



## RAC FINANCE COMMITTEE MINUTES

August 17, 2022

Club Room, Freedom Plaza

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

Unavailable: Angie Roher, Freedom Plaza Director

Chairman Roberts called the meeting to order at 2:20 pm. The Chairman asked the Secretary if a quorum was present. The Secretary confirmed a quorum.

Chairman Roberts welcomed new member Dave Lowe, who then gave a short history of his career.

The minutes for July 20, 2022 were approved by the members present, upon a motion made by Neil Rothfeld, seconded by Sandee Braddy. All in favor, motion so carried.

### REPORTS:

**Cost of Living:** Cor Snoeren reported that The CPI for Class A South, which governs most of our resident contracts, was 9.7 %. He also mentioned that the increase in the national CPI for the same period was 8.4%.

Committee members pointed out that the increase in resident service fees, based on the CPI, would be calculated at the end of September. Chair Roberts stated that at his meeting with Angie Roher, he gleaned that the decision regarding the amount of increase for next year's fees would come from corporate for all CCRC's in their portfolio. Director Roher will certainly make known the committee's concerns to corporate. Cor did discuss the tax deduction percentage provided by Health Peak. Veanna Cape stated that her understanding was that it is calculated every five years.

**Health Peak Stock:** Neil Rothfeld stated that the stock closed on 8/16/22 at \$28.25. 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 \$36.69. The current dividend is 4.23%. Neil pointed out that even though Health Peak Life Science and Medical Office segments of its portfolio saw growth, the CCRC's saw a 2.1% same store NOI decline which was worse than the estimate of .06% growth. The question was raised about the size of the whole CCRC group.

REPORTS:

Open Positions

Sandee Braddy reported that there were 23 openings in Independent Living, 18 in Plaza West, 8 in Memory Care and 3 in the Inn for a total of 49 positions, down from last month's total of 61. Chair Roberts thanked Sandy for the report. He asked her that when she receives the next month's report that she prepare copies for everyone and distribute the report to the members at the meeting.

Move Ins/Outs

Chair Roberts stated that there were 1 Move Ins and 3 Move Outs in July, with a total for the year of 16 move ins and 26 move outs. Members pointed out that this month's report categorized former Move Ins as Move Ins/Closings. Neil Rothfeld said that they aren't on the same day. It was agreed that on the report it was confusing to see Move Ins equated to Closings since the events happened at different times and are usually reported differently. Chairman Roberts pointed out that the numbers of Move Ins were less than forecast.

Financials:

Chair Roberts stated that in the absence of Angie Roher, he would comment, stating that he liked the format of the report and agreed with other members that the committee would like to also receive the four top summary pages as received prior. Neil Rothfeld stated that the Committee needs to see the items below the line. There is still the question of the accruals appearing belatedly. The Committee would like to know if the accruals are made in house or by Lifecare.

Chair Roberts noted that Innovative Home Care Revenues were \$253,000 below anticipated budget. Jane Keegan stated that she had seen an advertisement offering IHS services in Kings Point. Joan Feehan Walker stated that in a short period of time, there have been three directors of this department. The new director, Arlene Jacobson, had difficulty hiring personnel. Now that she has the staff, she is apparently trying to increase clients. Joan stated that we all have received flyers offering services that perhaps many residents did not know were available. Personally, we have not had a problem with scheduling IHS staff. From what I understand, all staff is utilized and if there are not enough clients, they are not working. This comment engendered another question from the committee. Since Health Care revenues are down at \$500,000 below budget; do we advertise for clients? Chair Roberts said he assumed contact with hospitals and doctors was maintained. The Chair also noted that Contract Labor was still being utilized at the Health Center in this past month in the amount of \$71,363.

OLD BUSINESS:

Budget

Chair Roberts noted that the committee was making these comparisons based on the budget figures from the financial reports. Both he and Neil Rothfeld pointed out that the committee members had never received the actual budget for 2022. The Chair said perhaps it was due to Joey's leaving and new staffing. However, a copy of the 2022 budget should be provided to each member. Chairman Roberts reminded the committee that preparation meetings for the 2023 budget would be starting soon. However, he noted that the Finance Committee role is to observe and suggest, noting that approximate 60% is for salaries and that there will be a substantial increase in that area.

As there was no further business before the committee, Chairman Roberts set the next meeting date as September 21 at 2:30 p.m. He then asked for a motion to adjourn. A motion was made by Neil Rothfeld, seconded by Jane Keegan. Motion so carried. Meeting adjourned at 3:20 p.m.

Respectfully submitted,

Joan Feehan Walker, Secretary