



## RAC FINANCE COMMITTEE MINUTES

January 20, 2021

Club Room, Freedom Plaza

Members Present: Chairman Dave Mohl, , Bill Ciota (RAC Rep), Bob Cochran,  
Bill Krueger, Rocco Nenarella, Al Roberts, Neil Rothfeld & Joan Walker  
Excused Sandee Braddy  
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 Neil Rothfeld, seconded by Bill Ciota. All in favor, motion so carried.

The minutes for December 16, 2020 were approved by the members present, upon a motion made by Bill Kreuger, seconded by Rocco Nenarella.

### REPORTS:

Cost of Living: Bob Cochran stated that from Dec. 2019 to Dec. 2020 it was 1.2%, up from 1.1% from the period Nov. 2019 to Nov. 2020.

Health Peak Stock: Bob Cochran stated that it had closed on Jan. 19 @\$29.15.  
Bob further stated that the dividend yield per share was 5.08% for the year.

New Hires: Dave Mohl stated that there were 7 new hires and 11 job openings. 6 openings in Independent Living, 2 in Plaza West and 3 at Homewood.

Move ins/Outs: Joey Mingione stated that there were 8 move ins and 3 move outs for a total for the year ending Dec. 31, 2020 of 40 move ins and 33 move outs.

December Financials Bill Kreuger questioned why Revenues were so much under budget and Expenses were so high. Joey Mingione replied that it was mostly due to Covid. Bill also asked why Independent Living Revenues were under by over \$500,000 while that area was at 94 % occupancy. Joey replied that revenues from the golf club gift shop and fees were down as the golf course didn't reopen until Oct. 2020.

Bob Cochran asked when the Golf Club revenues and expenses were going to be coded separately. Bob stated that December revenues were broken out but not expenses. Joey Mingione replied that he has asked LCS consider Golf Club to consider adding a golf course profit center for the next fiscal year.

December Financials            Upon further questioning Joey stated that the Health Center Revenues were down as CDC guidelines required private rooms in some cases due to Covid and although the facility has 106 available beds only 85 can be utilized.

Neil Rothfeld questioned why commissions to sales representatives are now being amortized instead of treating them as a current expense. Joey replied that it was a change in classification.

Dave Mohl stated that for the fiscal year ending Dec 31, 2020 the total facilities produced a cash gain of \$13 million. He stated that due to Covid, wages were down in the Health Center, Dining and Therapy Depts. Dave asked Joey Mingione why Administrative costs were up, and Joey replied that some management compensation had been reclassified by LCS. Dave also questioned why insurance costs were so high, budgeted at \$1.7 M. Joey replied that there were 3 claims for 2020 and that Freedom Plaza had a \$500,000 deductible and that a \$340,000 Reserve was established for claims. Dave Mohl & Neil Rothfeld both asked for the accounting formula used to compute Freedom Plaza's allocation of the total blanket liability policy covering all entities of LCS.

Emp. Appreciation Fund        The Board had been emailed the Summary Report of collections and distributions provided by the EAF Committee. Chairman Mohl discussed his emailed observations to the Finance Committee regarding the computations and collections.

UNFINISHED BUSINESS:

Joey Mingione had to leave the meeting at this point, Items that Chairman Mohl had on the agenda to be provided by Joey to the Finance Committee and still pending are:

1. Final 2021 Budget as prepared by LCS
2. Insurance Renewal Schedule
3. Cash vs Accrual Accounting

Chairman Mohl stated that Chris Hall from Marketing will be invited to attend the next meeting.

There being no further business, Chairman Mohl, upon a motion made by Bill Kreuger, seconded by Rocco Nenarella , adjourned the meeting at 3:40 p.m.

The next meeting will be held on February 17, 2021 at 2:30 p.m. in the Club Room, Freedom Plaza.

Respectfully submitted,  
Joan Feehan Walker, Secretary