



RAC FINANCE COMMITTEE MINUTES

February 21, 2024

Club Room, Freedom Plaza

Members Present: Neil Rothfeld, Chairman; Doug Atkins, John Lang, Dave Lowe, Joyce McCutcheon, Veanna Cape (RAC Liaison and Secretary Pro Tem)

Members Excused: Joan Feehan, Jane Keegan, Al Roberts

Freedom Plaza Dennis Kimble, Director of Finance

Neil called the meeting to order at 2:30 pm. A quorum was confirmed.

The minutes for January 17, 2024 were approved by the members present.

Neil reported that Iris Martin will attend the meeting in March and Theresa Lehman will attend the meeting in April.

Neil reported that Healthpeak stock closed at \$16.92 on February 20. Total dividend yield is 7.16%. Morningstar's fair value of the stock is \$ 32.50.

Doug reported that the percentage change in the Consumer Price Index for December for the South Class A was 3.9%.

Dennis reported zero move-ins and four move-outs in January. Closings were three under budget and refunds were one under budget. There are five closings scheduled in February. Lots of move-outs to higher levels of care are occurring. Marketing will be offering 25% discount on select small two-bedroom apartments. They are going back to premium pricing on the 1st, 6th and 7th floors this year.

Dennis presented his report on the monthly operating statement. He reported that starting off the new year total operating revenues were above budget. Only Independent Living revenue was under budget. Total wages and benefits were over budget. General & Administrative, Plant and Environmental Services were below budget. Dining services was over budget. Assisted Living, Skilled Nursing and Innovative Services went over budget. Net operating income for January was well over budget.

Dave Lowe presented a letter to the committee which was written to Angie Roher, Siby Thadathil and Dennis Kimble from Chairman Neil Rothfeld thanking Siby and Dennis for meeting with Dave and John to discuss the water leaks and resulting damage which occurred in January. According to Siby, Health Peak has committed to doing whatever is necessary to rectify the problem and not put residents at risk now or in the future. Dennis Kimble pointed out a grammatical correction in the letter. John Lang

moved and Veanna Cape seconded to approve the letter as revised. Those present approved sending the letter with revision. A copy of the letter as revised is attached.

There was no further business to come before the committee. David Lowe moved and Doug Atkins seconded to adjourn the meeting. Motion carried. Meeting adjourned at 3:15 pm. Next meeting will be Wednesday, March 20, 2024 at 2:30 PM.

Respectfully submitted,

Veanna Cape, Secretary Pro Tem

February 08,2024

TO: Angie Roher, Executive Director
Siby Thadathil, Plant Operation Director
Dennis Kimble, Director of Finance

FROM: Neil Rothfeld, Chairman, RAC Finance Committee

We would like to thank Siby and Dennis for taking the time to meet with our representatives, Dave Lowe and John Lang, on January 19, 2024 to discuss the water leaks and resulting damage which occurred on or about January 02, 2024.

Due to the scope of the damage, we felt, as a committee, that it might be helpful to summarize our understanding of the topics discussed.

Siby explained that the cause of the leaks was a defective thermostat which allowed the water temperature to get so high that the resulting pressure built up in the 30 year old plus PVC pipes caused them to leak at the valve joints. These leaks caused property damage to sheetrock, baseboards, ceiling tiles and carpeting.

Clean up began almost immediately; our insurance company was notified and an adjuster was assigned. We have met our \$100K deductible and a general contractor who specializes in water damage remediation has been hired.

As of early February, 2024 remediation work including sheetrock and baseboard repair and new paint in the affected areas has begun. This was followed by an air quality test in some apartments and all hallways within the complex. This test was performed by a company hired by the remediation general contractor. This initial test showed that there are, still, some areas that need attention primarily on floors 1,2,4 and 6. This work was completed in early February and a final air quality test was performed. This test showed that there are no active mold spores and the remediation was deemed successful.

The final step in the process is the deep cleaning of all the hallway carpets. If this cleaning does not remove all the stains Health Peak has committed to replacing the stained carpeting.

As indicated in previous conversations, as a committee we are deeply concerned with the health and well being of our neighbors and, as a result, we strongly believe that management should institute a policy of periodic air quality tests.

We thank you for your consideration and willingness to discuss our concerns.

Respectfully,

Neil Rothfeld-Chairman, RAC Finance Committee