



To: Martha & Mary Board of Trustees

From: Lynette L. Ladenburg, CEO

Re: CEO Report

Date: November 26, 2018

Donor Event - Spotlight on Aging

On November 8, 2018, we had our annual Donor Appreciation Philanthropy Awards event, honoring Dave and Sue Gitch. Dave and Sue have been supporters of Martha & Mary for many years with both serving on the Board of Trustees. The night was well attended with almost 80 individuals and the food was outstanding. Thank you and congratulations to Paula, Kathleen and Jennifer for another successful Martha & Mary event.

FriendsGiving - Thanksgiving Baskets of Gratitude

For the second year, we have supplied employees with Thanksgiving Baskets to offer thanks and appreciation for individuals who work long hours, are under financial stress, have many mouths to feed or have gone above and beyond. This year we were generously able to provide 61 baskets. The employees were tremendously thankful. Big thanks for all those who contributed financially or by bringing in food for the baskets.

2019 Budget

The 2019 budget is complete and will be submitted to the Finance Committee on November 26, 2018 for final approval and recommendation to the Board of Trustees. The census for all corporations is budgeted close to the 2018 results. Health Services is budgeted for a 167 census. With the increased focus of long-term care on Garden, we believe this budget is achievable. Ebenezer and Children's remain the same with a slight increase in private pay for Children's. At Home for 2019 is budgeted for 4000 units, actual for 2018 is trending at 3874. With the labor market tight, we believe the census for At Home can be realized by the current staffing levels we have today.

The 2019 budget revenue increases for all corporations are as follows:

Health Services	\$ 5.00 per day private rates
Ebenezer	\$10.00 per unit
At Home	\$30.00 average rate approximately \$5.50 increase
Child Care Centers	4% increase

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The challenging part of the budget was the minimum wage increase, wage compression and the constant battle with market wages. We met or exceeded the minimum wage requirement and adjusted the wage scales for hourly employees for compression. Those individuals who did not receive an adjustment will receive a 1.5% cost of inflation with the exception of Senior Leadership and Directors. Throughout Martha & Mary, the staffing levels remained the same pending the recruitment of more staff. We added a Marketing/Communication and Admissions Director who will assist with Health Services admissions, hospital relationships and oversee the Marketing/Communications for the organization. This will include the annual report, newsletters, and communications to the public. This position will help support Health Services Nursing Department, Development Department and provide more resources to our Marketing efforts for recruitment and retention along with general messaging. In addition, we will be transferring Heather Dartt to Health Services as the new Administrator in Training. Her current position will be changed to a Program Director for Before and After School and will be more aligned with the other Kid's locations (CCC, ELC and CLC).

I would like to make a special acknowledgement to Robin Schuman and her team for all their work on the 2019 Budget. We are encouraged and looking forward to another successful year at Martha & Mary.

Early Learning Center

Earlier this month we received a preliminary settlement for the business interruption portion of the flood claim at the Early Learning Center. The amount was for \$53,916. In reviewing the financials and further analysis, we provided an additional \$37,998 in supporting documentation. Robin, Tammi and myself had a phone conference with Jen Butler, Adjuster for AFM Insurance and she is reviewing all documentation with her accountants. We expect to hear from her by the end of the month

Financial Overview

Consolidated Change in Net Assets for the month of October was a gain of \$41,694 and an overall gain for the year of \$439,648. Cash flow continues to remain strong at 73 days. Lutheran Services net income for October was \$14,918 and \$225,006 year-to-date. Health Services census averaged 171 for the month and 166 year-to-date, representing a net gain in October of \$25,608 and overall gain for the year of \$163,959. Children Services, after management fee has a net gain of \$732 and a year-to-date loss of \$112,157. The business interruption estimate is not included in this amount. At Home, after management fee, has a monthly net income of \$1,185 and for the year a net gain of \$56,658. Ebenezer ended the month with a net loss of \$749 due to investment funds and year to date, Ebenezer is currently at a \$106,182 gain. Overall, the corporation continues to perform and remain strong for the 10 months ended.

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2017 Planning Retreat – 2018 Directions, Goals, Vision

*Operational efficiencies, recruitment and retention are the focus for 2018, along with opportunities of growth, development, partnerships and expansion. We are setting priorities by thinking differently. Our message needs to be simple, engaging and results driven. As we work on workforce investment and using our talent and resources wisely, we will focus on the “**right person, right job**”, regular communication to staff, outreach to the community, and in restructuring employee relations – separating day-to-day human resource management from employee recruitment strategies and activities. Senior Leadership maintained, in order to thrive and continue to grow, Martha & Mary needs to focus on accountability, continuous improvement and stability.*