



RAC FINANCE COMMITTEE MINUTES

February 16, 2022

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: AngieRoher, Executive Director & Mary Leidecker, Director of Financial Services.

Guests: Chris Hall, Director of Marketing and Jacob Riggs, of LCS

Chairman Neil Rothfeld called the meeting to order at 2:30 pm. Neil asked Joan if a quorum was present. The Secretary confirmed a quorum.

The minutes for January 19, 2022 were approved by the members present, upon a motion made by Dave Mohl, seconded by Bill Kreuger.

Chairman Rothfeld welcomed the guests and Executive Director Angie Roher introduced Mary Leidecker, the new Director of Financial Services and Jacob Riggs from the LCS Regional Office. As Chris Hall was not present, the Chairman started the report segment of the meeting.

REPORTS:

Cost of Living: Chairman Rothfeld stated that the CPI Class A, under which our contract falls, from January 2021 to January 2022 increased 7.7%, He also stated for the Tampa area it is 9.6%.

Health Peak Stock: Chairman Rothfeld stated that the stock closed on 1/15/22 at \$31.95. He further stated that Morningstar reported that at a valuation of \$36.00 it was fairly valued. Neil went on to say that the corporation had a good 4th quarter returns from its Life Science portfolio.

At this point Marketing Director Chris Hall arrived and Chairman Rothfeld invited him to address current sales situation. Chris Hall stated that last year there was a net loss of move ins over move outs even though the sales were over budget expectations. This, he stated, was because residents were going to a higher level of care or leaving the community to return to family. He reminded the committee that Freedom Plaza's earliest residents, of which there are many, are reaching an age where more care is required, thereby creating a loss of Independent Living residents. He stated that the market for sales is much harder than it was even five years ago as prices have risen, and more options are available. Chris

said that 50% of new residents are from sales directly due to current resident referrals and that 70% of new Independent Living residents are from Sun City Center. Dave Mohl asked the number of vacant apartments. Chris replied about 50. Dave then went on to ask if perhaps 15 or 20 of those vacant apartments could be rented, perhaps on an annual lease, with a perk leading to some buying into the community. Chris stated that it had been done in some sister communities, but that Freedom Plaza is a top seller among others in PEAK's portfolio and that management had not looked at that step yet. Angie Roher stated that management may look at a more limited contract with lesser costs and benefits. Angie stated that looking at a 10-year average, sales of at least 50 units are needed to keep the community at full occupancy. Chairman Rothfeld thanked Chris Hall for the update on marketing goals.

The Chairman then continued with the Reports section of the meeting.

New Hires: Sandee Braddy's report showed 16 new hires in various departments.

Move Ins/Outs: Angie Roher reported that for the month of January there were no move ins in and 3 move outs.

Financials: Chairman Rothfeld asked Mary Leidecker to tell the committee about her background and experience. She stated she received her education in Virginia and that she had been the Comptroller for two country clubs, the latest with an operating

budget of \$4.25M, although in the last year she managed \$8.5M due to a tournament.

Chairman Rothfeld noted that the statements showed a \$617K 4th quarter distribution from the federal government related to the COVID economic recovery program. Members noted that they felt it should be applied to last year's revenues, rather than the current, as it skews the actual operating costs. Jacob Riggs stated that it was done that way last year and they are continuing the pattern. Bill Krueger asked why LCS management was credited with over \$28K of this revenue. Jacob Riggs said it would be reversed at the end of the year. Dave Mohl asked what generated the \$185,000 in interest. It was discussed that it could be from the demand notes.

Chairman Rothfeld inquired about when the Audit Report could be expected. Angie Roher stated by May 1.

OLD BUSINESS:

Resident Medical Deduction

Cor Snoeren brought up the fact that this past year the letter was not received by the residents until the end of December, 2021. Angie Roher admitted that this was an item that fell through the cracks. Cor asked if the audit necessary to

prepare this information be done in November so that it could be distributed in a timely manner, no later than Dec. 1, 2 or 3rd. Residents could then finalize their tax planning for the year. Angie said she would reach out to that accounting firm. Dave Mohl asked if Angie could have the person who does these calculations come to a finance committee meeting.

Mission Statement: The Mission Statement was tabled until March.

NEW BUSINESS:

There being no further business, Chairman Rotfeld adjourned the meeting at 3:36 p.m.

The next meeting will be held on March 16, 2022, at 2:30 p.m. in the Club Room, Freedom Plaza.

Respectfully submitted.

Joan Feehan Walker, Secretary