



RAC FINANCE COMMITTEE MINUTES

August 21, 2024

Club Room, Freedom Plaza

Members Present: John Lang, Chairman; Mike Anderson, Doug Atkins, Veanna Cape (RAC Liaison and Secretary Pro Tem), Al Roberts, Neil Rothfeld, Sondra Thorson

Members Excused: Joan Feehan, Joyce McCutcheon

Resident Guest: Rocky McCutcheon

Freedom Plaza Dennis Kimble, Director of Finance

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

Motion to approve minutes for July 17, 2024 was moved by Neil Rothfeld and seconded by Doug Atkins. Motion carried.

Neil reported that Healthpeak stock closed at \$21.80 on August 20. Total dividend yield is 6.62%. Morningstar's fair value of the stock is \$ 30.50. CCRC segment did very well with NOI growth of 20.5%.

Doug reported that the percentage change in the Consumer Price Index for December for the South Class A remained unchanged from June at 3.2%. The CPI on August 31 will determine a portion of the monthly fee increase for 2025.

Dennis presented the 2nd quarter OIR financial report filed by LCS.

Dennis presented his report on the monthly operating statement. He reported that July's total operating revenues were over budget. Only Independent Living revenue was under budget. Total wages and benefits were over budget. General & Administrative wages were over budget due to some LCS salary/benefit payouts. Plant, Environmental Services, Assisted Living/Memory Care and Resident Services were below budget. Dining services was over budget. Skilled Nursing and Innovative Services were over budget. Net operating income for July was \$324,425.

Dennis reported that management is working on the 2025 budget. A date in September is scheduled to meet with Mary Mackey and other leaders to discuss the budget. Neil asked if the meal declining balance will be increased when the fees are increased. Dennis indicated that has not be discussed by management.

Dennis reported two move-ins and seven move-outs in July. Three were due to moving to higher levels of care. Three passed away. One moved out of state or to be with family. Closings were two under

budget and refunds were four under budget. Currently, there are several deposits. Dennis anticipates third quarter closings hitting budget in September. John pointed out that the number of deposits doesn't seem to match move-ins. Dennis explained that a deposit doesn't become a move-in until the closing happens because some people change their mind and rescind their deposit before closing. Dennis reported that the average age at Freedom Plaza is around 84.

John spoke to proposed areas of principle committee focus regarding trends, warning signs, annual audit reports, quarterly OIR reports, CPI, marketing and maintenance, as well as proposed guests to speak to the committee in addition to Dennis.

There was no further business to come before the committee. Doug Atkins moved and Neil Rothfeld seconded to adjourn the meeting. Motion carried. Meeting adjourned at 3:10 pm. Next meeting will be Wednesday, September 18, 2024 at 2:30 PM.

Respectfully submitted,

Veanna Cape, Secretary Pro Tem