

Minutes  
Leon County Educational Facilities Authority meeting  
12:00 PM – Heritage Grove  
Feb. 29, 2016

Members present – Lori Billberry, Chair; Gary Huff, Tom Proctor, Pat Dallet, Bill Hilaman, Dennis Bailey, Richard Givens.

Also present, Terry Madigan LCEFA Counsel; Bob Kellam, Interim Executive Director; Bob Powell, Auditor; Ray Allen, Property Manager – Heritage Grove Randall Hussman, Asset Campus (Southgate)

Meeting was called to order by Chairperson Billberry at 12:08 pm.

Motion to accept minutes of November 18, 2015 were accepted by unanimous vote. Motion by Richard Givens, seconded by Bill Hilaman. Passed unanimously.

Motion to accept Bob Kellam as Executive Director removing “Interim” from his title. Motion by Bill Hilaman, seconded by Pat Dallet. Passed unanimously. Motion by Dennis Bailey, seconded by Tom Proctor.

Consideration was given to providing Carr Allison, Heritage Grove attorneys, with some type for their work going forward. It is believed the Authority is not able to do so but Terry will speak with ACA, our bond insurers for Heritage Grove.

Randall Hussman reported on the status of Southgate:

1. Occupancy was 100% with all approved lease terminations replaced with new resident. 4 residents have skipped without approval. 99.6% physical occupancy v. budgeted of 98%.
2. Pre-leasing: January was the highest ever. Slightly over 29% pre-leased as of 02/29 so property is ahead of budget and prior year pre-leasing.
3. Rental rates were increased \$150 over 2015-16 rates matching FSU increase.
4. Marketing: New property logo complete, new marketing materials and new signage
5. Food service: increased number of vendors resulting in more competition, lower prices and better products/selection. Varying type of produce for variety and to achieve lower prices. Actual costs
6. Maintenance: Requiring detailed, line item invoices. Re-negotiated pricing. Have achieved lower prices. Main sewer line has been completely replaced (root issue). Continuing to fix water leaks.  
Intensive cleaning of kitchen area and ceiling tiles.
7. FSU: more dorms coming online but due to style change (gang showers to suites) the net total number of dorm rooms will decrease by about 100 beds.
8. Online reviews: 130 with only 2 bad.
9. CA's (Community Assistants): have been divided into committees to target specific resident needs. Increasing number of social events.
10. Dining: Increase in number of non-resident diners; large increase in number of Asian students purchasing dining cards.

Discussion was held concerning the Southgate Management contract.

It was suggested we just extend the current contract. Staff will prepare such an extension for consideration by the Board at the next meeting.

Ray Allen reported on Heritage Grove:

Current occupancy is 100% with all approved lease terminations replaced with new resident.(4)

The property has had all but one leasing party for the fall lease up. The property is currently 15% pre-leased for the fall. There is a possibility that a group may not be with us next year but we have another group with 48 leases that could fill their spot. Overall the feedback has been better than expected regarding the leasing and the continued issues with construction. Management indicated that it is maintaining management with the understanding that the Authority has stated they will continue to pay management fee. This is an outstanding issue regarding ACA and a clause in the original management agreement. A new agreement was executed but ACA objected due to them not approving the agreement. The Authority decided it would continue to pay the management fee.

Bob Powell and Wayne Durett of James Moore CPAs went over the financial audits of LCEFA Ocala Road, LLC and the Authority. Powell pointed out the audit opinion on both sets of financial statements and discussed the "emphasis of a matter" paragraph in the auditor opinions. In addition, the auditors discussed their internal control findings and various compliance issues reported in the individual financial statements. A discussion with the board members ensued over the findings and possible resolutions going forward. Powell indicated that in order to finalize the audit, the Board would need to prepare the corrective action plan for each audit presented and also management plans to deal with the going concern comments.

Audit is not yet ready for Board to approve. Audit committee will meet sometime next week. As soon as time and place is confirmed, meeting will be noticed to County.

Meeting was adjourned at 1:12 pm.