



RAC FINANCE COMMITTEE MINUTES

December 15, 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 substituting for Joey Mingione, Finance Director.

Chairman Neil Rothfeld called the meeting to order at 2:30 pm. Neil asked the Secretary if 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 Bill Kreuger, seconded by Dave Mohl.

REPORTS:

Cost of Living: Cor Snoeren stated that the CPI Class A, under which our contract falls, was 6.9 % for November. Cor stated that the CPI for October, 2021 was 6.2%, showing another increase from month to month.

Health Peak Stock: Neil Rothfeld stated, the stock, at yesterday's close, was \$34.42. Neil further stated that Morningstar reported that at valuation of \$36.00 it was Fairly Valued. Neil stated that in Health Peak's third quarter Continuing Care Retirement Communities only contributed approximately 11% to the NOI with the balance being in Medical Buildings containing doctor's offices and Life Sciences.

New Hires: Sandee Braddy reported that in October there were 21 new hires across various departments.

Move Ins/Outs: Joey Mingione had supplied a report that there were two move ins during November for a total of 33 move ins year to date. The report further stated that there were 8 move outs in Nov. and 61 move outs year to date. Angie Roher stated that estimated closings for the next quarter were very good.

Financials: Chairman Rothfeld reviewed the November financial report, noting that the Operating Income was approximately \$1,238,000 less than budgeted, while Expenses were approximately \$1.5 over budget. He noted that the Insurance Expense of \$959,000, would only be \$575,000 off from the Budget if payments relative to prior years were not included. Chairman Rothfeld enumerated budget overages such as Wages Asst. Living \$123,000, Wages Skilled Nursing \$100,000, (Taxes and Benefits Skilled Nursing \$111,000), G & A Expense \$182,000, Marketing Expense \$176,000, Skilled Nursing Expense \$182,000 and Insurance & Taxes \$954,000. Angie Roher reiterated Joey Mingione's statement from November that a large part of the expenditures were for insurance claims paid now for 2018 & 2019 with one alone for \$150,000. She also 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 in the 2022 Budget. Angie also stated that one problem with the 2021 Budget was that LCS did not factor into the monthly calculations for real estate taxes the amounts paid to lessees for Homestead credits. Angie further clarified that the overage at the Health Center was due to staffing and occupancy expectations. She said that the 2022 budget corrects this item.

OLD BUSINESS:

OIR Report

There was a brief discussion about the report and Dave Mohl brought up the point that the Demand Notes had a due date of June 2021.

Medical Allocation

Chairman Rothfeld also inquired of Angie the status of the accountant's report for medical allocations for 2021 taxes. She stated that it had been done and was to go out to residents in the coming week.

2022 Budget

Chairman Rothfeld also asked about the status of the 2022 Budget. Angie Roher replied that there are still ongoing calculations as outlined in the earlier discussion of staffing at the Health Center.

NEW BUSINESS:

Mission Statement:

Cor Snoeren reviewed the current Mission Statement for the committee. He has compiled a revised statement and will forward it to the chairman and secretary for it to be placed on the agenda for the January 19, 2022 meeting. He will send it to the secretary to be distributed to the committee prior to the meeting.

There being no further business, Chairman Rothfeld, upon a motion made by Al Roberts, seconded by Bill Ciota, adjourned the meeting at 3:35 p.m.

The next meeting will be held on January 19, 2022 at 2:30 p.m. in the Club Room, Freedom Plaza.

Respectfully submitted.

Joan Feehan Walker, Secretary