



RAC FINANCE COMMITTEE MINUTES

September 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 p.m.

The Chairman called for a vote to adopt the agenda as e-mailed to all members. All in favor

The minutes for August 19, 2020 were approved by a quorum via e mail on August 22, 2020.

REPORTS:

Bob Cochran stated that the Cost of Living from August 19 to August 20 had gone up .8 %. This, added to the annual 2% contractual amount, means that the rent increase will probably be 2.8%

Bob Cochran stated that Health Peak stock closed on 9/15/20 @\$28.79 and opened on 9/16/20 @\$29.04.

Sandee Braddy reported that there were 8 new hires in August and that there were 25 openings. Joey Mingione stated that the job openings were high as they are now looking forward to having more beds available at Plaza West. A question was raised by Neil Rothfeld regarding the implementation of the 401K plan for employees and Joey replied that payments will commence July 2021 and Bob Cochran asked how employees were compensated for time off required to be taken for Covid illness. Joey replied that employees accrue 5 hours every two weeks and that is accumulated as **Paid Time Off** to be used for sick time, holiday time and vacation time.

Joey Mingione stated that there were 4 moveins and 2 moveouts in August.

UNFINISHED BUSINESS:

Neil Rothfeld & Bill Kruger, our Finance Committee Reps, will attend a FP 2021 Budget meeting on Friday, Sept. 18.

Joey Mingione reported that 50% has been paid on the Elevator Refurbishment project. He stated that completed projects are the Water Pump for the upper floors of the Plaza Building and the upgrading pumps and well replacements on the Golf Course Irrigation project. One project yet to be done is the West Water Tower at Plaza West at a cost of approx. \$160,000.

NEW BUSINESS:

Chairman Mohl led a discussion of the July 2017 Actuarial Study. He stated that it appears that the study is done every three years and from this a ten year projection of revenue and expense, including capital improvements is done. This study is the basis for the annual entry fee deduction letters.

Chairman Mohl went over the analysis, e mailed to all members, of the August Financial Report. He asked Joey about the bad debt write off amount. Joey replied that after 120 days any unpaid bills at Plaza West are written off at 90% and the amount is readjusted if bills are paid. When asked about the lowered revenues at Plaza West, Joey stated that the facility is licensed for 113 beds. Covid guidelines, mandated by the Agency for Health Care Administration, only allows for 82-85 beds to be utilized and currently only 66 are being utilized. Chairman Mohl commented that this has been financially a good year for the owners,

Chairman Mohl reviewed two Demand Notes totaling \$10,900,000 due 6/30/21 carrying interest rates of 4.2% and 3.6%. These notes are for funds borrowed by Health Peak and Brookfield from Reserve accounts of \$24 million. Neil Rothfeld stated that Fl. Statute 651 states what percentage of assets must be held in reserve for CC communities.

Chairman Mohl stated that on 9/1, Lloyds of London renewed the Liability Insurance This is a blanket policy, prorated by Health Peak as a regional group over 3 properties. This policy has a \$500,000 deductible for EACH occurrence. Costs for all liability policies has not yet been determined.

Chairman Mohl asked Joey Mingione to prepare a report showing the interest earnings sources for the next monthly meeting.

Chairman Mohl declared the meeting adjourned at 3:10 p.m.

The next meeting will be held on October 21 at 2:30 p.m. in the Club Room.

Respectfully submitted,

Joan Feehan Walker, Secretary