



RAC FINANCE COMMITTEE MINUTES

March 20, 2024

Club Room, Freedom Plaza

Members Present: Neil Rothfeld, Chair, Doug Atkins, Jane Keegan, John Lang, Dave Lowe, Joyce McCutcheon, Al Roberts, Joan Walker & Veanna Cape, RAC Liaison

Freedom Plaza Dennis Kimble, Director of Finance

Guest: Iris Martin, Marketing Director

Chair 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 of February 21, 2024 were approved by the members present, upon a motion made by Jane Keegan, seconded by Al Roberts. All in favor, motion so carried.

REPORTS:

Cost of Living: Doug Atkins reported that the February CPI for Class A South, which governs most of our resident contracts, was 4.1%.

Health Peak Stock: Neil Rothfeld stated that the stock closed on 3/19/24 at \$17.50. He further stated that Morningstar reported that at a valuation on \$30.50, it was fairly-valued and that the yield was 6%.

Move-ins/ outs Dennis Kimble reported that there were 3 Move ins in February and 5 Move outs, stating that residents were moving to a higher level of care. Dennis stated that he expected that there would be a total of 12 sales for the first quarter.

At this point Iris Martin arrived and was welcomed by Neil Rothfeld, Chair and he asked her to discuss current marketing conditions for units at Freedom Plaza.

Ms. Martin stated that it is difficult and requires many steps to sell and bring a unit to closing.

She said that to market to a larger demographic area, they have recently engaged a firm to market Freedom Plaza to three additional zip codes and all military bases in Florida.

Ms. Martin said that Health Peak, throughout the company, is stressing increasing Independent Living sales in 2024. Al Roberts asked her if they were marketing to younger people, hoping to get them in the pipeline for future sales. Ms. Martin replied that they had marketing events just like the one she just came from, to show the advantage and value of a Type A contract to a younger demographic. She said that there were 56 people at the event she hosted that day and that while there may not be any immediate move ins resulting, they were in the pipeline. A member asked if the current rent and recent increases had any impact on sales and Ms. Martin replied that they had no impact. Doug Atkins asked if Marketing had input into the purchase/use of the six-seater golf cart to transport residents of GVT and to bring residents to places such as Homewood and Memory Care. He stated that management did not consult residents in this decision.

Joyce McCutcheon stated that she had heard remarks that the golf cart had to use a trail to get to Homewood and the ride was bumpy; residents were concerned about getting sun burned and lack of air conditioning. Al Roberts stated that the use of the six-seater for these purposes was now off-line for further evaluation. Dave Lowe asked Ms. Martin if she gets any feedback about the facility such as it looks old or needs work. Ms. Martin replied in the affirmative and mentioned that PEAK looks at the rate of return on investment as it puts money into the community, stating that PEAK had just made big investments in upgrading Memory Care and Assisted Living at Freedom Plaza. She said that Patrick Chang of PEAK said no money for upgrades to the Plaza building was available at this time. It was stated by a member that Erickson Corp. is building a new continuing care community at Lakewood Ranch, which could also be in competition with Freedom Plaza for new residents. Al Roberts asked what the handover process for new residents was. Ms. Martin stated that they have a group called Freedom Friends and one is assigned to a buyer once the contract is signed. Their job is to familiarize the new residents about the procedures at the Plaza. Upon move in, the residents are then handed over to the RAC representative for their floor. Chair Rothfeld thanked Ms. Martin for her informative discussion.

Financials:

Dennis Kimble then reviewed the financial summary he had prepared. He stated that Revenues were up in Skilled Nursing, Memory Care and Assisted Living and that Revenues in Independent Living were just 0.7% under budget. He stated that food costs were \$66,000 over budget due to both the Christmas and New Year's holidays hitting the first part of the year. He also stated that there were no claims under the General Professional Liability policy. making the insurance line \$126,000 under budget. Dennis stated that the Net Operating Income for February beat the budget by \$180.5K and the year to date is 11.5%.

Old Business:

The Chair asked Dave Lowe if there was any feedback on the revised Remediation Letter sent to the Executive Director, the Plant Operations Director and the Director of Finance. Dave replied that he had not received any feedback. Al Roberts stated that he knew that an air quality test had initially been done and detected some mold spores and that another one done a few weeks later was O.K.

As there was no new business, Chair Rothfeld set the next meeting date as Wednesday, April 17 at 2:30 p.m. He then asked for a motion to adjourn. A motion was made by Doug Atkins, seconded by Jane Keegan. Motion so carried. Meeting adjourned at 3:26 p.m.

Respectfully submitted,

Joan Feehan Walker, Secretary