

MINUTES

LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY

October 13, 2011

The Leon County Educational Facilities Authority met Thursday, October 13, 2011 at 12:00 noon. in the SouthGate Campus Centre lounge area, Tallahassee, Fl. pursuant to public notice.

Authority Members Present: Billy Hilaman, Joe Weil, Craig Fletcher; Liz Maryanski and. Lynn Tipton, Bob Kellam and Randy Guemple.

Authority Members Absent: None

Others in Attendance: Calvin Ogburn; Terry Madigan; Ray Allen and Viola Cannon representing Coastal Property Management; Ken Mills, Randall Husmann and Jamie Thomas representing Asset Campus Housing..

The meeting was called to order at 12:06 p.m. by Chairman Hilaman.

The minutes of the meeting of July 14, 2011 were approved with a motion by Liz Maryanski, seconded by Randy Guemple. All were in favor. The minutes of the meeting of September 7, 2011 were approved with a motion by Lynn Tipton, seconded by Joe Weil and all were in favor.

The Chairman called on Ray Allen to give a report on Heritage Grove. (The report is on file) He reported that the property is 100% leased and 100% occupied. This was attainable even though the rental rate was increased by 4% for this year. He also said that for the first time all Chapter Houses are now leased by fraternities. He attributes the high demand for these apartments due in part to the increased demand for the Florida Pre-Pay Program. A waiting list has been started for FY 2012-13.

The Class A properties within our community are experiencing a 4% vacancy rate whereas the Class B properties are experiencing a 4-8% vacancy. For the year 2012-13 there will be two new properties that will offer competition to Heritage Grove. They are the "Retreat" located on Tennessee St. near San Luis Ridge and Campus Circle which is the old Erwin Jackson property.

Long range plans for Heritage Grove are to continue with gradual rent increases and a possible plan to institute individual charges for water and sewer services which will be sub-metered to the individual tenants. Some type of a mobile- type food vendor is being actively pursued as well as a small permanent building for use by food vendors. Craig Fletcher expresses concern as to the difficulty of getting such a building permitted. A major concern is the "CAM" fee that is being absorbed by the Authority due to the ATO departure.

Should there be construction of a group of townhouses on the ATO lot, it is felt that the 60 additional beds could easily be filled. Billy Hilaman noted that there is another fraternity who is possibly interested in moving to Heritage Grove.

Other items discussed were the deck remodeling project which is necessary due to the residents overloading the current ones; the initiation of an exterior painting program at a cost of approximately \$16,000 per building. It was reported that the property is currently operating within budget.

The Chairman then recognized Randall Husmann for the purpose of presenting the SouthGate report. He reported that the property is current on all expenditures; that the R&R fund is fully funded and will not be spent this year so as to build up a sufficient balance for future use. He stated that he anticipates the reserve fund will be fully funded some point during the year 2013-14. The "A" bonds principal and interest payments are current.

It was further said that the properties are in full compliance with life and fire safety requirements. Improvements are being made in the kitchen and the server area. There is a survey being done which will lead to a repair of all HVAC units. A three year replacement program for the HVAC units has already been initiated.

A 5% rent increase was instituted this August and it is anticipated that a 3½% increase will be instituted next year. Craig Fletcher complimented the management company on the appearance of the newly renovated ballroom. Ken Mills cautioned that Cash Hall and Osceola Hall will possibly be re-opening next year which will increase the competition. He also expressed concern in dealing with the trash problems along Pensacola Street due to the new apartments which have been built to the west of SouthGate. He is actively pursuing this issue with the solid waste division of the city.

The engineering report which was recently completed by a consultant was then discussed. It was agreed that all certificates of compliance are to be on file and readily accessible in the management office. Projecting forward to 2012-14, security upgrades will be scheduled as well as new carpeting. A replacement of existing lighting fixtures with LED bulbs was then discussed. In response to a question by Liz Maryanski, Jamie Thomas reported that an improved wireless system is being explored and addition antennas and boosters will have to be installed in order to increase the bandwidth to 5 mg.

(Break from 1:05 to 1:12 p.m.)

The Chairman then recognized Bob Kellam who reported on his talk with "B" bond holder representative Tom Johnson. He reviewed the earlier exchange of conversations at which time the Authority's position was that it be paid \$1.3 million dollars upon sale of the property. Tom Johnson countered with \$100,000. Johnson and Kellam have talked further and it is Kellam's opinion that the "B" bondholders would agree to a settlement of at least \$400,000. Bob Kellam characterized that this event would become one of 'removing a millstone from around our neck'. A motion was made by Bob Kellam, seconded by Randy Guemple that Kellam be authorized to proceed on the negotiation of this sale. After discussion it was agreed that a stipulation on this sale would include that key staffers be protected for 6 months and that no expenses including EFA legal fees would be deducted from money due EFA. All were in favor.

The Board of County Commissioners meeting scheduled for November 8 was discussed.

It was agreed that the SouthGate report, the Heritage Grove Report and the Scholarship Report would be submitted to the County by Friday the 14th. After discussion it was decided that the following verbal reports would be made at the BCC meeting:

- Billy Hilaman – Chairman Remarks
- Lynn Tipton – Heritage Grove
- Randy Guemple – SouthGate
- Joe Weil – Strategic Planning
- Craig Fletcher – Scholarships
- Bob Kellam – Q&A from the BCC and “B” bondholder updates, if any
- Liz Maryanski – Audit (added after the meeting)

The Greek ‘Community Review’, which was commissioned by FSU, was discussed by Bob Kellam. It was felt by the group that this review and the subsequent committee which is being created to work on this project should include a non-equity representative from Heritage Grove.

Chairman Hilaman expressed his heartfelt thanks to Bob Kellam for the many hours he has spent chairing the Authority. He requested that Kellam be seated next to him at future meetings and offer guidance and counsel in the months to come.

The committee assignments were reviewed, modified and accepted.

The administrative budget was briefly reviewed and approved with a motion by Lynn Tipton, seconded by Randy Guemple. All were in favor...

The disposition of the vacant ATO lot was discussed by Terry Madigan who said that he is continuing to work with the ATO representatives for an equitable solution. Liz Maryanski expressed her opposition to any sort of refund being paid to the ATO fraternity.

The Strategic Planning Committee will meet Tuesday, October 18 at 2:00 p.m. at the Capitol City Country Club.

There being no further business, the meeting was adjourned at 1:59 p.m.

Billy Hilaman, Chairman

Calvin P. Ogburn, Executive Director