

**CADBURY AT LEWES
EVENING EXCHANGE
March 1, 2011**

Vic Amey, President & CEO, welcomed residents to the Evening Exchange.

Vic introduced Sandy Lombardo, Staff Developer and Frank Troy, CFO from Cherry Hill.

Frank gave a summary of financials through December, which is 9 months of the fiscal year. He reported \$9.3 million of revenue collected, compared to the budget of \$9.4 million which equates to being shy by 1 resident. He stated that the managers have done a great job at controlling expenses and that it costs approximately \$30,000 a day to operate Cadbury at Lewes. We expect to have an operating gain of \$70,000 by the end of the fiscal year. Vic again conveyed that the management team does a good job in controlling and managing their budgets.

Flu season is still lingering and there is a neurovirus around that is affecting neighboring communities; some being hard hit. They have had to close all dining areas and cancel activities. Symptoms of the virus include diarrhea and vomiting. We have posted signs at all main entrances in an effort to deter sick visitors from entering. A few instances have been reported in Assisted Living but we think we have a handle on them. Please be mindful to wash your hands often. Also as a preventive, we have installed additional hand sanitizer dispensers throughout key areas in the community. Vic thanked Jim Rouse for this suggestion.

Vic advised that the budget process began about 3 months ago. The corporate office started with the department managers to develop the budget for FY12. We are now ending FY11 at the end of this month. Gross revenue of almost \$10 million is expected which will leave us with a surplus of approximately \$70,000. The budget is built to cover expenses and to keep increases as low as possible. Vic explained that we use a zero based budgeting approach which means that the managers must justify every dollar. He said he thinks everyone will be happy with the amount of the increase and they took into account the lack of an increase in social security. Vic further explained that we receive reimbursement from both Medicare and Medicaid and the government has not increased these reimbursements either. We have been fortunate to not have to reduce services or personnel.

In fact, we are adding 2.3 FTEs (full time equivalents) – 1 in Housekeeping and 1 for a new program to assist Independent Living residents to enhance their daily living. This program is known as the LEAP program and Carol will provide additional details later. The rate increase effective April 1, 2011 is 3.9%. The rate two years ago was 5.5% and last year the increase was 4.5%. There will be a letter in your mailbox indicating how this increase will affect your individual monthly fee. This same rate increase will take effect on May 1, 2011 for Assisted Living and Skilled care. Changes will effect monthly and room fees – we are not raising any food costs.

As compared to other facilities in the region, rate increases range from 2% - 9%.

Our biggest revenue challenge will be occupancy. We currently have 98 of 130 units occupied which can be attributed to the state of the economy. Our biggest challenge with respect to expenses can be attributed to over \$200,000 additional monies to be spent on health care benefits for our employees. These expenses are directly related to health care reform. We are required by cover employees' children up to age 27, regardless of student status. This is the largest single addition to the equation.

A resident in the audience asked if the budget was “cushioned” for fuel costs and commodities. Vic replied that there is no “cushion,” but we make the best educated guess. He said to come and talk to us if you have any questions. Mr. Parker thanked Vic for doing such a wonderful job and Vic, in turn, thanked the staff for managing so well.

Vic stated that 51% of our budget is spent on wages and benefits for the employees. We currently have 180 employees, both full time and part time. One of the benefits we realize is being able to share resources with Cherry Hill. All billing, payroll, accounts payable and accounts receivable are all handled from the corporate office. Including the other affiliates, we employ approximately 500 employees. Vic will provide a presentation at the next meeting to provide an overview of the affiliate organizations of Cadbury.

Dean Hoover stated that the current rate of inflation was 2% and that it would take about 35 years to double our rates. At 4% it would cut it down to 18 years for the rates to double. Vic explained that the normal inflation rate is about half of what the medical cost of inflation is. Vic further

explained about the healthcare premium cost being mandated from the Federal government.

Carol Holzman highlighted some March activities:

- 3/2 – Cadbury Dines out at Fish On! 15% of proceeds to go to the Foundation.
- 3/4 - Performance of Elvis – 3:30 pm in the Auditorium
- 3/6 - Ragtime Orchestra presented by Clear Space Production – 2:00 pm
- 3/9 - Andy Warhol – Behind the Camera – 10:00 am at U of DE –
Program is free, cost for transportation
- 3/11 - Book Signing with Kevin Fleming at Happy Hour – 3:30 pm in the Bistro
- 3/15 - Parsell Funeral Services providing information on documents you should have in order – 4:00 pm in the Auditoriums
- 3/17 - Wii Bowling Competition with Cherry Hill – 12:30 in the Auditorium
- 3/21 - Discover Bank presentation on How to Detect a Scam Artist – 4:00 pm in the Auditorium
- 3/25 - Trip to Longwood Gardens – International Orchid Show – 8:30 am
Transportation fee
- 3/26 - Coastal Concert Presents David Russell, Classical Guitarist at Bethel United Methodist Church in Lewes – 7:15 pm

Carol has received requests to purchase a croquet and badminton sets. She currently has a croquet set and is hoping once the irrigation installation is complete that the grass will be leveled enough for play. She would like to know the interest level for badminton before purchasing a set.

Chuck Rendulic asked the cottage residents to put their cars in the garage and for apartment residents to park in a row to make plowing easier if we are to get any more snow.

During January, 190 work orders were received and completed. They are working on getting additional sidewalks installed and the irrigation project should be completed by the end of March, weather permitting. They are continuing to do the Spring clean up; mulching all beds, spreading fertilizer and weed killing.

A resident asked about a sidewalk from the pool to the west patio. This issue will be discussed at the next Building & Property Committee meeting.

Another resident asked if we could have decent concrete poured that would last. Vic responded that we have switched contractors and hopes this will resolve any issue.

Vic closed the meeting by providing a little insight into the Cadbury Consulting and Cadbury At Home program. He is currently working with 6 organizations up and down the East Coast assisting them in developing a business model. Financially, this will be beneficial to all Cadbury affiliates. He will provide further detail at the next meeting

The next Evening Exchange will be April 5, 2011 at 7:00 p.m. in the Auditorium.

Recorder
Barbara White, Administrative Assistant
3/3/11