

Minutes – Leon County Educational Facilities Meeting - January 14, 2020
Capital City Bank Conference Room

Authority Members Present: Ramsay Sims, Dixie Daimwood, Dennis Bailey, Rick Givens, Bryan Desloge, County Commission Liaison. Member Todd Sperry attended by phone.

Others – Bob Kellam, Executive Director, Michael Kramer, Assistant Executive Director, Terry Madigan.

Chairman Ramsay Sims called the meeting to order at 12:28 pm.

Dennis Bailey made a motion to approve the minutes of the October 29, 2019 meeting; seconded by Todd Sperry. Passed unanimously.

Thomas Howell, Ferguson, C.P.A. submitted an engagement letter to audit the financial statements of the L.C.E.F.A for the fiscal year that ended September 30, 2019. A motion to accept the contract was made by Todd Sperry, seconded by Dixie Daimwood. Motion passed unanimously.

The Authority has been asked to appear before the Leon County Commission at their next meeting on January 28, 2020. Chairman Ramsay Sims and Michael Kramer will represent the Authority at the meeting. The plan is to provide a very brief history of the Authority, its purpose and its present circumstances. The presentation will also cover the most recent developments at Heritage Grove and use the “FAQ” document as a guide. Ramsay and Michael will also answer any questions from the Commissioners concerning Heritage Grove, Southgate or the Authority.

The Authority has operated both Southgate and Heritage Grove for several years without a formal management agreement, a fact that has been cited as an annual audit finding annually. This has resulted in criticism from the State of Florida, Leon County and trustees for both properties. The Heritage Grove Receiver has executed a management agreement with Asset Living as the new property manager. Also, the Southgate bondholder, Emet Capital, has been working toward executing a new management agreement for Southgate with the same property manager which is expected to be completed in the very near future.

The cost sharing agreement for CAM fees that was negotiated as part of the receivership process required the equity lots to submit their CAM fees (per the lease) directly to LCEFA and that the LCEFA would then submit those fees to the CAM services provider. The Heritage Grove Receiver requested that LCEFA consider having the CAM fees paid directly to the property manager by the Equity (ownership) fraternities. This was the historical practice. The receiver is having counsel prepare a memo to detail the request and process for LCEFA to review.

The LCEFA Administrative Fund financial report through December 31, 2019, has been distributed to the Authority members. There were no questions or comments about the report at the meeting.

Robert S. Rosenfeld, the Court-appointed Receiver (the “Receiver”) for LCEFA Ocala Road, LLC (Heritage Grove), filed his Initial Report and Inventory as of November 30, 2019 (“First Report”) to inform the Court, the Authority, the lenders, and others interested in the Receivership Estate. The report was distributed to all Authority members. It was noted that the Receiver has scheduled meetings on site in late January with construction and design experts to initiate repair discussions.

Michael Kramer gave an update on the SouthGate vendor complaint status (Dekle)

Bob Kellam updated the Authority on the Guilday Law firm Public Records request. Southgate has produced all the records requested by Guilday that could be found.

There was discussion on the status of the commercial space at Southgate. One tenant has avoided eviction by filing for bankruptcy. There is a hearing in Bankruptcy Court on January 23rd which should bring some clarity to the situation. There are two commercial leased spaces on the first floor of the building that could be leased at higher rates once the existing tenant issues are resolved.

Ramsay Sims brought up the topic of outsourcing the Administrative support and documentation as the ED and Asst. ED won't be involved forever and given the very limited revenues available to the Authority, less expensive resources should be considered. It was agreed that Tom Proctor would research the options.

Motion to Adjourn was made by Dennis Bailey, seconded by Rick Givens. Passed unanimously. Meeting was adjourned at 1:04 pm.