



RAC FINANCE COMMITTEE MINUTES

November 16, 2022

Club Room, Freedom Plaza

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

Excused: Jane Keegan & Neil Rothfeld

Freedom Plaza Dennis Kimble, DFS

Chairman Roberts called the meeting to order at 2:27 pm. The Chairman asked the Secretary if a quorum was present. The Secretary confirmed a quorum. He noted that Neil had had recent surgery and there were some complications. He gave everyone a phone number of the facility where was doing rehab in Sarasota. 921-921-8600, #206. All expressed concern and wished him well.

The minutes for October 19, 2022 were approved by the members present, upon a motion made by Dave Lowe, seconded by Cor Snoeren. All in favor, motion so carried.

Cost of Living: Cor Snoeren reported that The CPI for Class A South, which governs most of our resident contracts, was 8.6 %. He stated that the PPI was also down and that these moves were a step in the right direction.

Health Peak Stock: Cor Snoeren stated that the stock closed on 11/15/22 at \$ 25.20 and today at \$24.86. He further stated that Morningstar gave it a 5 star rating and reported that at a valuation of \$36.00 it was still fairly valued. Cor stated that Yahoo Finance gave it a fair value of \$6.30. He also said that Yahoo reported that the impact of the Corona virus could significantly impact the occupancy level for Healthpeak's senior housing portfolio.

Open Positions: Sandee Braddy reported that the report that she had received from HR showed a total of 51 open positions. 24 in Independent Living, 15 at Plaza West and 1 at The Inn and 11 at Memory Care & Assisted Living.

REPORTS:

September Financial
Statement:

Dennis Kimble stated that the letter to residents stating the percentage of their monthly service fee that can be deducted from their federal income tax will be going out with the December billing. Cor Snoeren thanked him for getting this letter out so that residents could make decisions about their end of year tax situations.

Dennis then discussed the October 2022 Financial Report. He went over the various items affecting revenue each area. Independent Living, such as occupancy, which was behind plans, but was a \$54K improvement over last month. In Skilled Nursing Revenue was up due to improved occupancy, but down in Memory Care. Innovative Home Services was below expectations due to continued fluctuations in case load but did see a \$13.7K improvement over last month. Regarding expenses, he stated that salary and wage expenses were favorable to the budget. Dennis further stated that Marketing expenses were \$32K over budget largely due to advertising. Food and beverage expenses were still \$13.8K over budget but a \$10K improvement over the last month. All Plant Operations, Environmental Services and Assisted Living were a combined \$41K below budget. Dennis stated that Insurance and Taxes were over due to a insurance \$400,000 liability claim paid from a 2019 case. Upon a question by a board member, Dennis explained that the community self-insured for up to \$500,000 after which umbrella liability insurance would kick in. Without the claim, the net operating income would have been \$397,213.

Budget:

Chair Roberts asked Dennis Kimble where the budget process was at. Dennis Stated that there were no major changes, just fine tuning. He said that a key point in next year's budget would be that the therapy department is being outsourced to a third party company and therapy personnel would no longer be FP employees. Dennis also noted that the list selling price for all apartments will be increased as of January 1 by 8%. Chairman Roberts also asked about the Capital Budget and Dennis replied that that would not be finalized until the end of the year, but that items being considered were a full renovation of the Assisted Living facility and an update to the common areas in Independent Living.

As there was no further business before the committee, Chairman Roberts set the next meeting date as December 21 at 2:30 p.m. He then asked for a motion to adjourn. A motion was made by Cor Snoeren, seconded by Joyce McCutcheon. Motion so carried. Meeting adjourned at 3:35 p.m.

Respectfully submitted,

Joan Feehan Walker, Secretary