



The Hotline

North Carolina Continuing Care Residents Association

www.norccra.org

10/6/20 ANNUAL MEETING SUMMARY

Thanks to modern technology, and “old dogs learning new tricks”, over 109 NorCCRA members — not counting those who viewed the meeting in groups or by recording — were treated to two excellent speakers on topics of vital interest to all NC CCRC residents. Tom Akins, President and CEO of LeadingAge North Carolina, and Chuck McGrady, newly retired member of the General Assembly, covered a variety of subjects, including history and status of the NC Department of Revenue’s proposal to tax non-profit CCRCs as a retail business.



LeadingAge NC , with whom NorCCRA has a good working relationship, represents management of forty-eight non-profit CCRCs in NC and seventeen affordable housing properties. Mr. Akins addressed the sales tax issue, the Department of Insurance efforts on rewriting State Statute Chapter 58 Article 64 that protects residents living in CCRCs, and the CMS bed tax. Mr. McGrady, a CCRC resident at Carolina Village whose last day as a Representative was October 5, gave us a preview of the long session coming up in Raleigh, and a perspective on effective advocacy.

Good news on the bed tax. Thanks to over 5000 letters written to the U.S. Centers for Medicare and Medicaid Services (CMS), which included a number of letters from NorCCRA members, the agency scrapped plans in September to implement a tax on nursing home beds, saving

an estimated \$700,000-\$800,000 per year in additional expense to individual CCRCs.

State Statute Chapter 58 Article 64, (written by Harry Groves, founder of NorCCRA), is instrumental in NC CCRCs being financially stable for over 30 years. But some operators would like changes, especially in the annual disclosure and operating reserve requirements. According to Jeff Trendel, Deputy Commissioner of

Insurance, the staff has been working for over a year on the CCRC statute. Once they have completed their revisions, they plan to to have a joint meeting with LeadingAge and NorCCRA to see what additional changes we might propose. He says the revisions will not be introduced in 2021.



Tom Akins

Regarding the ongoing sales tax issue, the Department of Revenue (DOR) randomly audits about 5000 businesses annually. In 2019 they audited the Cypress of Raleigh, levying a \$203,000 fine for what they considered to be three years of unpaid back taxes on meals. The audit team had never audited a CCRC and did not appear to understand the CCRC business model. NorCCRA, cooperating with LeadingAge, became very engaged in this issue. A couple months later, DOR audited the Cypress of Charlotte where they levied a \$3.4

Continued on p3

President's Message.....*by John Olmstead*

When our Director of Communications reminded me the President's Message was due at the printer shortly (does this sound like some of your lives?), I asked her how long the article should be. Her response was 23,000 characters. Since I have never written in "characters", I had a hard time relating, but quickly decided I should begin writing. Writing, and in particular technical writing, is something I have done extensively since Naval Test Pilot School in 1976. Military Test Reports have no defined verbiage limitations – you write until the aircraft, it's systems and its deficiencies are completely described.



Unlike aircraft test reports, most stories have two sides to them. We as humans have a tendency to more clearly see one side of an issue, while the other point of view is obscured (perhaps intentionally, perhaps inadvertently, perhaps due to lack of knowledge, perhaps unreliable "facts", etc.). Clearly the year 2020 has been unique in many ways. Our lives have been torn with pandemic, disputable "facts", election year hype, racism, street fighting under the guise of peaceful demonstrations, drugs, homicides, suicides, family separation, illness, suffering, financial uncertainty or disaster, etc. – I could go on and on, but 2020 will likely go down in history as chaotic, at best.

The NorCCRA Annual Meeting was held via Zoom at 9:30 AM on October 6 2020. Some 190 folks signed up, but I never saw more than 109 at any given time. It has become clear to me that Zoom type meetings are the way of the near-term future, even if the world gets back to "normal", whatever that is. In my opinion, the annual meeting was very successful – our two speakers did an excellent job defining the issues, and guiding our future activities with respect to the imposition of NC sales tax on some or all of the services offered to independent residents of NC Continuing Care Retirement Communities (CCRCs). NorCCRA has donated \$10,000 towards assisting in the ongoing public relations and inform-the-legislator efforts associated with the largest near-term issue for NC CCRCs. The only reason this is a near-term, rather than a current issue, is because the General Assembly is not currently in session.

Several pending bylaw and standing rules were updated by membership approval at the annual meeting. These updated documents are available on the NorCCRA website (<https://norccra.org>), along with many other informative documents. If you have a little "spare" time, I recommend you spend a few minutes searching through the website. Speak of searching through things, I spent a couple hours reviewing *The HotLine* newsletters dating back to 2013. Copies of issues over a year old, back to 2013, are available from the webmaster. Reviewing these old issues made it clear to me how much things have changed, and how much things have not changed. In my opinion, many of the articles in these earlier issues are appropriate for publishing in future issues.

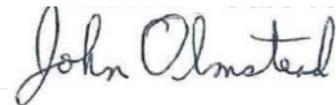
For the first time in nearly four years, we have leaders in all three of our regions. Following a report by the VP titled "Restoring Regional Leadership – Moving Forward" at the Board of Directors meeting in June, the Directors recognized the need for an Ad Hoc Committee to study this topic.

Continued on p3

President's Message, cont'd from p2

Seven individuals volunteered to serve on the committee, and they established a target date of September 15th to present a written recommendation to the Executive Committee. This excellent report was delivered on August 7th, and some of those recommendations were utilized in appointing regional leaders.

As we get into the traditional holiday season, I presume many of your resident associations are nearing completion or in the process of collecting "tips" for your CCRC employees. Remember that these folks have been hit just as hard with the pandemic as the residents, and we probably get much crotcheter with age. Treat the employees well – it will pay off in the long run.



Are you going to stay up on New Year's Eve this year— not to see the New Year in, but to make sure this one leaves?



**May you always have:
Love to share, Cash to spare, Tires with air,
and Friends who care.**

Annual Meeting cont'd from pg 1

million fine on the entire monthly residents' fee. While the audit team was at the Cypress of Raleigh, they spotted other things they thought could be fairly taxed, including appliance replacement and repair, transportation, key fobs, medical supplies, among other items.

A major issue for CCRCs is the taxation on meals, which the DOR and legislature feel is only fair. If independent living residents are not eating in their CCRC dining rooms, they would be going into town to commercial restaurants and paying tax on the meal. CCRCs with a fee-for-service model already pay taxes on meals.

In 2014, the Department of Revenue and the legislature began an effort to expand the tax base fairly. Mr. Akins pointed out that people in the Department of Revenue are hard working public servants, and do not have bad intentions; there is nothing personal. It's just that they look at things differently than those associated with CCRCs. A meeting with the DOR ended with "This

is our interpretation of the statute. Go to the General Assembly if you want it changed." (Leading Age has yet to see the DOR's rationale for CCRCs being classified as a retail operation.) It was emphasized by both speakers that the state budget had been severely impacted by COVID. Due to a decrease in income taxes, business failings and large scale closings, a huge amount of revenue is not coming in, and substantial roll backs of state expenditures can be expected. There is pressure on the state not to miss any revenue.

At the end of the legislative session, the Speaker of the House referred the proposed legislation to the Rules Committee where it remains. Meetings have continued between LeadingAge and Finance Chair Julia Howard with the possibility of having some resolution of the issue when the newly elected General Assembly convenes in January 2021.

Leading Age continues to engage in the following activities:

Continued on p4

Annual Meeting, cont'd from p3

- Surveying member communities to learn which services are already being taxed, details of the meal plan, description of the type of CCRC, etc. This information will better allow them to educate legislators on the variability of CCRC models.
- Provide information on the DOR position to key legislators.

No one knows what the legislature will look like after November 3. A concern was raised from leadership in both the house and senate that the tenor of some of the letters that individual CCRC members were sending to legislators did us no favors. According to Mr. McGrady, constituents getting information through residents associations and other places were not good at explaining issues to legislators. If the letter sounded like an impossible demand, or was inaccurate, it undercut the credibility of the effort.



Chuck McGrady

Mr. McGrady thinks residents can communicate with legislators in a

powerful way, and to be effective recommends:

- Don't think of the communication as the beginning and end-all.
- Relationships are important. Long-time contacts can be more influential.
- Be systematic about the communication.
- Your Representative and Senator need to be the focus of the communication. Most legislators only have time to listen to their constituents.
- Communication needs to be completely factual in order not to lose credibility.
- Find out who knows who. If you can get a legislator to understand, and then get them to educate their colleagues, it can be very effective.
- Find out if some CCRC residents have family members in the General Assembly who can be an advocates.

In conclusion, timeliness, accuracy and systematic communications are essential in our approach.. Wait for LeadingAge and NorCCRA guidance in 2021.

For a summary of the business meeting, see the President's Message, p2 and new officers on p8

LEGISLATIVE UPDATE*from **Sindy Barker***



Participants in the October 6 NorCCRA annual meeting discussed the **Adopt a Legislator Project**. It was very timely that Chuck McGrady, newly retired legislator, also touched on that. Read what he had to say at the end of his presentation above.

Only 23 counties have Continuing Care Retirement Communities (CCRCs) which leaves 77 of North Carolina's counties without a CCRC. Members of the General Assembly from those counties in all likelihood do not know what CCRCs are about. In terms of numbers 28, Senators and

Continued on p5

Legislative Affairs cont'd from p4

34 House of Representatives have a CCRC in their district. That leaves 108 legislators who need to have an educational relationship initiated by a CCRC resident.

Although Mr. McGrady stressed the importance of living in a legislator's district, we still need to attempt to reach out to those other legislators. We believe that many residents have connections outside their legislative district. Possibly it is a civic organization, a church or where you moved from before settling in your CCRC. Some residents have vacation homes where they spend several weeks or months each year. Others have siblings or children who are in a different area of the state. Although these connections are not the same as living in a legislative district, it does give us an opportunity to establish a relationship with them and educate them on CCRCs and the issues that are important to us.

We hope you are already comfortable in writing or calling your own legislator about your concerns, and now we are asking you to reach out to those you have a more tenuous relationship with. What commitment would you be asked to do as a part of the Adopt a Legislator Project?

1. Please provide the information requested on the form below and email to [Sindy Barker](mailto:sindydevoebarker@gmail.com), NorCCRA Legislative Committee Chair (sindydevoebarker@gmail.com). This includes the names of your own legislators as well as those who have a connection to you or your family.
2. Write a letter of congratulations for their election or re-election to your own legislator and a one further afield. This would include a brief description about what CCRCs are and the type of issues that the legislature has supported in the past.
3. If an issue is before a specific committee or the entire legislature, we might ask you contact your legislators (both home and distant) to let them know what the issue is and our position on it.
4. Report back to NorCCRA the results of your contact.

Adopt a Legislator Project

Name _____ CCRC _____ County _____

Email address: _____ Phone _____

Home Senator's Name _____ County _____ District _____

Home Representative's Name _____ County _____ District _____

Distant Legislator's Name _____ County _____ District _____

Check any connection that applies:

Business ___ Civic/Church Organization ___ University Alumni Association ___

Former neighbor ___ Family member ___ Second Home ___

Once you have returned your form, we will be in touch with you for your next step



ECOLOGICAL Sustainability

from SearStone in Cary

Kitchen Waste to Garden Soil

In Cary, one CCRC's exciting experiment in sustainability has succeeded beyond catalyst and resident Judy Stivland's wildest dreams. Judy and husband Gary were among the first people to move into one of SearStone's "estate homes." They are avid gardeners and birders. When they heard about a new company that would collect their kitchen leftovers, compost them, and then periodically return some clean, garden-ready, soil amendment material, it seemed like a great way to help the environment on a small scale. Into their composting bin went eggshells and cheese rinds, leftover salad makings, chicken and fish bones, even apple cores and peach pits.

Meanwhile, across the SearStone campus and living in an apartment, long involved in environmental issues, Caelia Bingham had also been putting a small covered container outside her building's door every Sunday evening for early morning pickup on Monday by Compost Now (compostnow.org). The van driver leaves a clean container in exchange. She and her Durham-based daughter signed up several years ago with a joint membership, back when the "drivers" were actually riding bicycles towing small open carts to pick up and drop off the food scraps and containers -- in an effort to have as little environmental impact as possible! However, as their efforts expanded, the unique

nature of the business confounded standard insurance-industry approaches to underwriting. So to keep scaling their business they had to switch to more traditional methods, investing in a fleet of vans and new offices that now serve the entire Triangle, Asheville, Charleston, SC, and Atlanta, GA.

Don't we all, as grandparents, want to leave the best possible world to grandchildren? Clean with abundant wildlife and clear air to breathe, oceans and rivers without pollution?

Well, one fine day it occurred to Judy Stivland that if all the leftovers from all the meals served in SearStone's dining rooms could be composted, it would

make an important impact on climate change by reducing landfill size and the amount of methane released into the air. How to achieve this? First, she called SearStone's Executive Director Derrick Moore. He suggested that Judy arrange a meeting to include him, the Head Chef, and the Director of Resident Life and Wellness.

Thanks to Stivland's enthusiasm, persistence, and persuasiveness, the outgrowth of this meeting was a plan to place two very large Compost Now bins in the prep area of our kitchen. Their contents are picked up twice a week, from the same loading and unloading

Continued on p8

SearStone Retirement Community Impact Report

Impact to date: **27,488** lbs. diverted from the landfill! #starvelandfills

compost created! **6,872** lbs. #buldsoils

Collection Details:

2020	9,659 lbs.
2019	13,335 lbs.
2018	4,494 lbs.

Methane avoided **2,859** lbs.
 CO₂ equivalent* **71,470** lbs.
 Equiv. miles not driven **80,243** miles
 Equiv. cars parked for 2 wks **181** cars
 Tomato potential of compost created **6,872** tomatoes **1,374** plants

*In a landfill food waste decomposes in the absence of oxygen and produces methane, which is 25x more powerful as a greenhouse gas than carbon dioxide, yet in the US 55% of food scraps are going to the landfill.

Date: 10/01/20

SearStone Retirement Community has been composting since August 2018

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Community Highlights

from Carolina Meadows in Chapel Hill

FESTIVAL IN THE PARK



On a beautiful October afternoon Carolina Meadows residents and friends wearing masks gathered in *The Park* to celebrate the yearly Autumn festival with music, colorful displays of artwork and the joyful companionship of neighbors. There was a surprise concert by six resident “Pandemic Singers”, otherwise known as the “Covid Cuties,” masked and physically distanced to entertain.



White sculpture. Beyond the main planting beds is a meadow area that has been developed with native grasses and a working beehive to encourage pollination. The site can be accessed by golf cart and is a beautiful place to take a walk. Every year new plants and improvements are made. Highlights of *The Park* include a pergola and arbor for contemplation, numerous

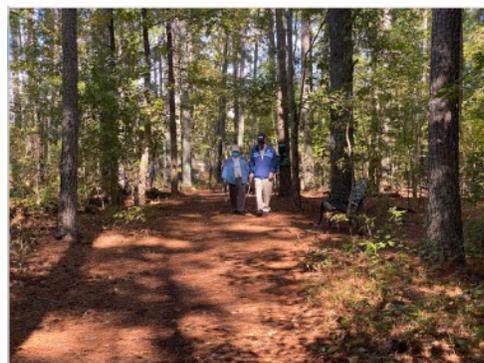


Five years ago, a group of residents conceived of transforming some remote, unused land into a place of beauty with

sculptures, beautiful wind chimes, sitting areas, and a lovely spring-fed pond that contains stocked bass.



flowering plants and shrubs, trees, and many sitting areas. Taimi Anderson, a resident and former chair of Duke Gardens and a landscape architect, led the project that was and continues to be completely funded by resident donations. Members of the committee are responsible for developing *The Park* in addition to sponsoring and hosting events to benefit residents and staff.



A 500-foot path thru the woods was constructed from the parking lot to reach the remote site. Benches were placed along the path, and at the entrance to *The Park* there is a beautiful Edwin

Thanks to The Carolina Meadows Park Committee for this article.

For more information contact bowman0127@icloud.com

Kitchen Waste to Garden Soil, cont'd from p4

area where regular garbage collection and recycling are managed

The SearStone project began late in 2018 and that year diverted 4,494 pounds of waste from landfill; a full year in 2019 diverted 13,335 pounds; so far in 2020: 9,659 pounds (the drop probably due to changed dining and kitchen habits under the pandemic).

Individuals and organizations can reclaim a certain amount of soil-amending materials every year. The end-product can also be donated to a variety of community gardens and urban farms in your area if you, yourself are not a gardener! You can track how much compost you have earned on an on-line "dashboard" or impact report of statistics, which Compost Now creates for every member individual or organization. Equivalent positive impacts are given. For instance, in 2020 so far SearStone has reduced methane production in landfill by 2,859 pounds, and that can be equated to 80,243 miles not driven by standard gas-powered automobiles!

It's a fun way to explain to your grandchildren in concrete terms how you are helping the world they will inherit – and maybe to convince them to convince their parents and friends to do the same.

Thanks to Caelia Bingham for this article.

NEW 2020-2021 OFFICERS

President: **John Olmstead**
Scotia Village - olmsteaj@erols.com

Vic President: **Dean Block**
Carolina Meadows - falcon1941@gmail.com

Secretary: **Caroline Filbert**
SearStone - cfilbert12@aol.com

Treasurer: **Charles (Skip) Kingan**
Croasdaile - skingan47@gmail.com

Members of the Executive Committee

Clint Willis, Past President
Scotia Village, bg.clint7@gmail.com

Bob Osborn, Western Region Leader
The Pines at Davidson
rho.cincy.60@gmail.com

David Teal, Central Region Leader
Well Spring, tealdavid@gmail.com

Barbara Pray & Virgil Torbert, Eastern Region
Croasdaile Village
barbara.w.pray@gmail.com
vmtorbert@gmail.com

Dick Newbold, Presidential Appointee
Scotia Village, newboldra@outlook.com

Sindy Barker, Legislative Affairs
Carol Woods, sindydevoebarker@gmail.com

Susan Rhyne, Membership Director
Twin Lakes, morhyne@ballsouth.net

Margaret Zircher, Communication Director
Carolina Meadows, zircher@me.com

I'm not adding this year to my age. I did not use it!



Application for membership in North Carolina Continuing Care Residents Association

Name: _____ Community: _____

Spouse's name (if applicable): _____

Address: _____

Email address: _____

Fee: \$12 for individual; \$20 for couple; \$80 individual life membership; \$135 life membership for a couple

Please make check payable to NorCCRA. Give your check and application to your local NorCCRA rep.

Otherwise, mail to Susan Rhyne, 3913 Muhlenberg Court, Burlington NC 27215

Thank you.