



RAC FINANCE COMMITTEE MINUTES

June 19, 2024

Club Room, Freedom Plaza

Members Present: Neil Rothfeld, Chair, Doug Atkins, Veanna Cape, John Lang, Joyce McCutcheon, Jane Keegan, Joan Feehan Walker, & RAC Liaison Sondra Thorson, DRR

Absent: Dave Lowe & Al Roberts

Freedom Plaza Dennis Kimble, Director of Finance

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 Chair then asked for a motion to approve the May minutes. A motion was made by John Lang, seconded by Veanna Cape. All in favor, motion so carried.

The Chair then thanked Jane Keegan and Dave Lowe for their years of service to the committee. He then welcomed to the committee for a two-year term each, Sondra Thorson and Mike Anderson.

REPORTS:

Cost of Living: Doug Atkins reported that the February CPI for Class A South, which governs most of our resident contracts, was 3.4%.

Health Peak Stock: Neil Rothfeld stated that the stock closed on 6/18/24 at \$19.48. He further stated that Morningstar reported that at a valuation of \$30.50, it was fairly-valued and that the yield was over 6%.

Move-ins/ outs: Dennis Kimble reported that there were 4 Move ins in April and 6 Move outs. He stated that year to date there were 20 actual move ins and 29 move outs. Current average occupancy in IL is 367.6, or 86%. However, he stated that there were several sales he expected to close by June 30 and that approximately 80% were from Sun City Center, Valencia Lakes and Sarasota. Neil questioned if the health criteria were being applied. Dennis said that the new applicants seem very mobile and very well qualified financially.

Financials: Dennis Kimble reviewed a commentary he had distributed to the members, stating that total Revenues for May were 3.8M, 520K more than anticipated. However, he acknowledged that the Total Wages and Benefits were over budget by \$99.9K. But, he stated, the Net Operating Income for May of \$209K was more than anticipated beating the Budget estimate of \$77K. He further stated that the Net Operating Income (NOI) is \$1.8M versus a Budgeted amount of \$1.28M, beating the budget by \$543K for a NOI of 9.9%. Chair Rothfeld pointed out that that Food & Beverage wage line is \$100,000 over Budget with 5 months to go.

Other Reports:

OIR Filing

Audit

Chair Rothfeld asked members if they had reviewed the reports distributed by Dennis Kimble. The Chair asked for any comments. The Chair noted that the mortgage of 89M inherited by Healthpeak from Brookdale had been paid off in December of 2023 by Healthpeak. Freedom Plaza PropCo owes the debt to Healthpeak and it is interest free.

New Business:

Unisen Bankruptcy

Sondra Thorson stated that the Tampa Unisen was a CCRC, previously known as University Village. The facility filed for bankruptcy and is closing. Residents are now forced to look elsewhere for comparable shelter. A resident of Unisen and a member of FLiCRA, Mel Tockman spoke at the May FLiCRA meeting regarding the Office of Insurance Regulation, the agency charged with protection of CCRS's under Florida law. Sandra said he stated that the OIR failed to perform actions that would have mitigated some of the bankruptcy effects. Sondra went on to say that Leading Age is questioning why OIR did not use its authority. Mel Tockman, in his presentation, stated that the OIR never used its authority under Fl. statute 651. Sondra went on to say that there is a difference between University Village and Freedom Plaza in that Freedom Plaza has an active Finance Committee closely monitoring the financial reports. She stated that there were three areas that should be closely monitored: Occupancy, Cash on Hand, and Minimum Liquid Reserve (MLR). She acknowledged that these items were in the financial reports but asked the Chair to require a special report on these items. The Chair asked Dennis Kimble to provide the data quarterly. Sondra asked that it also be presented at the Town Hall Meetings. Sondra said Mel Tockman's comments will be published in the coming issue of the FLiCRA newsletter, Which will be distributed to all Freedom Plaza residents.

LCS Meetings:

Chair Rothfeld asked Sondra Thorson whether she, as DRR, knew of the of the schedule of the meetings to discuss the Budget, Annual Increases, Services and any change in services. She said information would be available on meeting in July.

As there was no other business before the committee, Chair Rothfeld set the next meeting date as to Wednesday, July 17 at 2:30 p.m. He then asked for a motion to adjourn. A motion to adjourn was made by Doug Atkins, seconded by Sondra Thorson. All in favor, motions so carried. Meeting adjourned at 3:10 p.m.

Respectfully submitted,

Joan Feehan Walker, Secretary