



RAC FINANCE COMMITTEE MINUTES

June 21, 2023

Club Room, Freedom Plaza

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

Freedom Plaza Dennis Kimble

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

The minutes for May 17, 2023 were approved by the members present, upon a motion made by Jane Keegan, seconded by Veanna Cape. All in favor, motion so carried.

REPORTS:

- Cost of Living:** Neil Rothfeld reported that the May CPI for Class A South, which governs most of our resident contracts was 4.6%. He also stated that the Tampa-St. Petersburg-Clearwater was 7.6%, which signifies the amount we are paying for goods.
- Health Peak Stock:** Neil Rothfeld stated that the stock closed on 6/20/22 at \$20.18. He further stated that Morningstar reported that at a valuation on \$33.50, it was fairly valued. He stated that the day trading range was between \$20.09 - \$20.54 and that the yield was almost 6%.
- Open Positions:** Sandee Braddy reported that there were only 20 open positions, a dramatic drop from previous highs of 49 in February. There were 7 openings in Independent Living, 6 in Plaza West, 3 at the Inn and 4 in Memory Care.
- Move-ins/
Move Outs** Dennis Kimble reported that there were 6 Move ins in May and 5 Move outs, for a net gain of 1. Dennis stated that Marketing will meet their quarterly goal.
- Financials:** Dennis Kimble stated that he would like it noted first that Chair Roberts had asked him to reply to questions he had about the annual Financial Audit, particularly as it applied to the ageing of Accounts Receivables and an explanation of the lack of an increase in the Future Services Obligation. He stated that he is still awaiting answers from the home office and hopes to have them for the July meeting. Joan Walker stated that with the inflationary rates of the last two years there should have some increase in in 2021 & 2022 obligations.

Financials: In reviewing the May financial statements, Dennis stated that revenues were down in most areas, except Innovative Home Services. He stated Independent Living was down because of a bad debt adjustment and large 2nd qtr. promotional expenses. Assisted Living, Skilled Nursing and Memory Care experienced decreases in occupancy. He stated that Salaries & Wages were over budget due to training and allocation of personnel. He stated that in Controllable Expenses, G & A were up because of support agreements and Food & Beverage due to a spread sheet error in the Spend Down File. The Net Operating Income for May of \$69K missed the budget by \$93.9K.

Joyce McCutcheon asked Dennis when the committee could expect to receive the prior categories of litigation & judgements and to see if it is correctly budgeted.

Neil Rothfeld cited page 8, regarding wages Food Production underspent by \$10,125. Dennis replied that some things were not properly allocated, noting for the month, the department overspent by \$11,298.

Neil then asked why the Skilled Nursing Expenses were so over budget, while Revenues were so far under budget. Dennis replied that some nurses are out on medical leave, being paid, but it was necessary for the center to hire additional help, because even though the census was down, staffing must be at a certain level. Neil then asked about G & A being over budget by over \$70,000. Dennis replied that there was an unexpected IT charge of \$10,000, \$10,000 was a balance sheet adjustment as well as \$5000 in another area.

Neil then asked about the charge of \$93,957 Life Care Discount in Assisted Living and Dennis replied that more residents with lifecare contracts were utilizing Assisted Living.

Neil then asked about the increase in Housekeeping wages and benefits and Dennis replied that corporate did not budget adequately.

Neil Rothfeld then asked why Marketing was spending so little on digital advertising using so much traditional forms. Dennis replied that corporate doesn't care about the forms of marketing, just the results. He stated that Iris is stabilizing the department, meeting and exceeding sales expectations and that the department is overspent by less than \$1000 for the year.

Neil Rothfeld set the next meeting date as Wednesday, July 19, 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 3:15 p.m.

Respectfully submitted,

Joan Feehan Walker, Secretary