



RAC FINANCE COMMITTEE MINUTES

November 19, 2021

Club Room, Freedom Plaza

Members Present: Chair Neil Rothfeld, Sandee Braddy, Bill Krueger, Joyce McCutcheon,
Dave Mohl, Al Roberts, Cor Snoeren & Joan Walker.
Excused: RAC Liaison Bill Ciota
FP Management
Present: Joey Mingione, Finance 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 October 20, 2021 were approved by the members present, upon a motion made by Dave Mohl, seconded by Bill Kreuger.

REPORTS:

Cost of Living: Cor Snoeren stated that the CPI Class A, under which our contract falls, was 6.2 % for October. Cor stated that the CPI for September, 2021 was 5.3%, showing a significant change from month to month.

Health Peak Stock: Neil Rothfeld stated, the stock, at yesterday's close, was \$34.83. Neil further stated that Morningstar reported that at valuation of \$36.00 it was Fairly Valued.

New Hires: Sandee Braddy reported that in October there were 23 new hires across various departments.

Move Ins/Outs: Joey Mingione stated that there was one move in during October for a total of 31 move ins year to date and Joey also added that there was an expected total of an additional 12 move ins before the end of the year. He then stated that there were 6 move outs in Oct. and 53 move outs year to date. Joey stated that there was an expected total of 65 move outs by year end.

Financials: Before the discussion of financials, Chairman Rothfeld,, discussing FI Statute 651.85 (4), stated that the Budget as presented represents nothing more than a plan. He further stated that the increase in monthly fees is based solely on each resident's contract and that nothing in the budget puts a cap on the monthly maintenance fees. Neil Rothfeld stated that the OIR will not question an increase as long as it is in line with other CCRC's per the Executive Director of FLICRA.

Chairman Rothfeld reviewed the October financial report, noting that the net Operating Income was approximately \$2.4 less than budgeted, while Expenses were approximately \$1.4 over budget.

Joey Mingione stated that a large part of the expenditures were for insurance claims paid now for 2018 & 2019 with one alone for \$150,000. He stated that now with the new management company a Reserve account has been created and funded and will now be shown as a Liability on the Balance Sheet. This Reserve should mitigate any large insurance charges.

Neil Rothfeld stated that the Operating Income amortization of entry fees does not go into income and should be there to offset expenses.

OLD BUSINESS:

Status of Budget:

Al Roberts questioned Joey Mingione regarding the final budget for 2022 asking whether management was still working on an aggressive budget in view of continuing weak operations. Joey stated that changes were being considered regarding skilled nursing occupancy projections. Joey stated that the final 2022 budget should be completed before the next committee meeting. David Mohl stated that he feels the governing statute requires the budget to be justified by cost centers.

L/T Notes Rec:

Neil Rothfeld noted that the line had disappeared from the OIR reports.

Tax Letter

Joey Mingione stated that he expected the actuarial accounts to have that letter ready by mid-December. Dave Mohl stated that there has not been an actuarial analysis done in over five years and that it is grossly out of date.

NEW BUSINESS:

OIR:

The committee asked Joey Mingione to send the current OIR (Office of Insurance Regulation) to send the current report to all members.

Reserve:

Dave Mohl asked for a copy of the Wells Fargo Report on the Reserve.

Mission:

Cor Snoeren asked if there were a Mission Statement for the committee. Neil told him that the current one had been adopted on 7/15/2020. The Secretary stated she would send him a copy. Cor asked that a review of the Mission of this committee be put on the agenda for the next meeting. He asked that the discussion should include, but not be limited to, the following:

1. Who do we represent?
2. What should we be doing?
3. Look at all Income & Sales. How are they accounted for?
4. The collection of \$4.28M in sales less refunds? Reported where?

5. Where does the profit all go? Is any used for the benefit of Freedom Plaza residents?
6. Objective - Translate into what we should be looking at.

Joey Mingione stated that he would be willing to set up an appointment with Callista, the home office account to go over these questions. Neil Rothfeld stated that that may be premature, that it would be better after the committee had a discussion.

There being no further business, Chairman Rothfeld, upon a motion made by Bill Krueger, seconded by Dave Mohl, the chairman adjourned the meeting at 3:28 p.m.

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

Respectfully submitted.

Joan Feehan Walker, Secretary