



## RAC FINANCE COMMITTEE MINUTES

March 15, 2023

Club Room, Freedom Plaza

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

Members Excused: Cor Snoeren

Freedom Plaza Dennis Kimble, DFS

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

The minutes for February 15, 2023 were approved by the members present, upon a motion made by Jane Keegan, seconded by Neil Rothfeld. All in favor, motion so carried.

### REPORTS:

Cost of Living: Neil Rothfeld reported that The CPI for Class A South, which governs most of our resident contracts, was down to 6.4 %. Neil Rothfeld said that the national average is 6%, and that the Tampa area is akin to a high rent district.

Health Peak Stock: Neil Rothfeld stated that the stock closed on 3/14/23 at \$21.56. He further stated that Morningstar reported that its fair value is \$35 but also noted that Morningstar stated that the year range was \$21.09-\$35.72 with a dividend yield of 5.57%.

Open Positions: Sandee Braddy reported that the report that she had received from HR dated 3/1/23, showed a total of 42 open positions. 25 in Independent Living, 8 at Plaza West and 3 at The Inn and 6 at Memory Care & Assisted Living. Members again questioned the absence of full and part time servers needed in Independent Living as it seems that there are never enough. Chairman Roberts asked Sandee Braddy to talk to Theresa or Melly to ascertain if these numbers were correct.

February Financial Statements

Dennis Kimble submitted a report showing that there had been 3 Move In/Closings in February and 1 Move Outs/Vacancies. He stated that the sales outlook for the rest of the quarter was very positive in the range of 9 to 10 on a budget of 7. He stated that Health Peak owners were here and were pleased with the sales. They are looking for a post Covid recovery of close to 90% occupancy, and with it an increase in Net Operating Income.

February Financial  
Statements:

Dennis then discussed the February 2023 Financial Report. He went over the various items affecting revenue each area. Independent Living, Skilled Nursing, Assisted Living and Innovative Home Services revenues had decreased but were in expected budget range. Memory Care revenues increased during February. Expenses for salaries and wages were below budget even using Agency Nursing due to unfilled positions. The plan for this area is to be done using agency nurses by the end of May. Controllable Expenses for the Health Center and Marketing were all under budget. Food & Beverage and Administration & General were all over budget.

Neil Rothfeld raised the issue of Innovative Home Services again having greater expenses than revenues. Dennis replied that it is a necessary service for the community and that it is difficult to maintain a positive revenue status each month. Neil then asked about a \$88,454 listing of revenue as Private Pay in Assisted Living. Dennis replied that these fees come from payments for an upgrade to a private room. Neil also asked what made up the Conditional Compensation line under Plant Wages and Benefits. Dennis replied that it was funds paid for items considered differentials such as holiday pay or working three 12 hour shifts and getting paid for forty. Neil raised the question of where the allocation for insurance claims is made: at Lifecare or corporate? He wanted to know if the allocation was relevant to claims made from Freedom Plaza. He asked Dennis to provide the number and type of claims made at Freedom.

OLD BUSINESS:

FLICA

Chair Roberts stated that he had been on a Zoom call with Cyrille Cobe, Bennett Napier of FLICRA, several other FLICRA personnel, a CPA experienced in auditing CCRC's and someone from Leading Edge. regarding the section of the FLICRA Florida Statutes 651 Modernization Proposal for 2023 Florida Legislative Session that reads:

“Streamline financial reporting by eliminating multiple costly audits for CCRCs that are part of an obligated group or that own or control additional entities if a consolidate audit contains the required financial information by CCRC or entity.”

It was ascertained that this section applies to an obligated group of CCRC's and therefore would not apply to Freedom Plaza. Freedom Plaza will still receive year end separate audited statements from LCS & HP.

Chair Roberts encouraged committee members to read the 1<sup>st</sup> Quarter 2023 FLICRA Bulletin and to look in particular at the nationwide resident monthly fee increases and comparing them to our rate increases.

NEW BUSINESS:

Chairman Roberts noted that the Final OIR Examination Report had been received and that were only minor recommendations in some areas.

Chairman Roberts asked Dennis Kimble to address the Financial Qualification Tests applied to applicants at Freedom Plaza. Dennis provided the committee with a schedule for an Asset Test and Income Test. He said that if an applicant meets all requirements easily, the approval process will be handled by him and Angie Roher, Executive Director. Any borderline applicants will have their assets and income qualifications reviewed by corporate. He said if someone wanted to come in immediately before their house is sold, Freedom Plaza still offers a one year promissory note with 20% down at no interest. Joyce McCutcheon asked if there had been an increase in hardship cases, because of the high monthly rate increases. Dennis replied there were under 6 such cases and their status is reviewed by him and Angie annually. If relief is necessary, it will show as a discount on their bill.

Chair Roberts that there will be three openings on the committee in June 2023 as Cor Snoeren has chosen not to serve another term. Chair Roberts said that there will not be a Volunteer Fair this year and applicants will be sought using a flyer request to each resident.

Chair Roberts sought approval from the committee to extend invitations to the Marketing and Dining Directors to attend future meetings and asked which they would like to appear first. There was a resounding request for Dining first.

As there was no further business before the committee, Chairman Roberts set the next meeting date as Wednesday, April 19, at 2:30 p.m. He then asked for a motion to adjourn. A motion was made by Veanna Cape seconded by Dave Lowe. Motion so carried. Meeting adjourned at 3:40 p.m.

Respectfully submitted,

Joan Feehan Walker, Secretary