

# **FINANCE COMMITTEE REPORT**

## **Executive Committee Meeting**

**Meadow Lakes**

**March 15, 2016**

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### **Progress v. Plan**

We have completed our review of the Entrance Fee policies of our respective CCRCs: Crane's Mill, Franciscan Oaks, Winchester Gardens and Medford Leas. They are to be found principally in the CCRC annual Disclosure Statements and contracts between the institutions and residents. Additional information is available from the Executive Directors. In addition to the relatively simple policies governing payments made when residents move in and refunded when residents move out (usually by death), they cover more complex arrangements, e.g., when residents upgrade or downgrade apartments or a resident couple divorce. Careful study of these documents is required because this subject appears throughout those we studied.

Our next step will involve solicitation of published policy statements from the other CCRCs throughout the state. It will be a fact-finding effort which will allow us to prepare a spread sheet comparing important variables. In so doing, we will assure the presidents and executive directors that the identity of CCRCs will, by ORANJ policy, be encoded and not revealed outside the Committee's secure files.

As agreed at the January EC meeting, I submit the following letter to EC for review and approval at today's meeting.

### **Draft of Letter to Association Presidents**

Dear Colleague:

A few months ago Ron Whalin, ORANGE president, asked me to serve as chairman of the Finance Committee. I accepted and recruited a small group including two authors of the highly regarded study, "CCRC Finances." After much discussion we decided to study the broad subject of Entrance Fees.

Currently, questions are being raised in many CCRCs about the fairness of making refunds available only after a vacated unit has been re-occupied. Many believe that this practice puts vacating residents or their estates at the mercy of marketing departments. We are aware of cases where units are rarely shown to prospects because they are difficult to "sell" as they are expensive or located on an unattractive site.

As a start we have carefully examined Entrance Fees in our own CCRCs. The best sources have been annual Disclosure Statements and contracts between the institution and residents. We also found it useful to discuss the subject with our Executive Directors who admitted they are examining possible alternatives.

We now ask for your assistance in gathering published Entrance Fee policies from your CCRC. You may be assured that, per ORANJ policy, the identity of your CCRC will be safeguarded in any report prepared by our committee.

Please send whatever you can to me at the following address:

Francis J. Honn  
Crane's Mill  
459 Passaic Avenue  
Apartment 3231  
West Caldwell, NJ 07006  
email: hfhonn@verizon.net

With many thanks,

Francis J. Honn

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Respectfully submitted,

3/5/16

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