



## RAC FINANCE COMMITTEE MINUTES

April 17, 2024

Club Room, Freedom Plaza

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

Absent: John Lang

Freedom Plaza Dennis Kimble, Director of Finance

Guest: Theresa Lehman, Food and Beverage 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 March 20, 2024 were approved by the members present, upon a motion made by Jane Keegan, seconded by Veanna Cape. All in favor, motion so carried.

Chair Rothfeld then welcomed Theresa Lehman. Theresa gave an overview of the various dining options and their participation by residents:

- A. Sports Bar very popular with an average participation of 90 residents. Higher end entrees now available are grouper and chicken plates.
- B. Premier Dining. Very popular and most entrees are utilized.
- C. Buffett is very under-utilized. One night recently there were only 15 residents. Theme nights are out as residents did not participate. Addition of Prime Rib, Ribs and Catfish at \$20 were added to entice more residents.
- D. Grill. Large pizza and rotisserie chicken have been removed as there were very few orders for them. The costs of the Grill have not been adjusted like the other venues, consequently losing money. Two new Full-time employees (FTE) will be hired. Starting on June 1, there will be a new menu and new prices.

Joyce asked why Premier Dining pickup time was cancelled in the first two weeks. Theresa replied that it was impossible to keep up and that the Buffet works best for Pickup. Veanna noted that at Menu Chat it was stated that the liquor license was still not issued and that every time there is a change of ownership a new application for a license must be filed.

Theresa stated that an additional Executive Sous Chef has been hired, freeing the Executive Chef to do his job while also adding to the quality and presentation. She stated that equipment such as a coffee maker had to be purchased for Assisted Living, Memory Care and Independent Living at a cost of \$800 each, and when questioned she said that only items over \$1000 each are capitalized. Al Roberts asked about staffing. Theresa replied that it costs approximately \$6000 to train each employee. She said that there are grading requirements that must be met at each of three levels. Level 1 employees make \$12 per hour, Level 2 make \$13, and Level 3 make \$14. Each member was given a copy of the

requirements, but the basics are no missed shifts, willingness to pick up shifts, no billing errors, help close up the dining rooms and two weeks' notice for time off for vacation, study or family events.

#### REPORTS:

- Cost of Living:** Doug Atkins reported that the February CPI for Class A South, which governs most of our resident contracts, was 3.9%.
- Health Peak Stock:** Neil Rothfeld stated that the stock closed on 4/14/24 at \$18.20. He further stated that Morningstar reported that at a valuation on \$30.50, it was fairly-valued and that the yield was 6%. Al Roberts stated that he recently read a report on their long-term strategy and they were not thinking of selling the CCRC's now but may consider it in the future.
- Move-ins/ outs:** Dennis Kimble reported that there were 8 Move ins in March and 8 Move outs. He stated that there was a total of 17 Move Outs/Vacates in the first quarter. 9 moved to Assisted Living or Memory Care, 4 to Plaza West, 2 deaths, 1 moved out of state and 1 cancelled before move in.
- Financials:** Dennis Kimble reviewed a commentary he had distributed to the members. Chair Rothfeld asked about YTD overages of \$86,000 in Food Service Wages and Dennis replied that it was caused by the implementing of the new menus and hiring of additional employees. The Chair also asked about Skilled Nursing being \$25,000 over budget and Dennis replied that it was made up of FLMA and Covid costs. The Chair asked about Marketing being \$56,000 over and Dennis replied that there was a very bad last quarter in 2023 and that they started the year off with 9 behind. Replying to the Chair's question about Food and Beverage being \$50,000 over budget, Dennis again replied that the new food service plan was costly at start up. Al Roberts asked to have separate notes in the financial commentary explaining why YTD the Skilled Nursing Revenue is under budget by \$209,006 and total HMO/Managed Care is underbudget by \$152,487. Dennis replied that the payer mix is very hard to ascertain, especially now that Medicare Advantage plans are becoming more popular. However, Dennis did say that the Year To Date Net Operating Income is a plus of \$349.5K continuing a trend of 4 consecutive NOI margins.

#### New Business:

As there was no Old Business, Chair Rothfeld asked the Board to propose any potential new members who would be good candidates to serve on the committee.

Chair Rothfeld set the next meeting date as Wednesday, May 15 at 2:30 p.m. He then asked for a motion to adjourn. A motion to adjourn was made by Doug Atkins, seconded by Jane Keegan. All in favor. Meeting adjourned at 3:30 p.m.

Respectfully submitted,

Joan Feehan Walker, Secretary