

LONDONDERRY VILLAGE  
**Finance Committee Meeting**  
**Tuesday, January 21, 2025**

**Minutes**

Participating: Chester Rose, John Grace, Roy Meyer, Ray Flagg, Steve Tilley, Tom Shenk, Craig Moyer, Alicia Titus (President & CEO), Henry Brubaker (VP of Finance).

Absent: Wendie DiMatteo Holsinger, Michael Swank

Chair, Tom Shenk called the meeting to order at 2:45PM after the joint Finance and Strategic Planning Committee meeting. The minutes from October 22, 2024 were reviewed and approved.

1. Phase I Villa; Building B – The Committee discussed the construction projections for the 2<sup>nd</sup> hybrid villa building from Fox Run Phase I. CFO Henry Brubaker presented a graphic of the increased construction costs of the hybrid villa building since they were planned in 2019. Projection results, prepared by Brubaker, that include the latest construction estimates from Arthur Funk & Sons, contingencies and other financing costs forecast a debt service coverage ratio of 1.0 or greater from operations without subsequent unit turnover. The projections were reviewed by LV's consultant, Malcolm Nimick, who supported that the addition of the villa is a viable project.

LV currently has approximately \$18.3 million of bank debt outstanding and the villa building will add an additional \$3.2 million of permanent debt. With over \$21 million of bank debt, the Committee discussed the option of a long-term bond placement to term out the bank debt, which would provide favorable cash flows and metrics for pursuit of financing for the larger Phase II Fox Run project in the future. Time estimated for placing the public bond financing was estimated at 90 days by the LV advisor. The Committee discussed starting work on the LV building by drawing on the LV Line of Credit.

Following discussion, the Committee approved pursuing the bond placement and proceeding with the Hybrid Villa Building B project as soon as possible.

2. Resident Accounts Receivable Issue – Brubaker informed the Committee of a resident receivable issue that has been ongoing for several years. The resident's daughter acts as POA and periodically makes sizable payments, while going silent for months at a time without answering or responding to phone calls, e-mails, written correspondence. Business Office Staff have been preparing for a Benevolent/MA application for several years, but the POA has been slow to close accounts and provide documentation.

The receivable on the books at the end of December for this PC resident and deceased spouse (nursing) was \$265,321. No payments have been received since April 2024. The resident currently has \$160,000 in a JBT checking account and other funds in accounts that must be closed to pay for care. The POA recently responded to messages to schedule an appointment and promised to pay \$100,000, although she rescheduled meeting a couple of times and did not leave the promised payment when she visited her mother on the weekend.

Brubaker mentioned that there are AR reserves on the books of \$225,000 for this resident receivable, which appears to be greater than the amount that may need to be written off. There are available funds to pay a large portion of the balance, but cooperation from the POA has been extremely inconsistent.

LV's legal counsel has advised that the PC resident should be given specific action steps followed by a plan of discharge if the account is not resolved. The Finance Committee voiced their support to pursue any collection actions necessary including discharge of the resident.

There being no other business to consider, the meeting adjourned at 3:25 PM.

Respectfully submitted,  
Henry Brubaker