



Transitioning Ownership: The IHM Congregation's Journey

Sister Jane Herb, IHM



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In the late 1990s, the Sisters, Servants of the Immaculate Heart of Mary (IHM), Monroe, MI, engaged in an extensive process to explore a renovation plan for our Motherhouse, a 70-year old building comprised of 376,000 square feet. After considerable discernment, we decided to renovate the Motherhouse in a sustainable manner. The complete process took three years and provided the sisters with individual rooms and private baths. Included in the renovation were the Congregational offices and the common spaces.

Shortly after the sisters moved into the newly renovated Motherhouse, the decision was made to renovate the Health Care Facility in order to seek licensure with the State of Michigan. The licensure was granted in 2010, enabling our sisters to receive Medicaid and Medicare funding and to open our Skilled Nursing Facility to the public. In 2017, the Leadership Council made the decision to separately incorporate the IHM Senior Living Community (IHM SLC). Once incorporated, IHM SLC was registered in 2018 as a Continuing Care Retirement Community (CCRC) and McGivney Way, a memory care unit, was licensed as a Home for the Aged. These registrations and licensures allowed us to serve other religious communities in the area as well as to accept lay residents.

In 2018, the newly elected Leadership Council began to study our demographics and our future need for rooms within the Motherhouse. Based on market studies, we came to realize the need to complete the model of a CCRC and to create apartments for lay residents. We were able to relocate sisters from one wing of the building and undertook another renovation – to create 19 apartments for lay residents as well as the common areas needed. This is an entry fee model, based on the housing market in Monroe, that enables residents to “buy in” and be assured of the necessary levels of care for their remaining years. Though not originally planning to create a CCRC, we felt the Spirit was with us each step along the way.

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The New Journey Begins

At the beginning of each six-year term for the elected Leadership Council, a representative body, comprised of elected members from Congregational governance groups, also begins a new term. This representative body is called a Coordinating Council (CC). In conjunction with the Leadership Council, the CC met in November 2019 to engage in a process designed to identify critical issues that the Congregation needed to face in the next five years. One of the critical issues identified by the CC was to design a continued study of our property and buildings during the next five years with attention given to the future ownership of the Motherhouse.

The Leadership Council took the lead on these issues. At the time, the IHM Congregation owned the Motherhouse building and property as well as six off-site properties. Two of the six were spirituality centers: River House Spirituality Center and Maxis Spirituality Center; four were residences for our sisters. Leadership determined that River House and Maxis Center

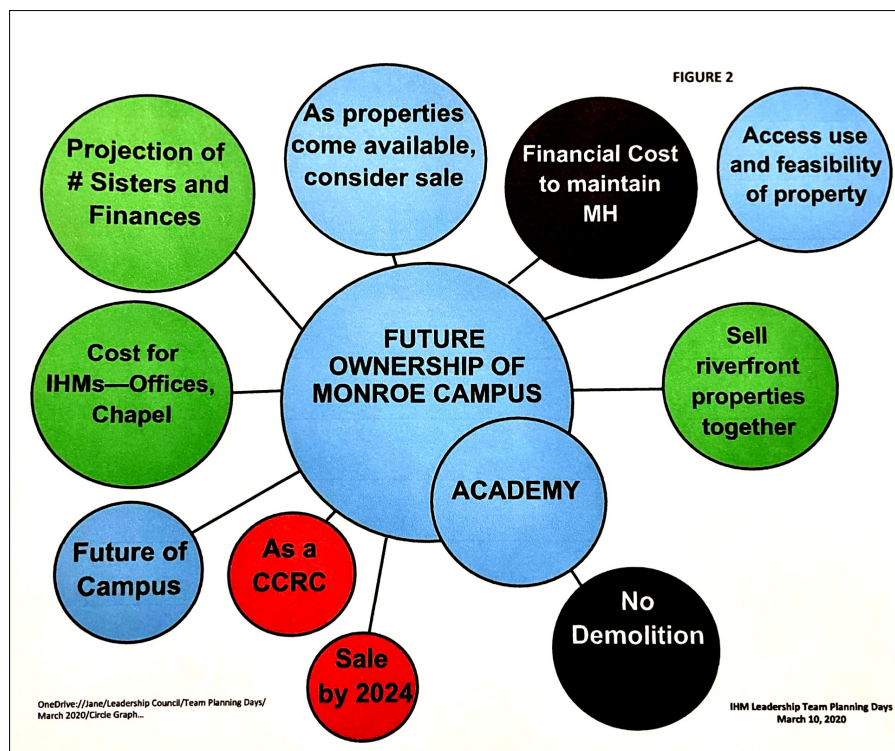
would continue into the foreseeable future as spirituality centers. It was also determined that if sisters desired to live in the four residences, no changes would be made.

Twice a year, the Leadership Council met with a consultant, Ms. Donna Fyffe, for planning sessions. One item addressed in March 2020 was the future ownership of the Motherhouse and grounds. After discussion, the Leadership created a schematic that identified the areas for consideration (see graphic below). The Academy was included in the schematic but IHM would ultimately retain ownership.

Members of the Leadership Council researched other congregations who had sought new owners for their Motherhouses or congregational buildings by reviewing electronic lists and personal contacts. We found that when you see one transfer of ownership, you see one transfer of ownership! Still, these conversations provided food for thought as we continued our process.

The Leadership Council also decided to do a livestream presentation for our members in August 2020, outlining our approach to this critical issue. Prior to the presentation, members were asked to submit their questions. In preparation for the livestream, the Leadership Council organized the questions, ensuring they would be part of the presentation. It was composed of several parts:

- Setting the context by citing the demographics of our Congregation, including census and financials.
- Processing feelings and emotions with an awareness of anticipatory grief.



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- Noting a desire to have some Congregational spaces available, including offices and common spaces.
- Projecting Congregational costs as owner versus costs as non-owner.
- Reviewing non-negotiables, including that IHM sisters would continue to have the level of care needed into the future.
- Awareness that this is an evolutionary process that will include conversations across the Congregation.

Process and Oversight Committee

Recognizing that there would be considerable time and energy put into this process, the Leadership Council appointed a Process and Oversight Committee (POC). The Committee consisted of two members of the Leadership Council, four IHM sisters and a lay colleague. Particular attention was given to having a variety of ages and experience represented.

The first task of the POC was to clarify its purpose. The following description was developed by the POC and approved by the Leadership Council: "To steward the study and implementation of an evolutionary process to determine the future use and ownership of the land and buildings on the Monroe Campus with particular attention given to the Motherhouse."

As the committee began the work, IHM Sister Julie Vieira was invited to prepare a prayer so that sisters and associates would join in prayerful support. The "Unfolding Prayer" states, in part, "Create in us a new spaciousness ... help us to let go of what is no longer helpful and to embrace fiercely what will be needed to unfold the mission into the future."

At various times in the process, the POC recalled many who have called the land home. This includes the indigenous Ojibwe, Ottawa,

Pottawatomie and Sauk peoples. The POC felt it was important to focus on the "story of the land" and explored developing a land ethic. The Land Justice Course, sponsored by the Nuns and Nones, proved to be informative in our work. We realized that the elements of a land ethic were included in both the Guiding Principles and the Entrustment Document.

The POC developed guiding principles for the future owners. These included the following:

- Create a sustainable Continuing Care Retirement Community.
- Maintain a physical environment that is beautiful, safe and welcoming for all.
- Provide an excellent quality of care in a person-centered environment.
- Build on IHM heritage and mission to foster spirituality on campus.
- Foster an inclusive community where all can engage in meaningful relationships.
- Maintain Leadership in Energy and Environmental Design (LEED) standards while employing green practices.
- Ensure that IHM sisters have options for appropriate residence on campus.

The second task was to develop a Request for Qualifications (RFQ). A subcommittee of the POC worked diligently on the document. The Committee surfaced about seven entities that would be approached to consider future ownership of the IHM SLC, including the buildings and grounds. After several drafts, the POC invited Ms. Lynn Daly, a consultant from HJ Sims, Inc., to review the RFQ and offer feedback. Ms. Daly was a consultant that the IHM Congregation had engaged on several previous occasions. While Lynn gave us excellent feedback, the POC came to realize that this was a journey that we

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could not make alone. Therefore, the POC recommended to the Leadership Council that we hire HJ Sims, Inc. and continue working with Ms. Daly. This decision was one of the most important that the Leadership Council made on this journey of ownership.

Communications

From the beginning of our journey to future ownership, the Leadership Council and the POC were committed to transparency. Following POC meetings, a summary of the meeting was sent to the IHM Community. The members of the Leadership Council committed themselves in this process to circular communication. Regular updates from the POC and involvement of our various governance structures were key to our internal communications. A challenge in this process was maintaining the required confidentiality while also keeping community members informed. A similar practice was maintained with

the employees. This included several employee meetings with Leadership for questions and answers.

There were also regular meetings with our Director of Communications. Recognizing our desire to be proactive, we discussed the appropriate time for external communication. The IHM Congregation has been an integral part of the Monroe community for over 178 years. However, after much discernment, we chose not to issue public statements too early. Of course, there were rumors that we addressed as each of them came to our attention. Plans were made for a special issue of our quarterly publication, *ihmpact*. (<https://ihmsisters.org/2023/04/our-journey-continues/>)

Prior to the public announcement, the Leadership Council invited key stakeholders to liturgy and brunch to share the announcement so that they could be a voice in the community.



Aerial partial view of the Motherhouse of the Sisters, Servants of the Immaculate Heart of Mary, Monroe, MI. All photographs and graphics used with permission of the IHM Congregation.

Four Phases of Journey with HJ Sims, Inc.

Phase I: Development of a Confidential Information Memorandum and List of Prospective Strategic Candidates
Ms. Daly began with a survey of the Leadership Council and the IHM Senior Living Community Board to determine values and priorities. It was these values and priorities that we would use to “grade” each option later in the process. HJ Sims, Inc. analyzed the results and

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presented them to the Leadership Council. Generally, the two groups were in agreement. Where there was some divergence, the Leadership Council discussed these areas and decided on the various items to be included in the Confidential Information Memorandum (CIM). Ms. Daly prepared the CIM and revised it based on input from the Leadership Council. This was sent to over 40 entities for consideration, clearly beyond the names of organizations that we surfaced!

Phase II: Solicitation Process

An advantage of HJ Sims, Inc. sending this to the groups was the factor of anonymity. A prerequisite for an organization to receive the CIM was to sign a Non-Disclosure Agreement (NDA). This step ensured that the organizations we were talking to were legally bound to ensure confidentiality. Prior to sending the CIM, the only identifier indicated in the initial outreach was that this was a religious congregation in the Midwest. After reviewing the CIM, if the organization continued to express interest, they were asked to work toward a Letter of Interest. At this point, it was shared with the entity that the IHM Congregation in Southeast Michigan was looking for a new owner. The entity would then be given access to the data room. The data room included a plethora of material including the following: agreements for vendors and copies of licensure; building assessments; data of the IHM Congregation and census of the facility; financials; market studies; and marketing materials. The staff of IHM SLC and the Congregation worked tirelessly to prepare the necessary information.

In turn, the IHM Congregation needed to maintain confidentiality regarding the names of the five groups that submitted such a Letter of Interest. After receipt of the Letters of Interest, tours were scheduled with representatives from each

organization. Sister Jane Herb, IHM, President, scheduled the tours with Ms. Daly and organized the visits. Generally, the representatives met with the POC and the Leadership Council to explore further questions. Sister Jane also took the representatives on a tour of the facilities.

At the completion of the Solicitation Process, interested entities were invited to submit a Letter of Intent. The Leadership Council was clear that a preferred time frame would be the determination of a new owner by July 1, 2023. The term of the current Leadership Council would end on June 30, 2024. This would give one year of transition with the current Council.

Phase III: Due Diligence

Two Letters of Intent (LOI) were received. Ms. Daly worked closely with the organizations and was in constant contact with the Leadership Council. A regular agenda item for monthly meetings of the POC was updates with Ms. Daly. She kept the POC apprised of the progress. Ms. Daly also regularly communicated with Sister Jane for additional information and shared questions that each organization had. Both organizations scheduled a second tour, primarily for personnel who were not able to attend the first time. As a result of the confidentiality agreement, the names of the entities could not yet be shared with the Congregation.

Phase IV: Documentation and Closing

As part of the process, representatives from IHM toured the facilities belonging to the two interested parties. Ms. Daly scheduled those visits and accompanied the IHM group on the tours. At all times, she was the person who communicated between the parties and the Congregation. As a result of these visits, IHM was able to gain an insight into the culture of

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the entities and speak with the various administrators.

As we entered the final steps of decision, Ms. Daly was present at a joint meeting of the Leadership Council and the POC. While keeping an impartial approach, she assisted the groups in surfacing additional information necessary for the decision. The final step of the process was to schedule a Zoom interview with each organization.

Ms. Daly facilitated the conversations, inviting further clarifying questions that we or the administrators of each facility had as the process continued. Both the POC and the Leadership Council were engaged in this time of discernment. Each of us identified the pros and cons of each entity and what they would bring to our Congregation. Both groups were not-for-profit and faith-based, which were two of our desires. While there were similarities, after considerable conversation, the POC recommended Saint Therese Communities, based in Saint Louis Park, MN.

The Leadership Council confirmed this recommendation. There was much that resonated with us regarding a future relationship with Saint Therese. At many gatherings, leaders from both organizations spoke of mission alignment. The Mission Statement of Saint Therese is "Do ordinary things with extraordinary love." The vision and core values of IHM and Saint Therese clearly resonated with each other.

Transition

Although the goal of the transition was for July 1, the steps began almost immediately. Weekly calls were set up for the transition teams, consisting of administrators at Saint Therese, IHM SLC and two members of the Leadership Council. Virtually, the leaders in both organizations got to know each other and were able to discuss

issues of concern or questions as the new ownership was unfolding. At every step of the journey, IHM President Sister Jane Herb kept the Archbishop and the Mayor of Monroe apprised of the work. A letter of support was received from the Archbishop of Detroit once the final decision was made.

Legally, the Transfer of Sponsorship was developed with input from Sister Jane Herb, IHM President, and Mr. Craig Abbott, Chief Executive Officer of Saint Therese. After numerous calls with lawyers, the Sponsorship Agreement was signed on June 30, 2023, agreeing to the transfer of ownership of the IHM SLC to Saint Therese on July 1, 2023. Due to the need for a complete survey of the land, the transfer of the land will take place in early 2024.

Once the agreement was reached to have Saint Therese be the new owners, a date was scheduled in early May for the announcement. Officials from Saint Therese were present at the announcement, the first communication being to the IHM Community. There was a sense of relief that we no longer needed to talk about "the entity" but we could finally mention Saint Therese. Another key group to meet were the employees. Saint Therese guaranteed that everyone would have a job on July 1 under their ownership. This brought a good deal of relief to the employees. Still, there was some anxiety among them as to what their jobs may look like in the future.

Once the legal documents were signed and details were attended to, the POC recommended to the Leadership Council to have a ritual of transfer of ownership. This was an important element as we entrusted the IHM SLC, including the buildings and grounds, to Saint Therese. On August 16, the ritual was held. Several members of the executive team from Saint Therese were present. At this gathering the Entrustment

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Members of the Leadership Council of the Sisters, Servants of the Immaculate Heart of Mary, Monroe, MI, at the formal signing of the transfer of ownership.

Seated from left, Sisters Patricia McCluskey, Jane Herb, Marianne Gaynor. Standing from left, Sisters Margaret Chapman, Ellen Rinke.

Covenant (<https://ihmsisters.org/2023/08/transfer-of-ownership-ritual/>) was read and formally presented to Mr. Craig Abbott, CEO of Saint Therese. Following the ritual, all were invited to a reception where comments and insights were shared. This event was very meaningful to both Saint Therese and the IHM Community as it represented the transfer of ownership in a meaningful way.

Learnings

In closing, the following learnings stand out for us:

- As a religious congregation, it is important to embrace our realities and plan for the future.
- At appropriate stages of the process, involve the members of the congregation.
- Be committed to transparent communication while maintaining necessary confidentiality.
- Keep local citizens informed as much as possible and be present at City Council meetings to answer questions that emerge.
- Establish a relationship of trust with open and honest communication between the congregation and the new owner.

- The Leadership Council would no longer be “in the know” regarding operations of the IHM Senior Living Community. This is an adjustment.
- Be attentive to feelings of grief. This doesn’t start with the signing of documents nor end within a certain period.
- It is as important to attend to symbolic rituals for members as to corporate legalities.

We Are Standing On the Threshold of a Brand New Day

As of the writing of this article, we continue to be in a transition phase. Yet, we see the threshold of a brand new day before us. Our sisters will have the level of care that they need for the rest of their lives. While we continue to have some financial commitment to the IHM SLC, this will decrease and be eliminated in the foreseeable future. This helps us focus our resources on the care of our sisters and continuing to live out our mission. The IHM SLC will become a sustainable entity, serving the people of Monroe and beyond in the future. The Leadership Council will be freed from the administrative responsibilities of the facility during subsequent terms.

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