



## RAC FINANCE COMMITTEE MINUTES

December 16, 2020

Club Room, Freedom Plaza

Members Present: Chairman Dave Mohl, Sandee Braddy, Bill Ciota (RAC Rep), Bob Cochran, Bill Krueger, Rocco Nenarella, Al Roberts, Neil Rothfeld & Joan Walker

FP Management

Present: Joey Mingione, Director of Financial Services

The Chairman conducted a roll call and determined that a quorum was present. Meeting commenced at 2:30 pm.

The Chairman called for a vote to adopt the agenda as e-mailed to all members. Motion made by Bill Krueger, seconded by Niel Rothfeld. All in favor, motion so carried.

The minutes for Nov. 18, 2020 were approved by the members present, upon a motion made by Neil Rothfeld, seconded by Bob Cochran.

### REPORTS:

Cost of Living: Bob Cochran stated that from Nov. 2019 to Nov. 2020 it was up 1.1%, up from -0.1% in Oct, 2020.

Health Peak Stock: Bob Cochran stated that it had closed on Nov. 15 @\$29.95 and opened at \$29.20 on Nov. 16. Bob further stated that the dividend yield was \$1.48 per share or 5.12% for the year.

New Hires: Sandee Braddy stated that there were 14 new hires and 7 job openings, most all replacement positions.

Move ins/Outs: Joey Mingione stated that there were 3 move ins and 2 move outs for a total for the year to date of 32 move ins and 30 move outs.

November Financials: Chairman Mohl stated that the third quarter OIR report showed a \$10 million lease payment from one Healthpeak entity to another. He also stated that the entry fee income is amortized over the life of the contract. He further stated that Freedom Plaza is having a good year.

Rocco Nenarella, who is on both the Dining & Grille Committee asked if there was any breakout of revenues vs. expenses in these areas. Joey Mingione replied that revenue is aggregated under other operating revenue but food expense is broken out & combined for both units.

NOVEMBER  
FINANCIALS

Bob Cochran noted that the Golf Course Revenue was broken out but not the expense. Joey Mingione stated that golf course expenses are now included in other departments and are no longer tracked separately. Joey will suggest to LCS that they consider adding a golf course profit center for the next fiscal year.

NEW BUSINESS:

Emp. Appreciation  
Fund

The Board discussed the good results of this committee due to their efforts which resulted in an unsurpassed collection. Chairman Mohl stated that the Finance Committee will receive a summary report in January.

UNFINISHED BUSINESS:

Insurance Renewal  
Schedule

Chairman Mohl asked to have a copy of the schedule showing the allocation of the \$1,700,000 budgeted. Joey Mingione will seek the information.

2021 Budget

Chairman Mohl asked for a final 2021 Budget for Freedom Plaza. Joey Mingione stated that the estimated census in Plaza West had been modified and required some changes to the budget and that the final budget should soon be available.

There being no further business, Chairman Mohl, upon a motion made by Neil Rothfeld, seconded by Rocco Nenarella , adjourned the meeting at 3:37 p.m.

The next meeting will be held on January 20, 2021 at 2:30 p.m. in the Club Room, Freedom Plaza.

Respectfully submitted,

Joan Feehan Walker, Secretary

## 2020 Annual RAC Finance Committee Report By Dave Mohl

1. Our committee meets every month to review the finances. We are pleased with Life Care and Healthpeak so far.
2. Freedom Plaza produced good financial results for the owners in 2020. The net cash flow was about \$10 million.
3. Along the way the US government sent \$1 million to F. Plaza to help with the virus expenses.
- 4.. There is no mortgage as yet on F. Plaza. A mortgage would be about a \$5,600,000 annual expense.
5. We had a few more moveins than moveouts. The entry fee revenue dropped because we had fewer moveins than in 2019, but there were also very few entry fee refunds paid out in 2020. Not many new moveins are opting for the money back entry fee option. We had about \$8 million non-refundable entry fee revenue in 2020.
5. Insurance expense went up a lot. Apparently good companies are reluctant to sell liability insurance to CCCs ... so F. Plaza is partly self insured and there have been some big claims.
6. F. Plaza has about \$24 million in reserves. About \$10 million of that is in IOUs from Brookdale and Healthpeak. Healthpeak is much stronger financially than Brookdale so the future looks viable for F. Plaza.
7. Finance Director Joey Mingione has been great to work with. He attends all our meetings and sends us copies of the line item monthly reports.

