



RAC FINANCE COMMITTEE MINUTES

July 20, 2022

Club Room, Freedom Plaza

Members Present: Chair Neil Rothfeld, Sandee Braddy, Jane Keegan, Bill Krueger, Joyce McCutcheon, Al Roberts, Cor Snoeren, Joan Walker & Veanna Cape, RAC Liaison

Excused: Dave Lowe

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.

Chairman Rothfeld stated the next order of business was the Election of Officers for a one year term. He called for nominations for Chairperson. Al Roberts was nominated as Chair by Joan Feehan Walker, seconded by Joyce McCutcheon. All in favor, motion so carried. Chairman Rothfeld then called for nominations for Secretary. Al Roberts nominated Joan Feehan Walker, seconded by Neil Rothfeld. All in favor, motion so carried.

Chairman Roberts thanked Neil Rothfeld for taking over as Chair last July and for doing a great job. He further stated that due to Neil's expertise, RAC has approved him to stay for an extended two-year term. Chairman Roberts then welcomed Veanna Cape to the committee, stating that he felt she would be a great asset. He asked her to introduce herself to the board giving her background as it may relate to finance. Chair Roberts then announced that Mary Leidecker was no longer at Freedom Plaza. He and Neil were informed by an email from Angie Roher, Executive Director. He does not know the circumstances of her leaving but said that the email stated that Angie would attend the committee meetings until a new Finance Director is hired.

The minutes for June 15, 2022 were approved by the members present, upon a motion made by Neil Rothfeld, seconded by Cor Snoeren.

REPORTS:

Cost of Living: Cor Snoeren stated that the year-to-year increase in the June CPI Class A South, which governs most of our resident contracts, was 10 %. He also mentioned that the increase in the national CPI for the same period was “only” 9.1%, and that the Bureau of Labor Statistics has recommended that organizations using the CPI for rent and other increases would be well advised to use the national index rather than regional indices, presumably because it is less volatile.

Committee members pointed out that the increase in resident service fees would be calculated at the end of August, and at the current CPI rate of 10 %, plus the optional 2 %, the increase for next year’s fees would be 12%, a figure which would cause dismay to all residents and economic hardship to many. A lengthy discussion ensued as to whether management would be willing to take the step of reducing or eliminating the 2 % optional increase for this year (it had been reduced to 1% in last year’s calculation). Among the reasons advanced for why this would be a good idea were the following:

- Two consecutive years of significant increases, together with large increases in long-term health care premiums, are causing major concern and economic hardship to many residents.
- Such large increases may contribute to pricing Freedom Plaza out of the senior housing market. There is evidence that an increasing number of potential FP clients are opting to go to rental facilities, such as Aston Gardens. Neil pointed out that, whereas in the past, 80 % of FP sign-ups have come from Sun City Center, at present only 60 % are coming from SCC.
- Reduction or elimination of the optional 2 % charge this year would send a positive signal to both current and potential residents that management is sensitive to the financial needs and concerns of the Freedom Plaza population.

At the urging of the Committee, Al Roberts said he would pursue this subject in an upcoming meeting he has scheduled with Angie Roher.

Health Peak Stock: Chairman Rothfeld stated that the stock closed on 7/19/22 at \$26.45. He further stated that Morningstar reported that at a valuation of \$36.00 it was fairly valued. He stated that the stock price this year ranged from a low of \$23.23 to a high of \$37.69. The current dividend is 4.54% and its current focus is on Medical Offices and Life Science Assets.

Open Positions Sandee Braddy reported that there were 36 openings in Independent Living, 13 in Plaza West, 9 in Memory Care and 3 in the Inn for a total of 61 positions. Chair Roberts thanked Sandy for getting a more detailed report. He asked her that when she receives the next month's report that she email it to the secretary, who will then distribute it to the members, enabling them to make month to month comparisons prior to the meeting.

Move Ins/Outs Chair Roberts stated that there were 7 move ins and 1 move out in June, with a total for the year of 15 move ins and 23 move outs. Sandy Braddy stated that she has been receiving ROBO marketing calls from Freedom Plaza, with another member stating they had also received one. Chair Roberts remarked that it was innovative marketing.

Financials: Neil Rothfeld stated that Food and Beverages were \$100,000 over budget and that this would be hard to overcome by year end. One member asked where in the budget are the funds to pay for these extravagant parties at the Plaza Club and Freedom Plaza. It was discussed that they could be either from Activities or Food and Beverage. Much discussion ensued and the consensus was that occasions could be marked with a special dinner such as those enjoyed for holidays and that residents could benefit more from money spent on enhancing food services and offerings in regular dining.

Audit Report: It was noted that it had been received.

OLD BUSINESS:

Mission Statement: Chair Roberts noted that it was approved by RAC in its final form on June 24, 2022. He suggested that the committee should consider reading the monthly RAC minutes if they don't already do so.

As there was no further business before the committee, Chairman Roberts set the next meeting date as August 17 at 2:30 p.m. He then asked for a motion to adjourn. A motion was made by Neil Rothfeld, seconded by Cor Snoeren. Motion so carried. Meeting adjourned at 3:20 p.m.

Respectfully submitted,

Joan Feehan Walker, Secretary