

LCEFA Meeting Minutes  
May 16, 2023  
3<sup>rd</sup> Floor Board Room--Capital City Trust Company Building  
304 E. Tennessee Street (Corner of Tennessee and Calhoun)

Members Present – Chairman Ramsay Sims; Todd Sperry, Richard Givens; Rica Calhoun; Dixie Daimwood: and Curt Bender

Also in attendance were Assistant Executive Director Michael Kramer; and Executive Director Fran Gilbert

The meeting was called to order by Chairman Ramsay Sims at 9:32 am

**Approval of Minutes**

Motion by Todd Sperry, seconded by Dixie Daimwood to approve the minutes of the January 27, 2023 meeting as distributed to the members. Motion passed unanimously.

**Audit Status**

Rick Givens, Chair of the Audit Committee, reviewed the 2022 Audited Financials. He reported that the audit was filed on time for the 3<sup>rd</sup> year in a row. He noted the opinion on the financial status was unmodified. There were two concerns: That LCEFE operates at a deficit--this is an on-going concern; and there was an unamortized bond that wasn't written off and should have been.

Mr. Givens reported that the audit found no deficiencies in the internal controls. There were some findings regarding compliance—the same ones in previous reports relating to the bond debt relative to earnings. It was noted that these issues will be resolved when LCEFA disposes of the property and bonds. Mr. Givens reported that the auditor's report was a good report overall—it accurately represented the financials and was completed on time.

**Heritage Grove**

**Leasing**

Mr. Kramer reported that Heritage Grove is 42% leased for Fall 2023. Last year at this time it was 14% leased. All the buildings are completed, and it is expected that Heritage Grove should be at or close to 100% leased for Fall 2023 before the end of the summer.

**Construction Status**

Mr. Kramer reported that construction at Heritage Grove should be completed by Fall 2023.

**Litigation**

Mr. Kramer reported that the litigation involving a welder and the contractor Facilities Maintenance Management, LLC is continuing. LCEFA and EMET have been named in the litigation; Mr. Kramer noted that LCEFA is fully indemnified and FMM is handling the costs associated with the litigation.

**Southgate**

**Leasing**

Mr. Kramer reported that Southgate is 106% leased for Fall 2023—the over leasing includes a waiting list of students who have signed contract and paid a deposit.

**Kitchen Work**

Mr. Kramer reported that work on the kitchen is pretty much completed. He noted Southgate is working on the parking deck and on securing retail tenants for the ground floor.

**New Business**

Chairman Sims noted that as reflected in the April 2023 Financials, LCEFA has \$804,000 in its General Fund. The funds are in two accounts and the concern is that they over the amount insured by FDIC. He requested permission from the Board to sweep some of those funds out to other financial institutions/accounts to ensure funds are covered by FDIC. Board approved request.

Board members discussed the funds and ideas on ways to allocate these funds. Chair Ramsey and Mr. Curt Bender offered to research investment options. Other ideas included endowing scholarships and/of food and board for students in low socio-economic backgrounds.

**Adjournment**

Meeting adjourned at 10:02 am