On behalf the residents she thanked Mr. Howard for this gift. Funds from this grant have greatly enriched The Heritage through sponsorship of numerous art projects.

Mr. Morshead, Chief Financial Officer, reported that budget and operating expenses are in line with projections. The variance is moderately favorable. The new rent for the Cathedral Hill Hotel property will help significantly. Change in the Reno property rent (which will be addressed by Mr. Edwards later in the meeting) has not been factored in as yet.

Mr. Devlin, Chair of the Investment Committee, stated that the portfolio is in good shape. Adjustments have been made to keep a conservative balance of assets, bonds, equities and cash or cash equivalent. Cash reserves are adequate to meet any pending major projects.

Mr. Edwards, Chairman of the Real Estate Committee, reported that negotiations pertaining to the Cathedral Hill Hotel ground rent were successfully concluded at the end of January. Mr. David Bohegian, MAI and licensed real estate broker, represented The Society. Mr. Bohegian and Mr. Lloyd Hanford, representing the ground lessee, reached an agreement as to the new ground rent which is almost 100% greater than the previous rent, roughly doubling The Society's rental income from this property through June 2003.

With respect to the proposed distribution of assets of the Sammons Estate, which is the guarantor of the ground lease, The Society engaged KPMG Peat Marwick to perform a credit analysis of the Estate and Sammons Enterprises, Inc., the proposed new guarantor. The credit analysis and related consent documentation drafted for The Society by the Howard Rice law firm are currently under review.

Mr. Edwards then summarized the history of the commercial retail property owned by The Society in Reno, Nevada. In 1948, it was leased for 50+ years at a flat triple net rental, which was customary practice at that time. As this lease expires April 30, 1999, the Real Estate Committee will be reviewing the status of the property and investigating the Reno market in order to make a recommendation to the Board later this year.

Mrs. Barber, President of the Board of Managers, reported that The Friends of The Heritage has changed its name to the "Gifts Committee" to avoid confusion with the many other "friends of" groups in the Bay Area. They will be preparing a report this spring. Mrs. Paul Stanners has been elected to the Board of Managers. She brings a background in personnel management to the Board. The Admissions Committee continues to review candidates and two applications currently in progress. The Personnel, Policy and Procedures Committee is considering the issue of granting leaves of absence to current board members. Resident response to the new hallway lighting fixtures has been very positive. Muratore Corporation will get the permits and complete the suite conversion in the Morgan Building. Replacing the

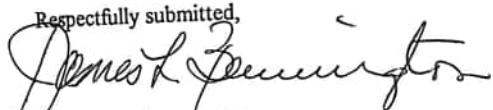
generator will temporarily tie up the parking lot.

Dr. Bennington, Secretary of the Board of Trustees, reported that he and Mrs. Richards have had lunch at The Heritage with potential nominee to the Board, Mr. Keiselhorst. He expressed a strong interest but is unable to commit at this time. Names of other candidates were discussed and he and Mrs. Richards will arrange introductory lunches with these individuals. Mr. Morshead announced that after 46 years of volunteer work, he has decided to retire at the end of May. He will take time to transfer responsibility of his functions as Chief Financial Officer. Mrs. Richards accepted his resignation with great regret. She noted that Dr. Bruce Sams, former Trustee, is now a member of the City Council of Belvedere.

Mrs. Richards, Chairman, then reported that a goal for the coming year is to examine the structure of the boards and staff of The Society. To that end, she will contract with an independent consultant to address this issue with the express assignment of evaluating the effectiveness of current roles and functions. The consultant may contact board and staff members in order to gain information. Dr. Bennington recommended the mission be examined as well. Mrs. Richards will bring a recommendation to the June meeting.

There being no further business, the meeting was adjourned at 3:40 p.m.

Respectfully submitted,



James Bennington, M.D.

Secretary

JB:km

BOARD OF TRUSTEES' MEETING
June 18, 1998

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage, 3400 Laguna Street, San Francisco, California, on June 18, 1998 at 2:00 p.m.

Trustees present: Mrs. Anthony V. Barber, Dr. James Bennington, Mr. Robert Devlin, Mr. Andrew Edwards, Mr. Henry Howard, Mrs. Diane B. Richards, Mr. Bruce Scollin, Mr. James Sherman, Mrs. Michael Stone.

Trustees absent: Mrs. Clyde Charlton, Mrs. Barry Livingston, Mr. James Wheary.

Staff members present: Mrs. Barbara Cox McGinley, Administrator, and Deb McBride, Accounting / HR Assistant.

Mrs. Diane B. Richards called the meeting to order at 2:10 p.m., requesting consideration of the minutes of March 19, 1998. After reviewing the minutes, and discovering errors, it was decided unanimously that the corrections would be made before final approval.

Mrs. McGinley, Administrator, reported that since the last meeting in March, there were two new residents in June; Miss Betty Gall, and former employee Ms. Kaye Moore. The census is at 107, which is right on budget for this quarter. There will be possible consideration of adding a fifth private patient this fall. There were three deaths, all Health Center residents; Mrs. Velado, Mrs. Hyler, and Miss Bolitho. Mrs. McGinley explained an investigation of Miss Bolitho's last wishes for possible will-fraud. This situation will be updated as more information is discovered.

The front desk Receptionist positions have been redefined, and two new full-time employees hired. Beginning May 26th, Patti Gallagher, and Loren Kraut have been running the front desk under the supervision of Gayle Reynolds, Director of Marketing and Admissions. The professionalism of the front office has been greatly improved by the new additions to The Heritage staff. In addition, The Health Center welcomed the new Director of Nursing, Mary Ellen Waldhaus, on June 1st. She has taken over Josie Pometta's position, and she joins The Heritage with a twenty year background in long-term care nursing. In March, John Killeen was honored for 25 years of service, and Dr. John Henderson was honored in May for 30 years of devoted service to the members of The Heritage community. A meeting for Heritage residents was held on how to be prepared against becoming a victim of scam artists who try through both mail and phone to solicit monies from residents. A Consumer Affairs representative provided good prevention information. The success of the new transport van was noted. It is used nearly every day for medical appointments, activities, and sight-seeing rides for Health Center residents unable to get out otherwise. The Public Nutrition Program meals will remain at a cost of \$2.80 for the third year in a row.

On-going problems with Barker and Associates remain unchanged at this time. Communications are in the works for requiring more detailed billing and an explanation of why current projects are

so slow to progress. The fire alarm replacement project remains on hold and further discussion will be brought to the table at the next Board meeting in September.

Mrs. Barber, President of the Board of Managers, stated that on June 1st the letter of notification for the Monthly Care Fee increase was distributed to all residents. Increases this year are as follows: fees in the amount of \$1400 or less were increased a flat rate of \$50 per single unit, and \$75 per couple unit. Fees in the amount of \$1400 or more increased by 3.5%, not to exceed the amount of \$1700, with no disputes reported.

The suite conversion began on June 14th and we were given an estimate of six weeks to completion of the project. Two potential residents are looking at the suite with a possible move in date of July. This appears optimistic by all standards.

Mr. Devlin, Chair of the Investment Committee, reported on the current status of the investment portfolio regarding the Endowment. The most recent transactions included selling back some shares from General Electric and DuPont, to stay at 67%. The portfolio currently holds twenty equity positions. See attached report.

Mr. Edwards, Chairman of the Real Estate Committee: spoke about the Cathedral Hill Hotel. Responding to an invitation from Michael Bashaw of West Coast Hotels, the hotel operator, Mrs. Richards, Mrs. Barber and Mr. Edwards toured the hotel on June 8 and were impressed with the physical upgrades that have been completed by Mr Bashaw's staff and the Ground Lessee, Ki Yong Choi of Cathedral Hill Associates, Inc. In addition to the tour, there was a meeting with Mr. Bashaw and members of his staff as well as Mr. Choi. They expressed interest in renegotiating the Ground Lease to facilitate their Wall Street refinancing. They were told there would be no action taken at this time due to our pending long range planning study. There was also an easement issue that was discussed that is to be reviewed by the Hoard Rice law firm. Overall, Mr. Edwards felt that the tour and meeting helped to maintain a good working relationship between landlord and tenant. Following the Cathedral Hill Hotel report, there was some general discussion of real estate investments versus the stock market, and it was agreed that the topic should be further addressed from a long term asset allocation perspective.

Dr. Bennington, Secretary of the Board of Trustees: recognized the Nominee Committee for their efforts in recruitment for the four open positions on the Board of Trustees. Mrs. Richards presented her knowledge of Marketing Professional, Ms. Laura Pilz, and Real Estate Broker, Mr. Michael Tobin. Dr. Bennington presented his knowledge of CPA, Mr. George Morris, and Architect, Mr. Douglas Day. Due to the nature of their professions and their obvious interest in the positions, Mrs. Richards moved to welcome Ms. Pilz and Mr. Morris to the Board of Trustees; seconded by Mrs. Barber and carried unanimously. It was decided that only two positions would be filled at this time and that a careful assessment of the specific needs of the Trustee Board would be completed prior to filling the other two vacancies.

There was a closed session of the Trustees to discuss the salary scale review by Arthur Anderson and Company. As a result of the discussion, specific department heads had their salaries adjusted to current industry standards.

There being no further business, the meeting was adjourned at 4:00 pm.

Respectfully submitted,



Diane B. Richards
Chairman, Board of Trustees

DR:dm:gr

BOARD OF TRUSTEES' MEETING
September 24, 1998

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at The Heritage, 3400 Laguna Street, San Francisco, California, on September 24, 1998 at 3:00pm.

Trustees present: Mrs. Anthony Barber, Mrs. Clyde Charlton, Mr. Robert Devlin, Mr. Andrew Edwards, Mrs. Barry Livingston, Mr. George Morris, Mrs. Peter Richards, Mr. Bruce Scollin, Mrs. Michael Stone.

Trustees absent: Dr. James Bennington, Mr. Henry Howard, Miss Laura Pilz, Mr. James Sherman, Mr. James Wheary.

Staff members present: Mrs. Barbara Cox McGinley, Administrator, Mr. James Freund, Controller, and Loren Kraut, Administrative Assistant.

Mrs. Richards, Chairman, called the meeting to order at 3:15pm, requesting consideration of the minutes of March 19 and June 18, 1998. It was moved, seconded and carried (Barber/Stone) to approve the minutes as distributed.

Mr. James Freund, Controller reported major capital expenses are the Morgan suite conversion and purchase of a transportation van. Operating revenue is below budget, while the non-operating revenue is over budget by 113%.

Mr. Freund then explained the budget process. The controller prepares the first draft of the 1999 budget for presentation to the budget committee. Revisions are noted and incorporated into the revised draft, which is then presented at the second budget meeting. If there are no further revisions, the finance committee votes to present the budget to the full Board of Managers in November. After approval by the Board of Managers, the budget is then presented at the Trustees' December meeting for final ratification.

Mr. Bob Devlin, Chair of the Investment Committee stated that The Heritage has not suffered much in the marketplace. The recovery from equities was 9.8%. The utilities stocks have helped out at times like these. The Heritage has an average holding period of 30 years, a very conservative portfolio, which is why our recovery was better. Mr. Devlin also noted that the pension plan for employees is now more self-directed. He volunteered to discuss the management of pension funds further with anyone at The Heritage desiring assistance.

Mrs. Barbara Cox McGinley, Administrator, reported that the census is currently 104, with 87 independent residents, 12 permanent Health Center residents, and 5 Private Patients. There have been four deaths since the last Trustee meeting. There is now a waiting list, the first time in

nearly eight years. The Bolitho claim has been settled. The Public Nutrition Program has shown an increase from 600 to 900 meals per day. They can serve up to 1000, before new equipment is necessary. The Heritage continues a good relationship with Self-Help for the Elderly, and Mrs. McGinley invited the Trustees to see the facilities at the Chinatown kitchen.

The deBatz photographic portrait class has an exhibit which begins Friday, in the gallery on the second floor. The Department of Public Health inspection on August 18, including inspection of employee restrooms, reported "General sanitation excellent".

Mrs. Anthony Barber, President of the Board of Managers stated that the Morgan suite has been completed, and the Matthews will move in shortly. The renovation and landscaping on the corner of Francisco and Laguna Streets continues, under the direction of the Garden Committee. Miss Rose Fox Noll gave a gift to this garden.

The 1998 goal of the Gifts Committee is to renew the culture of giving, specifically to those who know The Heritage best: the three boards and friends in the community. The letter will be going out October 1st, with hopes that everyone will participate to some degree.

Mr. Andrew Edwards, Chairman of the Real Estate Committee provided an account of his trip to Reno on September 18 to inspect the investment property held by The Heritage since 1948. The property, a 14,000 +/- square foot Lerner retail store, is located at 165 N. Virginia Street in the downtown gaming district. The 50+ year lease expires on April 30, 1999, and there are no renewal options. The physical condition of the building is fair to average, showing its age and dated in appearance. In addition to meeting the store manager, in order to assess the commercial real estate market, Mr. Edwards also met with planners in the Reno Community Development Department and Redevelopment Agency, as well as a real estate broker with the Nevada Commercial Group. The submarket where the Lerner property is located is stable though stagnant, with some large casinos, several of which have closed recently. There is much more activity occurring at the Riverside Redevelopment project along the Truckee River to the south and at the Circus Circus, El Dorado and Silver Legacy casino/hotel complex to the north. Mr. Edwards plans to speak with Lerner regarding future plans. Several options exist for The Heritage, including extending the lease with Lerner, leasing to another tenant, or selling the property to an owner-user or developer.

Mr. Edwards then reported on the Cathedral Hill Hotel situation. Nothing has materialized with respect to the easement issue. The attorney for The Heritage, Mr. Ken Neale of the Howard Rice firm, said that the hotel tenant has not paid its legal bill so everything is status quo for now.

Mrs. Diane Richards, Chairman explained the need to find independent and unbiased consultants for a review of the board structure and operational efficiency of The Heritage. The firm with no ties to The Heritage was Arthur Andersen. The interview process with both managers and trustees is expected to be 6-8 months, taking about 120 hours, and costing

\$24,000. After some discussion on the cost, and use of board members' expertise before proceeding with the Andersen firm, it was decided to investigate the Standard Alumni Consulting Team, which offers a service free to non-profits. Mrs. Richards will investigate the Standard group and interview another firm prior to asking for a vote on the subject. Proposals will be distributed to the Trustee Board in advance of the December 16th meeting.

There being no further business, the meeting was adjourned at 4:45pm.

Respectfully submitted,



Diane B. Richards
Chairman, Board of Trustees

BOARD OF TRUSTEES' MEETING
December 16, 1998

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at 4:00 pm on Wednesday, December 16, 1998 at 3400 Laguna Street, San Francisco, CA.

Trustees present: Mrs. Anthony V. Barber, Dr. James Bennington, Mr. Robert Devlin, Mr. Andrew Edwards, Mrs. Barry Livingston, Mr. George Morris, Miss Laura Pilz, Mrs. Diane B. Richards, Mr. James Sherman, Mr. James Wheary.

Trustees absent: Mrs. Clyde Charlton, Mr. Henry Howard, Mr. Bruce Scollin, Mrs. Michael Stone.

Staff members present: Mrs. Barbara Cox McGinley, Administrator, and Ms. Gayle Reynolds, Director of Marketing and Admissions.

Mrs. Diane B. Richards, Chairman, called the meeting to order at 4:00 pm, requesting consideration of the minutes of September 24, 1998. Minutes were corrected to reflect Arthur Andersen is spelled with an "e." It was moved, seconded and carried (Bennington/Edwards) to approve the minutes as corrected.

Mrs. Richards thanked the many Trustees who attended the event in honor of retired Trustee, Mr. Stuart Morshead. The Trustees expressed appreciation to Mrs. Richards for organizing the event.

Mrs. McGinley, Administrator, reported that The Heritage currently has a full house. One resident, Mrs. Ruth Probst, and one private patient, Mr. Evan Roy Higgins, passed away. One new resident joined the community. For the fourth year, no registry (outside nursing care) nurses were required and the item has been removed from the budget. A bequest in the amount of \$38,000 was received on December 16, 1998. Mrs. McGinley reported that the generator project has been completed and the fire alarm replacement project, under the guidance of Bill Mazzetti, architect, is in process with an anticipated completion date of September 1999.

Mrs. McGinley reported on Assembly Bill 1255 which will become law on January 1, 1999. The bill will require The Heritage as a Continuing Care Retirement Community to accept a non-voting resident representative to the Board of Trustees should the resident community elect to do so. Criteria for election will be established prior to a resident representative attending Trustee meetings.

A motion was made, seconded (Bennington/Morris) and carried to appoint Mrs. McGinley as the Board representative to the semi-annual all-resident meetings. Mrs. McGinley will notify the Trustees of the meetings so that those members who wish to may attend.

Mrs. Barber, President of the Board of Managers, noted that the scaffolding on the front of the Morgan building is required by the brick re-pointing project. She also reported that the Health Center garden project is progressing. The Gifts Committee solicitation has resulted in

1998 donations double in amount over 1997 for a total of just over \$12,000. The residents have expressed through letters and personal comments their appreciation for the DeBatz Fund grants which have sponsored art shows in the second-floor crossover gallery and art classes for all residents. Appreciation has also been expressed by numerous residents for the van which went into service in early 1998.

Mrs. Livingston presented the draft 1999 Marketing Plan which is basically the same plan implemented with success in 1998 and approved at the November 1998 Board of Managers meeting.

A motion was made, seconded (Barber/Devlin) and carried to approve the 1999 Marketing Plan.

Mr. Wheary, Treasurer, reported that the 1999 budget, copies of which were distributed, has been carefully reviewed and considered by the Budget Committee, the Finance Committee and the Board of Managers. Mr. Wheary reviewed some of the key assumptions in the budget including flat total revenues and a 3 ½% increase in monthly care fees at mid-year. In addition, the budget includes an increase in operating expenses of 6.3% over projected actuals for 1998 due largely to salary increases, costs of operating the van and security costs. Other expenses have been well controlled with food expenses up only 2.3%. A net loss of \$190,000 is budgeted for 1999. Mr. Wheary also noted the capital budget of \$551,000 for the fire alarm system, a new loading dock and several other smaller items.

Following brief discussion, a motion was made, seconded (Edwards/Morris) and carried unanimously to approve the 1999 budget as presented.

The Trustees expressed appreciation to Mr. Wheary for his hard work preparing the budget.

Mr. Devlin, Chair of the Investment Committee, distributed copies of an investment summary as of November 30, 1998. Mr. Devlin reviewed asset allocation ratios, investment strategies and noted that dividend income is up. Mr. Devlin paid tribute to the late Mr. George Otto for laying the foundations which placed the portfolio in a position to withstand a recent market downturn and sell off. Weather patterns, global recession and the impact of energy stocks have influenced recent market activity.

Mr. Devlin was acknowledged by Mr. Andrew Edwards and all present for his astute investment management.

Mr. Edwards, Chairman of the Real Estate Committee, reported on the status of the Francisco Street flats, contiguous to the main Heritage property. The flats were remodeled several years ago. Currently, the upper flat is leased to two tenants at market rates, but the lower flat is leased at below-market rates. One of the original tenants in the lower flat has moved out, and the other original tenant wants to bring in a new flat-mate. Since the building is subject to a rent control ordinance, care is being taken to document new flat-mates as sub tenants so when the remaining original tenant moves out, the rent can be raised to market rates.

Mr. Edwards reported that the 50+ year, flat rate triple net lease of the Reno property to Lerner expires at the end of April, 1999. There are various sale and lease scenarios for the property, which needs extensive renovation. Proposals will be obtained from several real estate brokers in Reno and reviewed prior to a general discussions and recommended course of action scheduled for the next Trustee's meeting in March.

Mrs. Richards, Chairman, reported on the governance review proposals. Stanford Alumni Consulting Team was interviewed at length twice and declined to submit a proposal. Lee Follett Consulting and Arthur Andersen Human Resource Division have both submitted proposals that have been reviewed by the Boards. There will be a luncheon scheduled in the month of January 1999 for each firm where Board members may ask pertinent questions and meet the principals involved. After the interview sessions a telephone vote will be taken to determine our choice and begin the contract negotiation for the governance review.

Following a discussion regarding the scope and duration of the project, a motion was made, seconded (Bennington/Edwards) and carried to proceed with the governance review project after approval of either the Follett or Andersen firm.

There being no further business, the meeting was adjourned at 5:35 pm.

Respectfully submitted,



Diane B. Richards
Chairman, Board of Trustees

DR:gr



BOARD OF TRUSTEES' MEETING
March 18, 1999

A meeting of the Board of Trustees of the San Francisco Ladies' Protection and Relief Society was held at 3:00 p.m. on Thursday, March 18, 1999, at 3400 Laguna Street, San Francisco, CA.

Trustees present: Mrs. Anthony V. Barber, Mrs. Clyde Charlton, Mr. Robert Devlin, Mr. Andrew Edwards, Mr. George Morris, Miss Laura Pilz, Mrs. Diane B. Richards, Mr. Bruce Scollin, Mr. James Sherman, Mrs. Michael Stone, Mr. James Wheary.

Trustees absent: Dr. James Bennington, Mr. Henry Howard, Mrs. Barry Livingston.

Staff members present: Mrs. Barbara Cox McGinley, Administrator, and Ms. Gayle Reynolds, Director of Marketing and Admissions.

Mrs. Diane B. Richards, Chairman, called the meeting to order at 3:00 pm, requesting consideration of the minutes of December 16, 1998. It was moved, seconded and carried (Devlin/Sherman) to approve the minutes as mailed.

Mrs. Richards reported that Mr. White, former Trustee and current Resident, has been in and out of the hospital and is in poor health.

Mrs. McGinley, Administrator, reported that four residents died during the first quarter of 1999. The independent population is the same as it was a year ago, however, the population of the Health Center is lower. The empty Health Center beds are used during emergencies, particularly during the recent flu season. The projects in the 1999 capital budget are being implemented. The kitchen lighting upgrade has been completed at a cost of one half of what was budgeted; the Trustee meeting room on the Morgan fourth floor is being remodeled; James Freund is coordinating the upgrade of the computer network wiring and the project is under budget; OSHPD requirements are causing delays in the Health Center heat boiler replacement project; Morgan building brick repointing is completed; re-glazing the windows is in progress. The new fire alarm system will include horns and light strobes in each room and all public areas and will meet ADA requirements. Mrs. McGinley reported that the residents do not wish to send a non-voting member to the Board of Trustees at this time, per AB1255.

Mrs. McGinley requested authorization to sign a contract with California Fire Security Inc. for \$240,500 to be paid in four installments of \$60,125 each. The engineering costs of the project will not be known until a meeting with OSHPD at the end of March.

A motion was made, seconded and carried (Stone/Sherman) to authorize Mrs. McGinley to sign the contract with California Fire Security.

Mrs. Barber, President of the Board of Managers, reported that the Health Center garden at the corner of Laguna and Francisco is in progress and the fountain is now operating. All trees have been trimmed and a redwood fence is to be installed in the Julia Porter Garden beginning in March. A vine covered lattice fence has been installed around the new generator and fuel tanks.

The House Committee is following up on Mr. Scollin's suggestion to get furniture, art, etc. appraised.

Mr. Wheary, Treasurer, presented the February financial statements showing that net income is ahead \$36,000 due to unamortized entry fees. Everything else in the budget is in line. The capital budget included \$150,000 for the new generator, the actual cost is \$280,000. There were no material adjustments and no errors or omissions reported by the new auditors and they have said that the Society is well managed. The draft financial statements are currently being reviewed and the final reports will be available in early April. The auditors will attend the annual meeting in May.

Mr. Devlin, Chair of the Investment Committee, distributed copies of an investment summary as of February 28, 1999. Mr. Devlin reported that the assets in the portfolio are allocated as follows: 70% equities, 14% cash and 15.5% bonds. Mr. Devlin recommended taking profits in long term bonds as rates are going up and bond prices are going down. Mr. Devlin proposed that the Trustees consider diversifying and reorienting the portfolio toward a conservative commitment to growth stocks. Mr. Devlin presented results of a five year survey comparing various industries and companies to the performance of the Dow and S&P 500. In response to a question from Mr. Edwards regarding any fiduciary obligation to confine investments to issues paying dividends, various performance measurement tools were discussed. It was agreed that the Trustees need more information prior to making any decisions with regard to portfolio diversification.

Mr. Edwards, Chairman of the Real Estate Committee, reported that the Reno property is the top priority at the moment. In 1948 the property was leased to Lerner Stores under an archaic lease structure with a flat rate. The lease expires April 30, 1999 with no renewal options. The property, currently being used for retail, is a two story, 14,000 square foot, unreinforced masonry building with a party wall on the north. The property is in the downtown gaming district, an area frequented by tourists rather than local residents. Lerner has kept the store open because of the low lease costs, but now plans to close the store.

Mr. Edwards recommended taking action soon because the market is good and interest rates are low. Several Reno brokers declined to handle the sale, however, one listing proposal has been received from Nevada Commercial Group, an affiliate of Grubb and Ellis. The agent, Mr. Rick LeMay, has a retail real estate background and his professional credentials indicate that he is a knowledgeable person. Nevada Commercial Group has proposed a six month exclusive listing with a 6% fee payable at close of escrow. Mr. Edwards believes their valuation of the building is low and more work needs to be done to determine a list price before a listing agreement is signed. If an agreement cannot be reached with the broker regarding a list price, a formal appraisal will be ordered. Mr. Edwards recommended that the property be offered for sale or lease although the preference would be to sell it. Mr. Edwards will communicate with the Reno broker and give feedback to the Executive Committee.

An agreement has been finalized and executed with the tenants in the Francisco Street flats designating the new flat mate as a sub-tenant. With this arrangement, when the original tenant moves out, the rents will go to market rates in compliance with the San Francisco Rent Stabilization Ordinance.

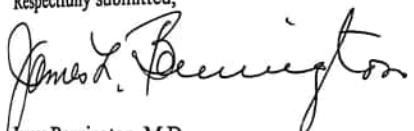
Mrs. Richards, Chairman, reported that Lee Follett has been selected to lead the Governance Review project. After meeting with the two candidates in January, the consensus opinion was that Mr. Follett understood the project better and would use a more personable approach. Also, his associate, Laura McCrea, is highly qualified and will be actively involved. Mr. Wheary will assist with the formulation of a contract with Mr. Follett and Ms. McCrea. The project will begin almost immediately and conclude in the Fall. Mrs. Richards will chair a Task Force which will include the Administrator, Barbara McGinley, and members from the Managers and Trustees. The Task Force will meet monthly to keep the project on track.

A motion as made, seconded (Devlin/Sherman) and carried to authorize Mr. Wheary, CFO, to track finances and makes decisions regarding expenses for the Governance Review project. Mr. Follett will be accountable to the CFO who will report to the Board of Trustees.

Mrs. Richards reminded everyone of the annual meeting on May 6 from 3:30 -5:00.

There being no further business, a motion was made, seconded and carried (Pilz/Sherman) to adjourn the meeting at 4:30 p.m.

Respectfully submitted,



James Bennington, M.D.
Secretary

Dkg

PRESIDENT'S REPORT

CECIL O. WEST

1979

During the past year there were three resignations from the Board of Trustees, namely Mr. Harry Baker, Mrs. Lawrence Metcalf and Mr. William Pflueger. These vacancies have been filled by Mr. Stuart Morshead, Mr. Douglas Moore and Mr. Fred Clifton.

During the year the Board of Trustees, together with members of the Board of Directors, had much discussion regarding the advisability of selling our flats located at 1536-38 Francisco Street, or as an alternative, remodelling them for use as a part of The Heritage operation.

It was finally concluded that we should leave the flats as they are and consider remodelling the existing Heritage buildings to provide necessary additional facilities. An architect has been employed to prepare a feasibility study in this regard.

During the year we received an offer to buy our property in Reno, Nevada, which is under long term lease to Lerner Shops. After considerable study it was decided that this asset should be retained in view of the fact that there is considerable potential for appreciation in value at the end or earlier termination of the lease with Lerner Shops.

In my report to you last year I emphasized the need to increase our income from Accommodation and Monthly Care fees in order to keep up with inflation. Mr. Eric Stanford is working with the Admissions Committee in this area to determine our requirements, and I wish to thank him for his assistance.

Our Administrator, Mr. Roger Stevens, and his staff, are to be commended for keeping within our budget in these times of spiraling costs.

I am pleased to report that communications between the Board of Directors and Board of Trustees continues to be most satisfactory.

Respectfully submitted,

Cecil O. West
Cecil O. West
President

Trustee minutes
1979
OMG.

WHEREAS, ON THE THIRTY-FIRST DAY OF AUGUST, NINETEEN HUNDRED AND NINETY FIVE, THERE PASSED FROM THIS LIFE

GEORGE J. OTTO

WHEREAS, MR. OTTO HAD THEN SERVED AS A MEMBER OF THE BOARD OF TRUSTEES OF THE SAN FRANCISCO LADIES' PROTECTION AND RELIEF SOCIETY FOR MORE THAN THIRTY YEARS INCLUDING SERVICE AS CHAIRMAN OF SUCH BOARD AND ITS INVESTMENT COMMITTEE; AND

WHEREAS, DURING ALL OF THAT PERIOD HE GENEROUSLY GAVE OF HIS TIME, WISDOM AND ABILITIES TO PROMOTE THE FINANCIAL INTERESTS AND GENERAL WELFARE OF THIS INSTITUTION, THUS ENABLING ITS BOARD OF MANAGERS TO MAINTAIN AND EXTEND ITS BENEFICENT PURPOSES; AND

WHEREAS, WE, HIS FELLOW TRUSTEES, IN OUR ASSOCIATION WITH HIM HAVE BEEN EVER DEEPLY IMPRESSED BY HIS HIGH CHARACTER, STERLING INTEGRITY, CLEAR SENSE OF FAIRNESS AND ENGAGING AND GRACIOUS DEMEANOR;

NOW, THEREFORE, IN RECOGNITION AND APPRECIATION OF THESE FACTS AND OF THE IRREPARABLE LOSS SUFFERED BY THIS SOCIETY IN THE PASSING OF MR. OTTO, BE IT AND IT IS HEREBY

RESOLVED, THAT IN RESPECTFUL MEMORY OF OUR LATE TRUSTEE AND COLLEAGUE, GEORGE J. OTTO, WE NOW EXPRESS AND RECORD OUR DEEP SENSE OF APPRECIATION OF HIS FINE, UNSELFISH SERVICE TO THIS SOCIETY, AND WE FURTHER EXPRESS AND RECORD FOR THE SOCIETY AND OURSELVES PROFOUND SORROW AND REGRET AT HIS PASSING FROM US; AND BE IT FURTHER

RESOLVED, THAT THIS RESOLUTION BE SPREAD IN FULL UPON THE MINUTES OF THE DECEMBER 13, 1995 MEETING OF THE TRUSTEES OF THE SAN FRANCISCO LADIES PROTECTION AND RELIEF SOCIETY AND THAT A COPY HEREOF BE FORWARDED IN EXPRESSION OF OUR DEEP SYMPATHY TO THE FAMILY OF MR. OTTO.

TRUSTEES OF THE SAN FRANCISCO LADIES'
PROTECTION AND RELIEF SOCIETY

ATTEST

SECRETARY

SAN FRANCISCO
SEPTEMBER TWENTY-FIRST
NINETEEN NINETY FIVE

Whereas, on the Eighth day of M
retired as a member of the Board o
Protection & Relief Society

David L.
White

WHEREAS, I
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& extend its beneficent purposes; e
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sterling integrity, clear sense of fo
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& it is hereby RESOLVED, that in h
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service to this Society, and we here
the Real Estate Committee; & be r
be spread in full upon the minute
of the San Francisco Ladies' Prote
be presented to Mr. White with ou

TRUSTEES OF THE SAN FRANCIS

ly Nineteen Hundred & Ninety-Seven, the
Trustees of the San Francisco Ladies'

Mr. White had then served as a member of
our forty-eight years including service as
Secretary of such Board and Chairman of
the Committee; & WHEREAS, during all of
the generous gave of his time, wisdom and
promote the financial interests & general
enabling its Board of Managers to maintain
WHEREAS, we, his fellow Trustees, in our
ever deeply impressed by his high character,
irness & engaging & gracious demeanor;
in appreciation of these facts and of the
Society in the retirement of Mr. White, be it
on of our retired Trustee, David L. White,
use of appreciation of his fine, unselfish
by appoint him Chairman Emeritus of
further RESOLVED, that this Resolution
of the quarterly meeting of the Trustees
ction & Relief Society and that a copy hereof
deep gratitude and sincere appreciation.

THE SAN FRANCISCO LADIES' PROTECTION & RELIEF SOCIETY