



RAC FINANCE COMMITTEE MINUTES

April 19, 2023

Club Room, Freedom Plaza

Members Present: Neil Rothfeld, Acting Chair, Dave Lowe, Joyce McCutcheon, Cor Snoeren, Joan Walker & Veanna Cape, RAC Liaison

Members Excused: Al Roberts, Sandee Braddy & Jane Keegan

Freedom Plaza Dennis Kimble, DFS & Iris Martin, Marketing Director

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

The minutes for March 15, 2023 were approved by the members present, upon a motion made by Veanna Cape, seconded by Dave Lowe. All in favor, motion so carried.

REPORTS:

Cost of Living: Cor Sorenson reported that The CPI for Class A South, which governs most of our resident contracts, was down to 5.4 %. Neil Rothfeld stated that he is not optimistic that the rate will go much lower and that he feels the Freedom Plaza monthly fee for 2024, computed on the August CPI plus 2%, may be in the range of 6 to 7%.

Health Peak Stock: Neil Rothfeld stated that the stock closed on 4/18/23 at \$21.21. He further stated that Morningstar reported that its fair value is \$33.50, and he also noted that Morningstar stated that the year range was \$21.21-\$35.72 with a dividend yield of 5.66%.

Open Positions: The Secretary read the report of open positions that Sandee Braddy had obtained from HR for 4/1/23, showing a total of 31 open positions. 18 in Independent Living, 7 at Plaza West and 6 at The Inn and 7 at Memory Care & Assisted Living.

Neil Rothfeld welcomed Iris Martin, Director of Marketing. She then gave an overview on the methodology of the current marketing program. First stating that she was very happy to announce that she had secured a weekly slot on local radio as well as having spot commercials airing throughout the month. Iris stated that for the second quarter they are offering some incentives such as a \$100 reduction on the monthly rate and 20% off the stated price of two-bedroom apartments of which there are a number available. She said that they are doing targeted mailing to three zip codes that appear to have the demographics and resources needed for residency. Iris stated that they are preparing a data base of prospects to help in marketing which they will review at daily meetings. Neil Rothfeld questioned the absence of any funding spent on digital marketing as shown in the current financials. Iris Martin stated that there is a video presence with a vector – Your Town. She said that they do offer virtual tours. She said these costs may be bundled in other areas. She said that they are also reaching out to realtors to help market Freedom Plaza. Joyce McCutcheon asked what amount was the finder's fee that was being offered to the realtors. Iris said it was currently at \$2500. Neil then asked for committee input. Joan Walker said that at Town Hall meetings it is stated that Freedom Plaza is not an “old folks home”, but in reality it is starting to look like one. The image now projected to people entering at the front and through our atrium is not one of Independent Living, with the amount of wheelchairs and walkers visible. Joan said that coming in here as a fully functioning independent resident does not seem to be happening. She said that recently people have been admitted where even both parties are using walkers or scooters, needing extensive assistance from aides. Joan asked where the line is drawn between independent and assisted living. Joan said she knows that, we are all aging in place but when she and Mr. Walker moved here they were independent. Three years later he had to start using a walker and now a wheelchair to traverse the halls. Joyce McCutcheon stated that when she and her husband moved in in 2019 they both had to walk in. Dave Lowe said that since he moved in in July of 2021, the amount of people moving in with walkers has increased dramatically; that a new resident is on his floor and came in using a walker. Dave further stated that he had a friend interested but when the friend came over, he told Dave that from what he had seen this was not independent living. Iris Martin replied that she cannot speak to how the units were sold before her taking over Marketing. However, she did say that the parameters have been tightened up for age, financials and medical.

Cor Snoeren brought up the subject of animals, particularly large dogs. He stated two have recently moved in on his wing, with one of them being a barker. He stated that he thought dogs were supposed to be on the first floor, where they could have easy access to the outdoors without having to use the halls and elevators. He stated that it can be intimidating to some people, especially not dog lovers, to be in an elevator with a large dog. Iris Martin said that while they would like to house dogs on the first floor, an available apartment is not held for people with dogs. Cor asked why applicants with dogs couldn't be put on a waiting list for a first-floor apartment. Cor also stated that any dog that one owns is an emotional support dog as it becomes a member of the family. Joyce McCutcheon stated that cards are readily available on the internet for \$250. The only requirement is a phone call with a psychologist from the site where you are asked if the dog is controlled, trained and what is your need. Card issued.

March Financial
Statements

Dennis Kimble submitted a report showing that there had been 6 Move In/Closings in March 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 3.

March Financial
Statements:

Dennis then discussed the March 2023 Financial Report. He went over the various items affecting revenues each area. Independent Living, Skilled Nursing and Assisted Living revenues had increased. Innovative Home Services and Memory Care revenues decreased during March but were still favorable to Budget. Expenses for salaries and wages exceeded budget as well as G&A. Wages and benefits were also up in the Health Center due to eight nurses having Covid and Agency staffing had to be used. Controllable Expenses were up in G & A due to an increase in the IT managed services contract and late fees. Neil Rothfeld questioned "late fees". Dennis said it was for late utility payments. The system has the bills come to Freedom and then they go to corporate, where they were not paid on time. A more seamless process of payments has been established. Dennis stated that Food & Beverage Expense was up by \$9K. Joan questioned that stating that the financials show that there is \$19k unspent for the quarter. Dennis said that that would be used to offset overages in the future.

OLD BUSINESS:

Insurance Claims

Neil Rothfeld stated that Chairman Roberts had asked to have a breakdown of the number of claims as well as the type. Dennis Kimble said he had not yet received that information, but would be sure to have it by the next meeting.

Cor Snoeren asked Dennis the status of the liquor license. Dennis said it now looks like July, but corporate is still paying all the expense.

As there was no further business before the committee, Neil Rothfeld set the next meeting date as Wednesday, May 17, at 2:30 p.m. He then asked for a motion to adjourn. A motion was made by Dave Lowe, seconded by Cor Snoeren. Motion so carried. Meeting adjourned at 3:25 p.m.

Respectfully submitted,

Joan Feehan Walker, Secretary