

Leon County Research and Development Authority
Budget Committee Meeting

September 7, 2018, 10:00 a.m.
Knight Administrative Office
1736 W. Paul Dirac Dr., Tallahassee, FL

Agenda

1. Call to Order
2. Public Comment
3. Agenda Modifications
4. Budget Committee Draft Minutes, September 19, 2017 (*Attachment A*)
5. Budget Presentation/Discussion –Executive Director Miller
 - a. Narrative (*Attachment B*)
 - b. Budget by Building (*Attachment C*)
 - c. Budget Variances (*Attachment D*)
 - d. Administrative Budget (*Attachment E*)
 - e. Contracts (*Attachment F*)
 - f. Capital Projects & Deferred Maintenance (*Attachment G*)
6. Draft Budget Approval

Staff requests committee approval of the draft budget.
7. Calendar for Budget Approval
 - a. Executive Committee Approval, September 19th
 - b. Board Review/Approval, October 4th
8. New Business
9. Adjourn

**Leon County Research and Development Authority
Budget Committee Meeting**

Tuesday, September 19, 2017
Knight Administrative Centre
1736 W. Paul Dirac Drive, Tallahassee, FL 32310

Minutes

Members in Attendance: Dave Ramsay, Keith Bowers, Dustin Daniels, Paul Dean

Members not in Attendance: Kim Dixon, April Salter, Kim Williams

Guests: Ron Miller, Denise Bilbow, Peggy Bielby (LCRDA staff); Stephanie Shoulet (NAI Talcor)

1. Call to Order
Chair Dave Ramsay called the meeting to order at 2:05pm.
2. Public Comment
None.
3. Agenda Modifications
None.
4. Budget Committee Draft Minutes, September 13, 2016
Dustin Daniels offered a motion to approve the Draft Minutes from the September 13, 2016 Budget Committee meeting. Keith Bowers seconded the motion, which passed unanimously.
5. Budget Presentation/Discussion
Executive Director Ron Miller explained the budget assumptions, and highlighted the significant changes from the prior year budget and other assumptions. Revenue includes expired, new, and expanded leases, and assumes EEP sponsorship. Employee expense includes the total cost of a new position, tentatively titled Director of Business Incubation and Acceleration, effective December 1, 2017. Potentially the person in the position would manage the incubator/accelerator and also take over the EEP class when Larry Lynch is ready to retire. Other salaries and wages include a potential three percent increase for the Executive Director and potential four percent increase for staff. Utility expense increase reflects increased occupancy. Two companies are already very interested in leasing approximately one-half of the space in Collins.

Capital Budget: Includes \$1.8 million for the Collins renovation as directed by the Board of Governors. The pond trail cost increased from \$140,000 to \$275,000 due to the addition of lighting. Also noted was that the Department of Transportation lease will expire in 2022, but the five year option to extend is at \$2 PSF instead of the current \$8.77 PSF, yielding a \$100,000 yearly reduction of revenue as of October 1, 2022. The Fuqua Complex deferred maintenance projects include adding split AC systems to the restrooms and updating the restroom fixtures, the atrium, and the smoking area.

New Position: The Florida Job Growth Grant Fund submission included the funding for the new position. The position will include development of rental income, programs, sponsorships, marketing, providing input into the details of the building design, and eventual management of the incubator/accelerator. Dustin Daniels asked that the new position description to be considered by the Board include the clarification the role of the position. The job description will be ready for the Executive Committee to review at its next meeting on September 27, 2017. Dave Ramsay stressed that

the Budget Committee is not committing to the hiring or the creation of a new position, but is only making funds available so that the Board can determine the creation of the new position and scope of its duties, and make any hiring decisions. After discussion regarding future lease revenue concerns, Ron Miller suggested an alternative to consider is to create a position focused on business recruitment.

6. *Keith Bowers offered a motion to approve the draft budget as discussed, but eliminating the additional expense of lighting the trail, and presenting to the Board alternative job descriptions for the new position as discussed. Paul Dean seconded the motion which passed unanimously.*
7. Calendar for Budget Approval
Executive Committee Review/Approval: September 27, 2017
Board of Governors Review/Approval: October 5, 2017
8. New Business
None.
9. Adjourn.
The meeting was adjourned at 3:03pm.

DRAFT

Leon County R&D Authority
Budget Narrative-Draft
For the fiscal year ending September 30, 2019

Last Updated: 08/30/2018

Assumptions:

The budget is built based on all known leases, service contracts and other non-contractual service arrangements. Utilities, repairs and maintenance, and cleaning are based on historical experience with allowances for contingencies, and adjusted for known changes not included in historical experiences.

Significant changes from Prior Year BUDGET and other assumptions:

Revenue:

- In April 2018, FSU IT Services began a one-year lease in the Morgan Building which was not budgeted in FY 2017-18. Six months of lease revenue is budgeted in FY 2018-19 increasing revenue by \$110,133. The tenant has the option of extending the lease on a month-to-month basis if needed, but the budget assumes the lease terminates March 31, 2019.
- SBDC cancelled its lease in the Morgan Building effective May 31, 2018 reducing lease revenue by \$30,708.
- Sunnyland Solar's land lease expired August 2, 2018 reducing lease revenue by \$7,478. This also reduced CAM fees by \$6,473.
- Combined EEP and Other Program income in FY 2017-18 included an additional \$7500 (\$22,500 total) in program income from a grant that was not included in the current fiscal year. The \$7,500 payment was not actually received, as timing for the receipt of the grant payments is limited to \$15,000 per year. The total amount to be received from the 3-year grant did not change; only the timing changed.
- Interest Income has been estimated based on the expected declining investment balances required to pay for planned capital improvements. Conservatively, current interest rates were assumed while interest rates are expected to increase.
- While no significant budget changes are expected this year for the Phipps Building, the Florida Department of Transportation's lease expires 9/30/2022. The lease contains a five-year option to extend the lease at \$2.00 per square compared to its current rate of \$8.77 per square foot. This will result in a loss of approximately \$100,000 per year in revenue beginning 10/1/2022.

Authority Employee Expense:

- Nine months of salaries and benefits were included in FY 2017-18 for the new Director of Entrepreneurship position while 12 months are in the current year increasing employee expense by \$38,135 including other increases in benefits
- Salaries and wages include a \$5,000 (3.7%) increase for the Executive Director subject to approval by the Executive Committee, and 4% for remaining staff.

Utilities:

- The decrease in utilities is primarily due to an expected decrease resulting from the IT Services lease ending March 31, 2019.

Maintenance & Repairs:

- \$20,800 has been included to paint the Phipps building as required by the lease.
- \$2,500 has been added to update the signage at the Levy and Pottsdamer entrances.

Cleaning and Improvements: No major carpet repairs or replacements are expected in the upcoming year.

Services: No major changes from the prior year budget are expected.

Administrative Expenses:

- Other program expenses include \$4,700 for new entrepreneurship program expenses (\$1,200), and the cost of two new events (\$3,500).
- Travel expenses were increased \$2,100 to accommodate additional staff.
- Marketing/PR was reduced by \$3,000 as a result of Discovery on Parade cancellation for this year. Included in the budget are a new promotional video (\$2,000), Social/Digital ads (\$2,400), promotional trinkets (\$500), Other marketing PR (\$2,000) and other sponsorships (\$1,200). It is expected that the board's strategic planning process will more specifically address the use of the marketing/PR funds.

Other Expenses (Talcot): The decrease is due to contract changes as a result of the RFP.

Property Insurance: P&C renewal quote has been received, and the premium is increasing \$1,308, or 2.3%.

Capital Budget:

- \$1.8 million has been provided for equipment and improvements in accordance with the Lewis+Whitlock study estimate and as directed by the Board.
- \$15,000 is provided in the event of the need to replace HVAC units. None are planned.
- Information has been provided in a separate report regarding deferred maintenance items.

Budget by Building

| | Budget FY 2018-19 | | | | | | | Total FINAL Budget | Proposed Budget vs. Current Year Forecast | FY 2017-18 | | | Proposed Budget vs. Current Year Budget |
|---|-------------------|---------------------|-----------------------|--------------------|-------------------|-------------------|------------------|-----------------------|---|-----------------------|-----------------------|---|---|
| | Tenants In Common | Knight | Collins | Fuqua Shared | Morgan | Johnson | Phipps | | | Current Year Forecast | Current Year Budget | Current Year Forecast vs. Current Year Budget | |
| INCOME | | | | | | | | | | | | | |
| OPERATING INCOME | | | | | | | | | | | | | |
| Rent | \$ - | \$ 11,436 | \$ 31,972 | \$ - | \$ 213,824 | \$ 450,475 | \$ 128,640 | \$ 836,347 | (18,557) | 854,904 | \$ 761,461 | 93,442 | \$ 74,885 |
| Common Area Maintenance | 57,344 | - | - | - | - | - | - | 57,344 | (4,359) | 61,703 | 61,904 | (201) | (4,560) |
| Other Rents | - | 972 | - | - | - | - | - | 972 | 20 | 952 | 972 | (20) | - |
| EEP Program Income | - | 3,200 | - | - | - | - | - | 3,200 | 1,600 | 1,600 | 24,900 | (23,300) | (21,700) |
| Other Program Income | - | 22,500 | - | - | - | - | - | 22,500 | 500 | 22,000 | 7,500 | 14,500 | 15,000 |
| Other Income | - | - | - | - | - | - | - | - | (535) | 535 | - | 535 | - |
| TOTAL OPERATING INCOME | 57,344 | 38,108 | 31,972 | - | 213,824 | 450,475 | 128,640 | 920,362 | (21,331) | 941,693 | 856,737 | 84,956 | 63,625 |
| NON-OPERATING INCOME | | | | | | | | | | | | | |
| Interest | 68,141 | - | - | - | - | - | - | 68,141 | (667) | 68,808 | 47,336 | 21,472 | 20,805 |
| Operating Expense Reimbursement | - | - | - | 6,320 | - | - | - | 6,320 | 862 | 5,458 | 5,818 | (360) | 502 |
| TOTAL NON-OPERATING INCOME | 68,141 | - | - | 6,320 | - | - | - | 74,461 | 195 | 74,266 | 53,154 | 21,112 | 21,307 |
| TOTAL INCOME | 125,485 | 38,108 | 31,972 | 6,320 | 213,824 | 450,475 | 128,640 | 994,823 | (21,136) | 1,015,960 | 909,892 | 106,068 | 84,932 |
| EXPENSES | | | | | | | | | | | | | |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| Total Authority Employee Expense | - | 419,150 | - | - | - | - | - | 419,150 | 56,811 | 362,339 | 371,789 | (9,450) | 47,361 |
| Total Utilities | 672 | 4,176 | 25,371 | 6,441 | 31,003 | 30,835 | - | 98,498 | (4,658) | 103,156 | 103,923 | (767) | (5,425) |
| Total Maintenance & Repairs | 4,100 | 2,925 | 7,100 | 8,805 | 12,075 | 11,455 | 26,544 | 73,004 | 22,212 | 50,792 | 48,425 | 2,367 | 24,579 |
| Total Cleaning & Improvements | - | - | - | - | 1,200 | 1,350 | 670 | 3,220 | (1,657) | 4,877 | 4,750 | 127 | (1,530) |
| Total Services | 11,157 | 11,914 | 17,562 | 2,812 | 23,469 | 43,997 | 3,552 | 114,463 | 5,206 | 109,257 | 112,644 | (3,387) | 1,820 |
| Property Administrative | | | | | | | | | | | | | |
| Audit | - | 17,000 | - | - | - | - | - | 17,000 | 500 | 16,500 | 16,500 | - | 500 |
| Phone Service | - | 1,080 | - | - | - | - | - | 1,080 | (669) | 1,749 | 2,088 | (339) | (1,008) |
| Internet Charge | - | 2,420 | - | - | - | - | - | 2,420 | 455 | 1,965 | 2,475 | (510) | (55) |
| Copies | - | 660 | - | - | - | - | - | 660 | (5) | 665 | 600 | 65 | 60 |
| Fees/Licenses/Permits | - | 120 | - | - | - | - | - | 120 | (235) | 355 | 828 | (473) | (708) |
| Office Supplies | - | 1,410 | - | - | - | - | - | 1,410 | (109) | 1,519 | 1,410 | 109 | - |
| Office Equipment Maintenance | - | 600 | - | - | - | - | - | 600 | 500 | 100 | 600 | (500) | - |
| Postage/Delivery | - | 60 | - | - | - | - | - | 60 | (35) | 95 | 60 | 35 | - |
| Professional Fees | - | 30,200 | - | - | - | - | - | 30,200 | 8,322 | 21,878 | 30,000 | (8,122) | 200 |
| Printing | - | 1,680 | - | - | - | - | - | 1,680 | 611 | 1,069 | 1,200 | (131) | 480 |
| EEP Program Expenses | - | 7,800 | - | - | - | - | - | 7,800 | (2,716) | 10,516 | 8,666 | 1,850 | (866) |
| Other Program Expenses | - | 14,175 | - | - | - | - | - | 14,175 | 3,850 | 10,325 | 10,325 | - | 3,850 |
| Subscriptions/Dues | - | 2,970 | - | - | - | - | - | 2,970 | (15) | 2,985 | 2,910 | 75 | 60 |
| Travel/Conferences | - | 10,100 | - | - | - | - | - | 10,100 | 2,607 | 7,493 | 8,000 | (507) | 2,100 |
| Marketing/PR | - | 9,840 | - | - | - | - | - | 9,840 | 872 | 8,968 | 8,968 | - | 872 |
| General Authority Expense | - | 1,200 | - | - | - | - | - | 1,200 | - | 1,200 | 1,200 | - | - |
| Other Administrative Expense | - | 3,042 | - | - | - | - | - | 3,042 | 90 | 2,952 | 2,952 | (0) | 90 |
| Research Grants | - | 25,000 | - | - | - | - | - | 25,000 | - | 25,000 | 25,000 | - | - |
| Total Property Administrative | - | 129,357 | - | - | - | - | - | 129,357 | 14,023 | 115,334 | 123,782 | (8,449) | 5,575 |
| Total Other Expenses (Talcor) | - | 10,248 | 16,476 | - | 21,528 | 26,040 | 9,708 | 84,000 | (2,536) | 86,536 | 86,357 | 179 | (2,357) |
| Total Insurance & Taxes | 1,320 | 11,856 | 12,000 | - | 13,968 | 16,896 | 1,812 | 57,852 | 1,307 | 56,545 | 56,544 | 1 | 1,308 |
| TOTAL OPERATING EXPENSES | 17,249 | 589,626 | 78,509 | 18,058 | 103,243 | 130,574 | 42,286 | 979,544 | 90,708 | 888,836 | 908,214 | (19,378) | 71,330 |
| NET OPERATING INCOME | 108,236 | (551,518) | (46,537) | (11,738) | 110,581 | 319,901 | 86,354 | 15,279 | (111,845) | 127,124 | 1,678 | 125,446 | 13,602 |
| Less: Capital Expenditures | - | - | (1,800,000) | - | - | (15,000) | - | (1,815,000) | (1,527,148) | (287,852) | (2,067,550) | 1,779,698 | 252,550 |
| CASH FLOW AFTER CAPITAL TRANSACTIONS | \$ 108,236 | \$ (551,518) | \$ (1,846,537) | \$ (11,738) | \$ 110,581 | \$ 304,901 | \$ 86,354 | \$ (1,799,721) | \$ (1,638,993) | \$ (160,728) | \$ (2,065,872) | \$ 1,905,145 | \$ 266,152 |

Budget Variance 17-18**Favorable/
(Unfavorable) Explanation****Current Year Budget Variance Summary:**

| | | |
|------------------------------------|---------------------|--|
| Rent | \$ 93,442 | IT Services Lease |
| CAM | (201) | Based on reimbursable expenses |
| Operating Expense Reimbursements | (360) | Based on reimbursable expenses |
| Interest | 21,472 | Rising interest rates |
| Other Rents | (20) | |
| EEP Program Income | (23,300) | FAMU grant budget \$22,500 with \$11k actual shifted to Other Program Income |
| Other Program Income | 14,500 | Actual Tech Grant +\$3500 and FAMU Grant \$11k shifted from EEP Program Income |
| Other Income | 535 | |
| Total Income Variance | <u>106,068</u> | |
| Authority Employee expense | 9,450 | Timing of hire Director of Entrepreneurship |
| Utilities | 767 | Normal fluctuations |
| Repairs & Maintenance | (2,367) | Normal fluctuations |
| Cleaning and Improvements | (127) | |
| Services | 3,387 | HVAC short 1 service (2.8k) + Powerwash buildings not done (\$5.2k) |
| Property Administration: | | |
| EEP Program Expenses | (1,850) | Budgeted based on prior year food costs which were unusually low |
| Other Program Expenses | - | |
| Professional Fees | 8,122 | Normal fluctuations |
| Research Grants | - | |
| All Other Property Admin Expenses | 1,997 | Normal fluctuations |
| Total Operating Expense Variance | <u>19,378</u> | |
| Net Operating Income Variance | 125,446 | |
| Capital Expenditures | 1,779,698 | Collins \$1.8 million not expended--see details on Capital Projects |
| Total Current Year Budget Variance | <u>1,905,145</u> | |
| Budgeted Cash Flow | (2,065,872) | |
| Current Year Forecasted Cash Flow | <u>\$ (160,728)</u> | |

Knights Admin Detail

| | | | | | | | |
|--|---|----------|---|--------------|--------------|---|-------------------|
| 5565-0000 | Office Supplies | | | | | | |
| | Miscellaneous Office Supplies | | | | | | 720 |
| | Board Plaques | | | | | | 300 |
| | Board Meetings - @ \$25.00 per meeting | | | | | | 150 |
| | 24 Committee Meetings - @ \$10.00 per meeting | | | | | | 240 |
| | Total Office Supplies | | | | | | <u>1,410</u> |
| 5566-0000 | Office Equip. Maint. | | | | | Miscellaneous Phone/Computer/Copier | 600 |
| 5570-0000 | Postage/Delivery | | | | | Less than actual--eliminated Talcot charges in new contract | 60 |
| 5575-0000 | Professional Fees | | | | | | |
| | General Council agreement | | Monthly Fee estimate | 2,000 | | | 24,000 |
| | Development and other professional fees | | Estimate monthly | 100 | | | 1,200 |
| | Other | | Strategic Planning Facilitator | | | | 5,000 |
| | Total Professional Fees | | | | | | <u>30,200</u> |
| 5580-0100 | Printing | | | | | | |
| | Presentaton folders | | | | | | 300 |
| | Display board updates | | | | | | 100 |
| | Rack cards | 500 | | | | | 375 |
| | Marketing books | 200 | | | | | 425 |
| | Other | | | | | | 480 |
| | Total Printing | | | | | | <u>1,680</u> |
| 5581-0000 | EEP Program Expenses | | | | | | |
| | Class Expenses | | | | | | 800 |
| | Snacks/Gifts for Volunteers | | | | | | 1,000 |
| | Food | | | | | | 6,000 |
| | Total EEP Expenses | | | | | | <u>7,800</u> |
| 5582-0000 | Other Program Expenses | | | | | | |
| | Tech Grant | | | | | | 7,500 |
| | Tech Topics | | \$275 per event * 3 events | | | | 975 |
| | E-Club | | | | | | 1,000 |
| | Entrepreneur Programs | | SBIR-STTR, mini i-Corp, etc. | | | | 1,200 |
| | Science Wkend/MagLab Open House | | Event | | | | 1,500 |
| | New event | | | | | | 2,000 |
| | Total Other Program Expensees | | | | | | <u>14,175</u> |
| 5585-0000 | Subscriptions/Dues | | | | | | |
| | iNBIA (International Business Innovation | | | | | | 695 |
| | Association of University Research Parks | | | | | | 1,050 |
| | Special District Fees | | | | | | 175 |
| | Tallahassee Chamber | | | | | | 475 |
| | Magazines | | | | | | 75 |
| | Big Bend Minority Chamber | | | | | | 500 |
| | Total Subscription & Dues | | | | | | <u>2,970</u> |
| 5594-0000 | Travel/Conferences | | Ron | Denise | Michael | | |
| | Chamber Conference-Registration/Meals/Lodging | | 1,300 | - | 1,300 | | 2,600 |
| | Other Conferences & Training | | 2,500 | 2,500 | 2,500 | | 7,500 |
| | Total Travel/Conferences | | <u>3,800</u> | <u>2,500</u> | <u>3,800</u> | 10,100 | <u>10,100</u> |
| 5586-0000 | Marketing/PR | | | | | | |
| | Constant Contact | | | | | | 840 |
| | Promotion Video | | | | | | 2,000 |
| | Social/Digital Ads | | | | | | 3,300 |
| | Shirts/mugs/swag | | | | | | 500 |
| | Other Marketing/PR (determined by strategic plan) | | | | | | 2,000 |
| | Other Sponsorships | | | | | | 1,200 |
| | | | | | | | <u>9,840</u> |
| 5587-0000 | General Authority Exp -- primarily petty cash expenses \$100/mo | | | | | | 1,200 |
| 5589-000 | Research Grants - Non CAM | | | | | Tech Grant Awards | 25,000 |
| 5596-0000 | Other Administrative Exp. | | | | | | |
| | Tallahassee Democrat - Notices | | | | | | 1,440 |
| | Florida Administrative Register Notices - Twice per year @ \$300.00 per | | | | | | 600 |
| | Procurement notices | 3@ \$230 | RFQ Collins; Insurance Broker; other (legal?) | | | | 690 |
| | Miscellaneous | | | | | | 312 |
| | Total Other Administrative | | | | | | <u>3,042</u> |
| Total Property Administration Costs | | | | | | | <u>\$ 129,357</u> |

Contracts

| <u>Property Management & Accounting</u> | <u>Gross Sq Ft</u> | <u>Allocation</u> | <u>Per Month</u> | <u>TOTAL</u> |
|---|--------------------|-------------------|------------------|---------------|
| Collins | 24,900 | 16,480 | 1,373 | 16,476 |
| Morgan | 32,528 | 21,529 | 1,794 | 21,528 |
| Johnson | 39,337 | 26,035 | 2,170 | 26,040 |
| Phipps | 14,661 | 9,703 | 809 | 9,708 |
| Knight | 2,800 | 1,853 | 154 | 1,848 |
| Knight-CAM | 10% | 8,400 | 700 | 8,400 |
| | <u>114,226</u> | <u>84,000</u> | <u>7,000</u> | <u>84,000</u> |

Talcor 2.5% increase beginning 10/1/19, and 10/1/20

Landscaping

| | 2018, Mar 2019, Apr Reg % | 2018, Mar 2019, Apr 2019 | Year 1- Nov 2018 to Feb 2019 | Year 2 May 2019-Sept 2019 | Pine Straw Allocation | Straw November- Year 2 | Pine Straw April-Year 3 | |
|-------------------------------------|---------------------------------|--------------------------------|------------------------------------|---------------------------------|--------------------------|------------------------------|-------------------------------|--------|
| Collins | 24.2% | 726 | 365 | 741 | 24.2% | 581 | 581 | 8,505 |
| Morgan | 10.3% | 308 | 155 | 315 | 10.3% | 247 | 247 | 3,613 |
| Johnson | 12.6% | 377 | 190 | 385 | 12.6% | 302 | 302 | 4,420 |
| Knight | 22.1% | 664 | 334 | 678 | 22.1% | 531 | 531 | 7,780 |
| Inn-tic | 18.6% | 558 | 281 | 569 | 18.6% | 446 | 446 | 6,535 |
| Inn-tic Non CAM (vacant land) | 12.3% | 368 | 185 | 375 | 12.3% | 294 | 294 | 4,307 |
| | 100.0% | 3,002 | 1,510 | 3,062 | 100.0% | 2,401 | 2,401 | 35,160 |
| Total | \$ 35,158 | 9,006 | 6,040 | 15,310 | | 2,401 | 2,401 | |

| <u>Janitorial</u> | <u>Per sf per</u> 0.0775 Annual Inc | <u>contract</u> SF | Oct 18- Aug 19 | 19-Sep 3% | <u>FSU IT</u> <u>Services</u> <u>Adj</u> | |
|-------------------|---|-----------------------|-------------------|--------------|--|---------------|
| Collins | 331 | 4,269 | 331 | 341 | | 3,982 |
| Morgan | 1,760 | 22,707 | 1,760 | 1,813 | (13,269) 3/31/2018 | 14,972 |
| Johnson | 2,115 | 27,294 | 2,115 | 2,178 | | 25,443 |
| Knight | 204 | 2,632 | 204 | 210 | | 2,454 |
| | <u>4,410</u> | <u>56,902</u> | <u>4,410</u> | <u>4,542</u> | | <u>46,851</u> |

HVAC Preventative Maintenance (3/2019 1 year)

| | <u>Per Qtr</u> | <u>Annual</u> | |
|---------|-----------------|---------------|---------------|
| Collins | 848.00 | 3,392.00 | 3,392 |
| Morgan | 454.00 | 1,816.00 | 1,816 |
| Johnson | 1,129.00 | 4,516.00 | 4,516 |
| Knight | 159.00 | 636.00 | 636 |
| Phipps | 303.00 | 1,212.00 | 1,212 |
| | <u>2,893.00</u> | <u>11,572</u> | <u>11,572</u> |

Thyssen Krupp Elevator

| | <u>Annual</u> | Limited to 5% increases (increased about 3.5% prior year) |
|---------|---------------|---|
| Johnson | 964 | |
| Fuqua | 964 | |
| | <u>1,927</u> | |

Contracts

TOTAL

TYCO (Simplex Grinnel)

Annual

| | | | | | | | |
|------------------|----------|-------------|---------------|------------------------|----------|------|-------------|
| Johnson | | | | | | | |
| Monitoring | October | 616 | | October 2016-9/30/2019 | | | 616 |
| Inspection | November | 2725 | | Expires 9/30/2021 | | | 2725 |
| | | | | | | | 0 |
| Sprinkler | | 625 | Every 5 years | Last Insp. | 6/2/2017 | Next | 2022 |
| Pre-Action (NPS) | | 625 | Every 5 years | Last Insp. | 6/2/2017 | Next | 2022 |
| | | <u>4591</u> | | | | | <u>3341</u> |

Pest Control

| | <u>Orkin</u> | <u>Capoluto</u> | |
|---------|-------------------------|------------------------|--------------------------|
| | <u>Quarterly</u> | <u>Annual</u> | <u>Annual-Jan</u> |
| Collins | 250 | 1,000 | 1,000 |
| Morgan | 250 | 1,000 | 1,000 |
| Johnson | 250 | 1,000 | 1,000 |
| Knight | 75 | 300 | 284 |
| Phipps | 250 | 1,000 | 1,000 |
| | <u>1,075</u> | <u>4,300</u> | <u>284</u> |
| | | | <u>4,584</u> |

Orkin includes: rodent traps, monitoring, quarterly inside/outside, additional trips as needed included; annual contract beginning 10/1

Georgia Florida

| | | | | |
|---------|------------|--------------------------|-----------------------------|--------------|
| Collins | 35 monthly | 10/31/2018 | 183 final equipment payment | 603 |
| Knight | 35 monthly | | | 420 |
| Morgan | 75 Quarter | Cell card-access control | | 300 |
| | | | | <u>1,323</u> |

Data and communications

| | | | | |
|---------|---|-----------|------------|--------------|
| Comcast | 8/31/2017 Term | 8/31/2020 | | |
| | Telephone+TV (package) 3 lines + Equipment + VM | | 90 | 1,080 |
| | Internet (50MB)+Static IP+Cloud Solutions (4*14.95) | | 160 | 1,920 |
| | | | <u>250</u> | <u>3,000</u> |

Auditing

| | | | | |
|--------|------------------------|-----------|--------|-------|
| | Thomas Howell Ferguson | | | |
| Knight | Audit Year | 9/30/2018 | 17,000 | 3,000 |
| | | 9/30/2019 | 17,500 | |
| | Annual Sponsorship | | 1,000 | |

Insurance Allocation (from Insurance Allocation Worksheet)

| | |
|--------------------------|---------------|
| Knight | 11,856 |
| TIC-CAM | 1,164 |
| TIC-NonCam (vacant land) | 156 |
| Morgan | 13,968 |
| Johnson | 16,896 |
| Phipps | 1,812 |
| Collins | 12,000 |
| | <u>57,852</u> |

Capital Projects

| 2018-19 | | |
|----------------------------|----------------------|---------------------|
| Building | Item | Amount |
| Collins | Remodel | \$ 1,800,000 |
| Tenants In Common | | |
| Fuqua | | |
| Morgan | | - |
| | Total Major Projects | <u>1,800,000</u> |
| Knight | | - |
| Fuqua | | |
| Phipps | | - |
| Morgan/Johnson/ Phipps | HVAC-If needed | 15,000 |
| | Total Regular CapEx | <u>15,000</u> |
| Total Capital Expenditures | | <u>\$ 1,815,000</u> |

| 2017-18 | | | | | |
|----------------------------|---|---------------------|-------------------|---------------------|--|
| Building | Item | Budget | Actual | Variance | |
| Collins | Remodel | \$ 1,800,000 | \$ - | \$ 1,800,000 | |
| TIC | Trail WITHOUT Lighting | 184,985 | 184,985 | - | |
| Fuqua | Restrooms | 53,800 | 42,596 | 11,204 | |
| Morgan | Restrooms | 46,000 | 37,330 | 8,670 | |
| | Total Major Projects | <u>2,084,785</u> | <u>264,911</u> | <u>1,819,874</u> | |
| Knight | Laptop for Director of Entrepreneurship | 1,000 | 1,020 | (20) | |
| Fuqua | Smoking Area Tables (2)/Urns (1) | 1,750 | 1,439 | 311 | |
| Morgan/Johnson/ Phipps | HVAC-If needed | 15,000 | 19,746 | (4,746) | |
| | Total Regular CapEx | <u>17,750</u> | <u>22,205</u> | <u>(4,455)</u> | |
| Total Capital Expenditures | | <u>\$ 2,102,535</u> | <u>\$ 287,116</u> | <u>\$ 1,815,419</u> | |

| | | Proposed Plan | | | | | | |
|---|--|-------------------|-------------------|-------------|-------------|------------------|------------------|-----------------|
| | | Current | Year | | | | | |
| | | OpEx | 1 | 2 | 3 | 4 | | |
| <u>Deferred maint plan (see report with pictures and narrative):</u> | | | | | | | | |
| | Remodel elevator including ceiling/lighting | 5,820 | | 5,820 | | | | |
| | Paint - Stairs, all rails, flower beds, all columns, wall near elevator, two walls near soda machine. Repair stucco and paint. | 14,280 | | | \$ 14,280 | | | |
| | Elevator | 5,820 | | | | \$ 5,820 | | |
| | Paint: Interior lobby, both floors | 2,800 | | | \$ 2,800 | | | |
| | Full Interior | 7,700 | 7,700 | | | | | |
| | Full Exterior | 5,600 | 5,600 | | | | | |
| | Refurb (high estimate \$3,000 x 42) | 126,000 | 126,000 | | | | | |
| | New/replacements | 10,000 | 10,000 | | | | | |
| | Landscaping two entrance monument signs | 3,562 | 3,562 | | | | | |
| | Parking Lots | | | | | | | |
| | Morgan-Overlay | 41,426 | | 41,426 | | | | |
| | Collins-Overlay | 43,700 | | 43,700 | | | | |
| | Knight-Sealing/Striping | 3,200 | | 3,200 | | | | |
| | Phipps-Sealing/Striping | 3,200 | | 3,200 | | | | |
| Total deferred maintenance | | <u>\$ 273,108</u> | <u>\$ 152,862</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 97,346</u> | <u>\$ 17,080</u> | <u>\$ 5,820</u> |