



National Lutheran  
Communities & Services



# Resident Townhall

## Follow-up information

October 2, 2019, 3 – 4 p.m.  
Worship and Community Life Center

# Overview

- Introductions of NLCS Team Members
- What does affiliation mean?
- Who is NLCS?
- What can you expect?



# *Introductions*

# Meet the NLCS team!



**Larry Bradshaw**  
President & CEO



**Cyndi Walters**  
Chief Operating Officer

# Meet the NLCS team!



**Rick Mazza**  
Chief Finance Officer



**Kathleen O'Halloran**  
Chief Talent & Culture  
Officer

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**Lawrence Jordan III**  
General Counsel &  
Compliance Officer



National Lutheran  
Communities & Services

# *Who is National Lutheran Communities & Services?*

# Shared Heritage

## National Lutheran, Inc.

- Founded by Sarah Utermehle in 1890
- Faith-based ministry, expressed through Lutheran tradition
- History of caring for seniors in the Baltimore area



## Augsburg Village

- Founded by Caroline Lang in 1892
- Faith-based ministry, expressed through Lutheran tradition
- Long history of serving seniors in Baltimore



# Committed to our Lutheran Identity

- Lutheran identity continues to be the foundation of NLCS and informs everything the organization does
- Affiliated with the Evangelical Lutheran Church in America's (ELCA) Delaware-Maryland, Metropolitan Washington, D.C. and Virginia Synods, serving people of all beliefs.
- The NLCS Board is comprised of individuals from each synod as well as non-Lutherans
- Lutheran Chaplains, hired by the National Lutheran Community and called by the synod, to serve residents of each community





# Shared Mission



## National Lutheran, Inc.

**“To provide for aged persons whose circumstances may so require, a comfortable residence with board, clothing, employment, medical attention, and such other comforts as Christian brotherhood may dictate.” (1890)**

## Augsburg Village

**“The Board of Directors, Administration and Staff of Augsburg Lutheran Home are committed to the mission of serving the elderly, particularly our Lutheran brothers and sisters, by caring for them as if they were the Lord Himself.”**



# NLCS Mission

**“NLCS honors, inspires and supports choice and opportunity in service to seniors” (2017)**



# Culture of NLCS



**We CARE**

The National Lutheran Way

C  
A  
R  
E  
Create smiles  
Attend to details  
Respect everyone  
Embody excellence

# What does We CARE mean?

We CARE is NLCS' customer service program. It means that we genuinely care about our residents, guests, clients and team members. Caring is a trait that cannot be taught, but individuals intrinsically possess and embody.

That trait of caring has been the hallmark of our staff since we started in Washington, D.C. in 1890. Regardless of job title, all employees take responsibility in ensuring service excellence for our residents, guests, clients, and each other. This tradition of caring thrives throughout the National Lutheran family.

# Culture of NLCS

## Guiding Principles



We believe  
**Service**  
is our highest calling.

We believe  
**Respect & Professionalism**  
is the least we can do.

We believe  
**Communication**  
is the best tool for our team.

We believe  
**Time & Resources**  
are our greatest challenge.

We believe  
**Conflict**  
is necessary for our success.

# What are the Guiding Principles?

The five guiding principles of NLCS are based from Ecclesiastes 4:9-10 (NRSV):

**“Two are better than once, because they have a good reward for their toil. For if they fall, one will lift up the other; but woe to one who is alone and falls and does not have another to help.”**

These identity statements help us to build perception and expectation to those who speak them and to those who hear them.

# *What does affiliation mean?*



# What does affiliation mean?

Augsburg and NLCS become a larger “great place to work” system, which means...

- Access to strong support services
- Increased breadth of expertise
- Access to additional benefits and resources
- Best-in-class education
- A more competitive edge in the industry
- Career ladders and growth opportunities for team members





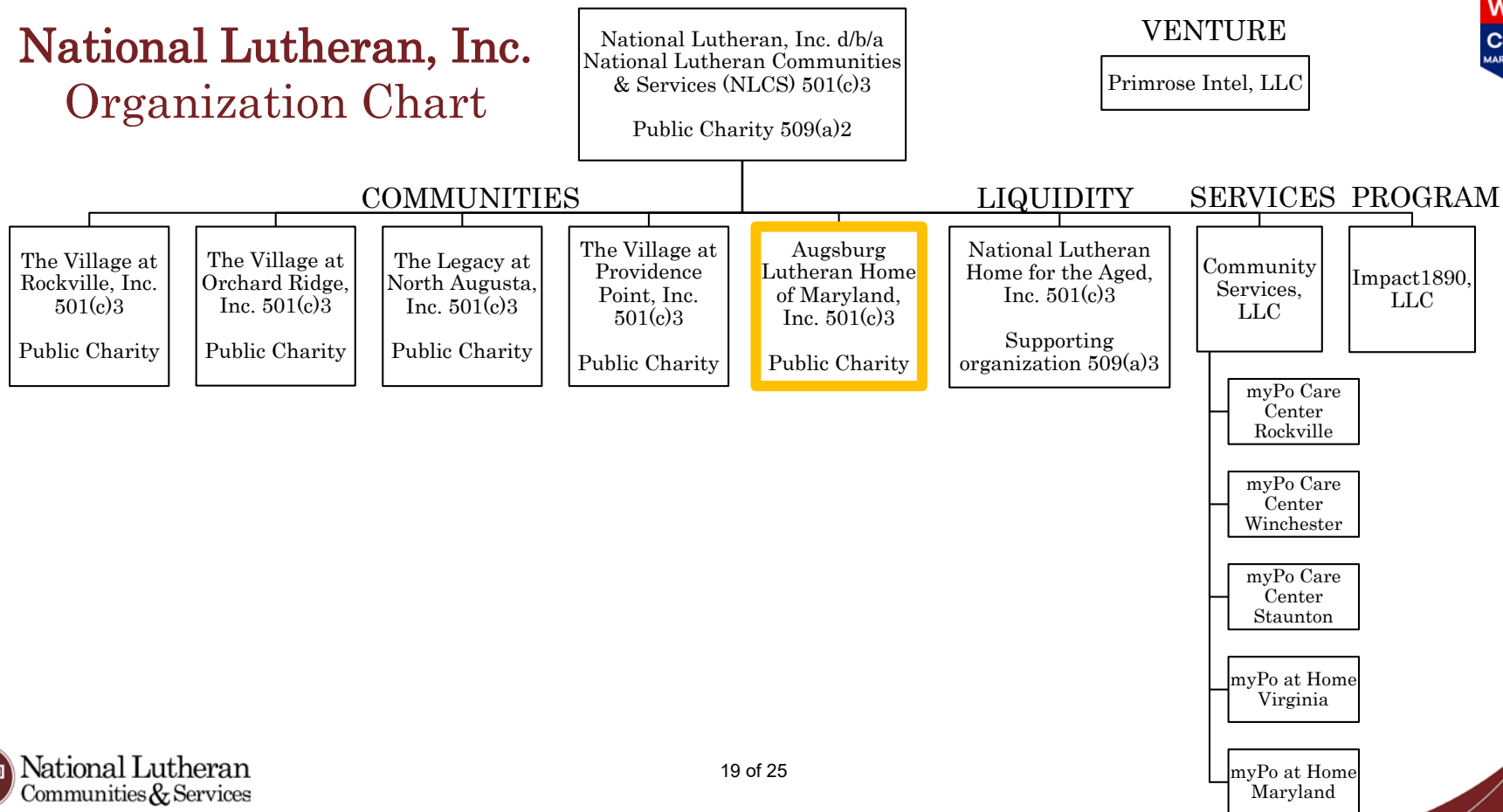
# What does affiliation mean?

- NLI becomes the sole member of Augsburg
- Execute Affiliation Agreement
- Execute Management Services Agreement
- Addition of “A National Lutheran Community” tagline to Augsburg Village
- ALV and ALH of MD By-Law changes
- Change of control process with Maryland DOA

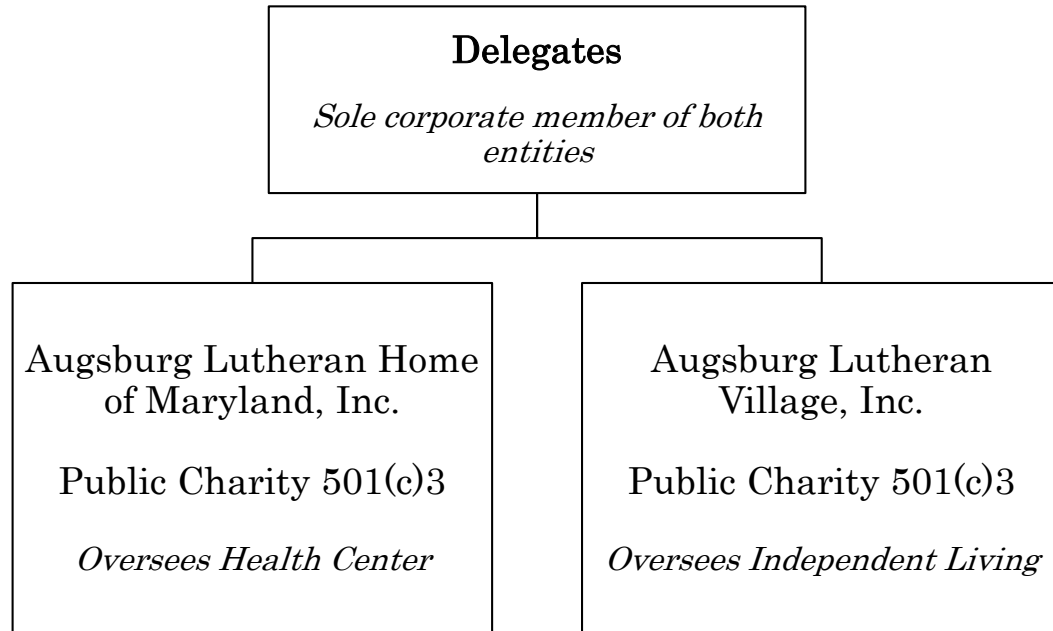
# Support Services Provided by NLCS

- Compliance
- Contract Administration and Management
- Clinical
- Data Analytics
- Finance and Accounting
- IT
- Procurement and Purchasing
- Philanthropy
- Sales, Marketing, and Communications
- Talent and Culture
- Employee Relations
- Education

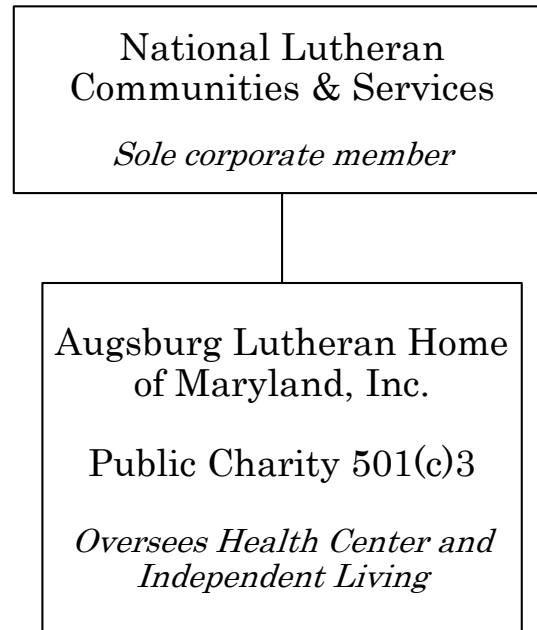
# National Lutheran, Inc. Organization Chart



# Augsburg's Organization Chart Prior to Affiliation with NLCS



# Augsburg's Organization Chart After Affiliation with NLCS



# Financial Plan/Projections

- A five year financial plan has been compiled by the Accounting Firm, BakerTillyVirchowKrause, LLP
- Assumptions included in the projection
  - IL, AL and SNF Monthly Fees will increase 3.5% annually
  - Entry Fees will increase approximately 10% in 2020 and 3.5% annually beginning in 2021 (*change will not impact current residents*)
  - Salaries and Wages are projected to increase 3.0% annually
  - Other expenses are projected to increase 3.0% annually
  - Both the AL and IL projects have not been included in the projection and will be revisited in 2020 and will be provided to the Maryland DOA for approval when appropriate.

# Resident Contracts



- The current resident contracts will continue to be in force and services included will not be adversely effected.
- There are currently two corporations which have provided contracts to the residents, Augsburg Lutheran Home of Maryland, Inc. and Augsburg Lutheran Village.
- As part of the affiliation process, the two corporations will be merged into one, Augsburg Lutheran Home of Maryland, Inc. Those residents who have a contract with Augsburg Lutheran Village, will not have to do anything but the contract is assignable and will be assigned to Augsburg Lutheran Home of Maryland as part of the process.

# Process and Approvals

- The Maryland Department of Aging has a change of control process to be followed, which is currently in process.
- After Resident meetings, representatives have 10 days to submit questions to either Augsburg or the Maryland DOA.
- Following the time period for question, the Department will then take up the proposed action and can render a decision as early as 15 days, but statutorily can delay their action for 50 days.
- Assuming the Department does approve the change in ownership, the Affiliation will take place effective 1/1/2020.



# Questions?

**If you have questions, please let us know!**

**Email:** [Augsburg@nationallutheran.org](mailto:Augsburg@nationallutheran.org)

**Phone:** 240-686-6000

Learn more online at

[www.nationallutheran.org/Augsburg](http://www.nationallutheran.org/Augsburg)