

LCEFA Meeting Minutes

June 10, 2020

Conference Call

Authority members present: Ramsay Sims, Todd Sperry, Curt Bender, Tom Proctor, Dennis Bailey, Rick Givens

Others: Bob Kellam, Executive Director; Michael Kramer, Assistant Executive Director; Kevin Graham, Florida State University; Doug Mannheimer, Zeta Rho Housing Corporation of Lambda Chi Alpha, Inc. Terry Madigan

The telephonic meeting was called to order by Chairman Ramsay Sims at 10:03.

Chairman Sims asked Curt Bender, the newest director to give a brief background on himself for the benefit of the other directors.

The first order of business was the approval of the January 14, 2020 minutes and a motion was offered by Dennis Bailey to approve the circulated draft and seconded by Todd Sperry. The motion passed unanimously.

Chairman Sims offered Doug Mannheimer the opportunity to share some concerns about recent CAM fee charges at Heritage Grove

Mr. Mannheimer represented that he was speaking on behalf of all three Equity Fraternities at Heritage Grove concerning the proposed Common Area Maintenance fees (CAM) calculation that the Receiver had forwarded to the active Equity Fraternities. Chairman Sims agreed to research the issue and to try and facilitate a meeting amongst the Receiver, an Authority representative, Equity Fraternity representatives and the Property Manager.

Chairman Ramsay Sims and Michael Kramer appeared before the Leon County Commission on January 28, 2020 at the regularly scheduled commission meeting. Ramsay gave a very high-level overview of the recent changes at Heritage Grove. Several of the commissioners expressed their appreciation to the LCEFA and had no additional questions.

The recently distributed EFA Financial statements thru May, 2020, were quickly reviewed by Michael Kramer. Mr. Kramer did note that issuer fees were showing up as other income, which looked odd, but is presented correctly according to our contract accountant. Mr. Kramer informed the group that a draft of the annual audit is expected in the next 10 days. The only significant open issue is a potential impairment calculation that is being considered by the auditors to comply with the accounting standards. Once the research and decision have been made on that issue, an audit draft will be circulated for review.

Michael Kramer reminded the directors that the court required receiver reports had been shared previously. The most recent report included cost estimates of \$500-550k per building to make the required repairs. The receiver was noted to be using the same advisors, engineers and contractors that the authority had engaged for initial discussions last year.

It was also noted that current leasing activity is extremely low, currently less than 10%. Last year at the same time, leasing was closer to 40%. The property manager, Asset Living is exploring various marketing and pricing strategies to increase leasing rates.

Asset Living's insurance broker, by changing providers was able to obtain a \$50,000 decrease in the annual premium versus the incumbent provider.

Mr. Kramer mentioned the class action lawsuit that had been filed against Asset Living (Southgate property manager) related to not giving refunds to tenants that did not use their leased space once FSU went to online classes. Asset Living is being represented by Gray Robinson.

Mr. Kramer also noted that the matter involving the summer camp at Southgate had been resolved and that the Authority was notified by the Guilday firm that no further records would be requested on this matter. The group was also notified that Mr. Claude Dekle had ultimately cashed the check for some old invoices that had been in question and that that matter was closed as well.

Leasing at Southgate was reported at 99% which is in line with the prior year. The hope is to track additional prospects on a waiting list in the event of cancellations.

Mr. Kramer noted that the bankruptcy case involving the commercial tenant at Southgate had been resolved and agreements had been executed requiring the tenant to vacate the space by June 30, 2020.

The directors were reminded that financial disclosure forms are due by July 1, 2020.

There being no further new business or matters, a motion to adjourn the meeting was offered by Todd Sperry and seconded by Tom Proctor. Absent any objections, the meeting was adjourned at 10:40 am.