

LCEFA Meeting July 12, 2018

Members Present: Rick Givens, Bill Hilaman, Tom Proctor, Dennis Bailey, Ramsay Sims, Gary Huff.

Also present: Bob Kellam, Executive Director; Kaye Kendrick, CPA; Kris Dunn, Special Counsel for Sig Ep lawsuit; Ron Zuvich, Sr. Vice President, EMET Capital, bondholders for Southgate.

Motion to accept the minutes of the June 6, 2018 meeting was made by Bill Hilaman, seconded by Rick Givens. Motion passed unanimously.

Status of the Heritage Grove lawsuit settlement money was briefly discussed.

The consensus was to pursue the Sig Ep lawsuit through mediation. A decision to pursue further legal action will be made after the Mediation.

Kaye Kendrick reported on work on the Audit for the year ending Sept. 30, 2017. Southgate had several issues causing the audit to take much longer than it should by requiring the auditors to spend much more time than was originally budgeted.

The management company, Asset Campus Housing, will have to reimburse Southgate for the excess hours, i.e. the hours above and beyond what is considered "reasonable." Our Auditor, Thomas, Howell, Ferguson and Kaye Kendrick, CPA, our Accounting/Bookkeeping contractor, were instructed to keep track of the "extraordinary" hours required to reconcile the issues present in SG's accounting records. ACH would have these excess fees deducted from their "incentive bonus." If the bonus is not enough to cover the excess fees, they would be deducted from the regular management fees.

The Southgate budget was presented. Ron Zuvich of Emet Capital, our new bondholders, asked that we hold off on approving the budget until they have a chance to further develop the budget before approval.

Dennis Fuller, President of Coastal Properties, Heritage Grove's property management company, presented the HG budget. The current contentious atmosphere that exists for FSU's Greek letter organizations has seriously negatively affected the occupancy rate at Heritage Grove.

Motion to hire Michael Kramer as Executive Director was made by Bill Hilaman, seconded by Gary Huff. Motion passed unanimously. Bob Kellam will continue to work for the Authority and work with Michael.