

LCEFA Meeting Minutes
December 4, 2020
Conference Call Meeting

Members Present – Chairman Ramsay Sims; Vice Chairman Todd Sperry; Tom Proctor; Rick Givens; Dixie Daimwood; Rica Calhoun.

Also in attendance were Retiring Executive Director Bob Kellam; Assistant Executive Director Michael Kramer; Incoming Executive Director Fran Gilbert

The conference call meeting was called to order by Chairman Ramsay Sims at 11:02 am. Chairman Sims welcomed new Board member, Rica Calhoun, and invited her to give a brief background on herself for the benefit of the other directors.

Chairman Sims added an agenda item regarding Asset Management and Emet Capital's plans to renovate the downstairs kitchen at Southgate. Michael Kramer reported Emet Capital Management had submitted a consulting agreement for signature by the LCEFA as property owner. The initial agreement had been distributed to the Board. Mr. Kramer has asked Emet for some revisions to the agreement and is waiting for a revised contract. No action from the Board was required at this time; the item will probably be ready to take up at the 2021 Q1 Board meeting.

Motion by Todd Sperry, seconded by Tom Proctor, to approve the minutes of the October 9, 2020 meeting as distributed to the members. Motion passed unanimously.

Chairman Sims reviewed the FY 2021 LCEFA Administrative Fund Budget, noting that the majority of the LCEFA's activity occurs in the projects under the non-Administrative Funds. Administrative Fund revenue is from the bond issuer fees and from interest. The primary expenses are for the Executive Director services and the annual audit. Mr. Proctor asked if the receivable due from Heritage Grove would be paid and if not, how should it be dealt with on the balance sheet. Mr. Kramer said it is unlikely LCEFA would have those advances funded back to LCEFA, and that determining the best way to handle it on the balance sheet would be directed question for the auditors.

Motion by Todd Sperry, second by Tom Proctor to approve the FY 2021 LCEFA Administrative Fund Budget as distributed to the members. Motion passed unanimously.

Mr. Kramer explained that the current capitalization threshold is \$1,000 and had been at level for some time. Outside accountant and auditors had suggested the Board approve increasing the capitalization threshold to \$2,500. Motion by Todd Sperry, second by Rica Calhoun to increase the capitalization threshold from \$1,000 to \$2,500. Motion passed unanimously.

Mr. Kramer provided an update on the Southgate occupancy rate. He noted that it is currently at 95% and that students have not received their acceptance letters for Fall 2021 but would in Q1 of 2021.

Mr. Kramer then provided an update on Heritage Grove. He noted that the Advisory Council met regarding the common area maintenance (CAM) fees for 2020 and 2021. Historical CAM fees charged to the Equity lots had been approximately \$3,000/month for many years. The Receiver, after conducting a review of actual costs and the lease language, recommended increasing the CAM fees to almost \$6,000/month to cover the Insurance increases, costs increases and associate management fees. The new amount was based on a proposed allocation by Asset Management and the Receiver that used bed counts as the allocation factor as that represented the users of the property. As noted above, the historical amounts had never been updated nor had they included all costs that should have been included. After further discussion, Mr. Kramer suggested a modified allocation based on buildings rather than beds and also the removal of certain costs categories from the total CAM charges. This resulted in a \$4,400/month CAM charge per building that was shared at the Advisory meeting. Chairman Sims noted that LCEFA's has full authority to set the annual CAM fees. Chairman Sims indicated he would most likely hold another meeting with the Advisory Council in the relatively near future.

The two class action lawsuits brought against the property management company, Asset Living, and the LCEFA are ongoing. Both regard requests for refunds of room and board fees associated with FSU's decision to move to a virtual classroom model when Covid-2019 cases increased in the US. Legal Counsel has been retained, Insurance carriers have been notified, and the cases are proceeding.

Chairman Sims acknowledged Bob Kellam's many years of service to the LCEFA both as a member and as the organization's Executive Director. He joined the entire Board in thanking him for his many contributions and in wishing him all the best in his retirement.

Meeting was adjourned at 11:31 am.