

Annual Report of the Board of Trustees of the Eastern Star Senior Living Center

To: The Members of the Grand Chapter of California

I have been honored and privileged to serve as president of the Board of Trustees this year and I am grateful to our Trustees for their untiring efforts for the benefit of our residents and our Senior Living Center.

It has often been said that to give meaning and purpose to our lives we must give of ourselves.

Our Trustees certainly understand this and have given freely of their time and energy this year and it is my honor to introduce them at this time: Linda Bernhard, Chris Dias, Linda Hoeser, Donna German, Vicki Jeanson, , Sally Wells , Richard Wing, Our Worthy Grand Matron; Barbara Scott and our Worthy Grand Patron; J. D. Hammett.

Unfortunately, we will be losing Donna German, our Grand Treasurer and Richard Wing at the end of this Grand Session. Donna's term as Grand Treasurer is over and Richard is completing his seventh (7th) year as a trustee. I thank them for their services and wish them well.

My gratitude is extended to Clare Meske, our Executive Director and Kat Farris for their dedication and hard work to make certain that our home runs smoothly and efficiently. Clare has assembled a wonderful team of hardworking employees and we are truly blessed to have a dedicated and caring nursing and housekeeping staff and my gratitude is extended to them as well.

Many members have given of their time and resources for the benefit of our residents. The SLC Boosters Club is constantly providing entertainment and support for our residents. This year's Fiesta was a great success as was the Christmas Party and the Worthy Grand Matrons and Worthy Grand Patrons official visit. The Foundation has continued the "Brick Program". I urge each of you to get involved with our SLC and support these very worthwhile projects.

We owe a special thanks to Susan White for writing a beautiful Memorial Service for our departed residents. It was a very thoughtful and moving service.

The Residents Forum is alive and well and participation is lively.

The Trustees have enacted several policy modifications dealing with credit card charges and use of cellular phones, admissions criteria, room assignments, wheelchairs and walkers in the dining room and hallways, use of surveillance cameras in the facility, use of the facility by Masonic Organizations, Board Meetings and Trustee qualifications.

Our major capital investment this year has been the installation of a new security/alarm system. It will let us know if a resident, who may tend to wander, leaves the facility and allows us to immediately locate a resident who calls for help. Our old system would alert us if a member activated the alarm but we had to guess where they were. This system will tell us within a few feet their whereabouts. It also provides a means for mass communication both within and without our building.

It should come as no surprise that we are suffering hard financial times. The Eastern Star Endowment Fund has not been exempt from our declining economic climate.

Our 2010 budget is lean and mean. It is almost 62 thousand dollars less than last years. There are no pay raises for our staff and we have cut expenses everywhere possible. I urge your favorable vote when it is presented.

My thanks to the Finance Committee for their valuable input, help and cooperation. Their diligence and close work with Merrill Lynch, our financial advisors, have minimized our losses to below market averages yet provided a relatively stable cash flow. Unfortunately, we are not replenishing the reserve monies that have been used to tide us over during these lean times.

Because of the important business to be considered, this report will be an abbreviated version of what will be in the written proceedings. The complete Membership Survey results will be included in the written proceedings. I urge each of you to read the report in detail when it's available as it contains a wealth of important information.

Those of you who attend Grand Chapter regularly know that for the last several years, the President of the Trustees, our Controllor and the Finance Committee have all stated the need for increased financial support for our Endowment Fund. I am certain that you will hear this request again so I won't dwell on the topic

I will say however that the failure of our numerous attempts at a very modest per capita increase has caused great concern to the Trustees. It is just one of the reasons we began to explore options for funding and operation of the Senior Living Center. There were more than a dozen ideas and plans examined, one of which was to consider merging our Senior Living facility with the Masonic Homes of California.

At the 2008 session of Grand Chapter you passed Resolution # 1 which authorized the expenditure of up to \$ 15,000 to conduct a study of the feasibility of forming a partnership with the Masonic Homes of California. Because of the emotion surrounding this issue, the Trustees decided that it would be best to proceed with extreme caution and try to get an idea of how the Masonic Homes of California and our Eastern Star membership felt about a possible merger.

Our study consisted of a careful analysis of our finances. Our 2010 budget is proposed at 3,947,338 if we subtract the \$ 250,000 that's budgeted for Outreach, it leaves a balance of \$ 3,697.388, that projects out to \$ 117.38 per member. If we subtract the revenues generated by contributions, lease income and the like, we must withdraw \$ 3,029,847 from the Endowment Fund.

Sisters and Brothers, that means we would need a dues assessment of \$ 96.19 just to stay even. That doesn't replace the withdrawals made from prior years.

We also made an inquiry to the Trustees of the California Masonic Homes to determine if they had any interest in such a merger.

We were assured that there was interest in such a partnership and that the "deal stoppers" that arose several years ago could be overcome, namely, representation on the "new" Board of Trustees, admission of all Eastern Star Members and the right to choose any one of the three homes as their residence.

During our discussions we were asked several questions dealing with the demographics of our membership. Unfortunately, Grand Chapter's membership data base was unable to provide this information. Thus, we decided to conduct a membership survey as this would be very useful information when we begin to negotiate with the Masonic Trustees.

And I am pleased that the study is completed and we were only \$35.00 over budget which included the Consultants services including the presentation here today, printing of the survey, the pre-addressed return envelopes and the additional postage for mailing to every member rather than just to every household.

To maintain the utmost integrity and assure the accuracy of the survey we employed E.M.C. Market and Opinion Research Services in Oakland, California. After several telephone calls, personal meetings and numerous e-mails a survey questioner was developed and mailed to 30,069 addresses. It was our intent to secure the largest response possible and have a statistically valid study.

The mailing list was provided by the Grand Chapter Office directly to the printer. The Trustees did not generate nor did they see the mailing list. Little did we know that there were over one thousand of our members who had opted to have their names removed from the Grand Chapter bulk mailing list or did not have a valid mailing address on file with the Grand Chapter Office.

Although we were not deluged with responses we did get enough to validate the information that our consultant, Ms. Sara LaBatt will share with you.

(Power Point presentation).

As seen by the slide presentation, 80% of our members are 60 years old or older. Only 16% of our members are under 60 years of age. This should set off all kinds of alarms with the leadership of Eastern Star. It tells us that many members are going to be less willing to take active rolls in Eastern Star activities. It also tells us that most of our members are retired and not likely to support the kind of dues increase it would require to continue to properly fund the operation of the home. While many of you want us to maintain both the Home and Outreach, only 14% of you were willing to support a dues increase of up to \$ 25.00 per year. Neither the Home nor the Outreach program can be operational with this level of financial support.

The Trustees sincerely thank those of you who responded to the survey

My sisters and brothers the results of the survey speak volumes. You have an opportunity to express your desires by your vote on this year's Resolution number 1.

I thank you for your attention and kindness and will answer your questions at this time.

David T. Buck, President
Eastern Star Senior Living Center
Board of Trustees