



RAC FINANCE COMMITTEE MINUTES

August 18, 2021

Club Room, Freedom Plaza

Members Present: Chair Neil Rothfeld, Sandee Braddy, Bill Krueger, Joyce McCutcheon,
Dave Mohl, Al Roberts, Cor Snoeren & Joan Walker & RAC Liaison Bill Ciota

FP Management
Present: Angie Roher, Executive Director

Chairman Neil Rothfeld called the meeting to order at 2:30 pm. Neil asked the Secretary to conduct a roll call and determine that a quorum was present. The Secretary confirmed a quorum.

The minutes for July 28, 2021 were approved by the members present, upon a motion made by Dave Mohl, seconded by Bill Krueger.

REPORTS:

Cost of Living: Cor Snoren stated that the CPI Class A, under which our contract falls, was up 5.2 % from July 2021 compared to July 2020. Cor stated that the CPI for June 2021 compared to June 2020 was 5.4%, showing a slight moderation in July.

Health Peak Stock: Neil Rothfeld stated, the stock at yesterday's close was \$35.63. Neil further stated that Morningstar reported that a valuation of \$33.50 was a Fair Value with a trading range of \$25.52 to \$37.69. He also said that it was reported that the stock was in line with 2nd quarter projections and was making progress in reducing senior housing from its portfolio.

Move Ins/Outs: Neil stated that Joey Mingione's report delineated zero move ins during July and one move out for a total of 18 move ins and 35 move outs year to date.

Financials: Neil reported that he had met with Angie previously and that she doubted the annual increase would be more than 5%, given the high CPI. Neil said that Angie said the servers' salaries were competitive and that training help for temporary positions would not be cost effective since training takes time and there were some no-shows. He told Angie that the Finance Committee was concerned about burn out of the supervisory staff that were also working dining. Neil said that Angie replied that she was taking care of the supervisory staff.

At that point Angie Roher arrived, stating that she was there to answer any questions as the Director of Finance, Joey Mingione was on vacation. Neil asked her why the YTD Operating Expenses were over one million from the budget, stating that Wages and Benefits were over \$178,000; General and Administrative \$101,000; Marketing \$123,000 and Non-Controllable Expenses were \$427,000. Chairman Rothfeld further stated that Revenues were \$288,000 under budget. Angie stated that the wages and benefits increase was caused by overtime for staff to cover help shortages and in-room dining costs. She stated that they were challenged particularly in the nursing and CNA areas, stating that between \$60-\$70 thousand dollars was for agency help. She also stated that the Health Center ran its own course for CNA's and gained 6 there and that Premier Nursing Academy will have 8 CNA's available for Plaza West on Sept. 15th. Angie stated that Marketing expenses had been underbudgeted in last year's budget process. She said that Marketing is using a firm, Glenn Evans, and they are doing large advertising campaigns and direct marketing. She also stated that \$420,000 of the \$427,000 non controllable expense was for insurance Expense coming from Brookdale. Angie reminded the Committee that Freedom Plaza was self -insured for the first \$500,000 of any award. Dave Mohl commented that the Year to Date net operating income is \$567,000.

Chairman Rothfeld ask to have an Open Positions Report supplied to the Committee as the previous reports showed a large numbers of job openings. Al Roberts opined that if all the open positions were filled, wages would be way over budget. In response, Angie stated that she has visited sub department heads and asked that they re-valuate their open position lists, condensing all half shifts into actual full time numbers. She said the results so far show that openings were overestimated.

Chairman Rothfeld asked Angie Roher about Healthpeak divesting itself of senior housing and reinvesting those funds elsewhere. Angie replied that the 13 communities that were purchased as the Brookdale batch, all were entry fee communities. She said that what was sold off were rental facilities and free- standing assisted living units. Angie stated that Lifecare intended to keep the entry fee communities.

Al Roberts asked if Freedom Plaza's operating costs were ever compared to the other community reports that make up the 9 Florida communities of the 13 in Healthpeak's portfolio. Angie replied that she was not aware of such comparisons but would see if any were available. She said that as far as she knew, Freedom Plaza was selling more units than any other facility in the portfolio.

Chairman Rothfeld asked if a Quarterly Report could be added to the financial statements and Sandee Braddy asked if the type could be bigger for easier reading. Angie said she would pass those comments on to Joey Mingione.

Bill Krueger asked Angie about the Covid situation at Freedom. Angie stated that as of today, there were two deaths and currently 11 residents and 6 employees have Covid. She stated that a review of the vaccination status of employees revealed that 55% were vaccinated, some having obtained their shots elsewhere. Angie stated that one clinic for vaccinations for employees had been run and another was being offered. She stated that Freedom was standing by its October date for all employees to be vaccinated. She also stated that Freedom Plaza will offer the booster shot to residents sometime in October.

There being no further business, Chairman Rothfeld, upon a motion made by Bill Krueger, seconded by Joyce McCutcheon, the chairman adjourned the meeting at 3:25 p.m.

The next meeting will be held on September 15, 2021 at 2:30 p.m. in the Club Room, Freedom Plaza.

Respectfully submitted.

Joan Feehan Walker, Secretary