



## MEMORANDUM

**To: ALL RESIDENTS & EMPLOYEES**  
**From: ANDREW DUJON, President/Chief Executive Officer**  
**RE: 2025 Annual Rate Increase**  
**Date: July 24, 2024**

Good afternoon,

I hope this finds you all doing well.

Today at the Resident Meeting it was announced that the Independent Living Annual Rate Increase for 2025, effective October 1, 2024, will be 12.75%. This rate can be discounted down an additional 1% to 11.75% if the resident agrees to have their monthly statements emailed and their monthly payments submitted via ACH (Automated Clearing House). Janine Lester and Zorilyn Cheverez in our Accounting Department can assist you with getting this set up. By automating this process we can avoid additional expense within the Accounting Department and pass that savings along to you.

I gave you historical data at our last Town Hall explaining why we needed to implement a higher than normal annual increase. The following current Year over Year statistics explain the driving factors for this increase:

- 9% increase in Labor cost amounting to \$1.8mm in additional expense;
- 39% increase in Health Insurance cost amounting to \$390k additional expense;
- 45% increase in Property Insurance cost amounting to \$672k additional expense;
- 16% increase in Liability Insurance cost amounting to \$122k additional expense.

These four line items amount to approximately \$3mm in expense growth year over year. Our expense growth is compounded by the increase in cost of goods and services such as medical supplies, cleaning supplies, paper products, fuel and food.

When we began this endeavor, the initial increase came in at 14.3%. Waterman Village is implementing additional cost saving measures to drive the increase down and keep it as low as we can. These measures include the following:

- Renegotiating contracts with existing vendor partners to reduce fees;

- Focused efforts to reduce food waste;
- Increased use of automation to reduce labor cost;
- Shifting garbage pickup from 3 times per week to 2;
- Shifting to bi-weekly housekeeping.

There is also additional opportunity to strengthen our financial position with revenue growth through our Home Health and Out Patient departments.

It pains me to have to implement a rate increase of this magnitude, however, this must be done to stabilize and strengthen our community for the future.

Thank you for your understanding.

A handwritten signature in cursive script, appearing to read "Alw R J".