



Wise Owl Properties  
Board Meeting  
Date: April 29, 2019  
Time: 2:00pm  
Agenda

- |                             |            |
|-----------------------------|------------|
| 1. Call to Order            | Fran Pepis |
| 2. Approval of Minutes      | Fran       |
| 3. Updated quotes           | Linda      |
| 4. Financial Info for 10696 | JaLynne    |
| 5. Adjourn                  | Fran       |

## **Wise Owl Properties, Inc.**

Conference Call Board Meeting

Wednesday March 20, 2019

2:00 PM

### **Present**

President, Fran Pepi

Bill Ternent-via phone

Vice President, Don Roberts

Treasurer, Brenda Ezell, - via phone

Secretary, Melissa Gilreath

Veronica Catoe-via phone

### **Staff**

Linda Levin

JaLynne Santiago

Jessica Del Rio

### **Meeting Called to Order**

Ms. Fran Pepis called the meeting to order at 2:18 p.m. The purpose of the meeting was to update the board on the 10696 building and review the maintenance and repairs of the 10688 building.

### **Approval of Minutes**

Ms. Melissa Gilreath moved approval of the meeting minutes of the Wise Owl Board of Directors on January 17, 2019. Mr. Don Roberts seconded the motion. The motion carried without opposition, and the minutes were approved as submitted.

### **Building Update**

Fran Pepis, President, reported on the update of the 10696 building. She stated that the building is listed for sale and for lease. Fran provided a report with the data from January to March of how many people were interested in the building. The leasing side has seen a significant decrease in the number of interested parties. Ms. Pepis explained the market is not responding to our material and the use of the building is not for everyone.

Ms. Pepis explained there is a group who is interested in purchasing the entire building. They will be visiting in the next week to tour the building. The Board discussed whether to sell or to keep the 10696 building. There was discussion regarding the need for additional space for staff as our agency has grown and we anticipate further growth. There is no additional space in the current building for additional staff without giving up the Board Room which has considerable utilization. After further discussion, the Board decided to delay deciding on whether or not to sell or keep the building until additional analysis is brought to the Board. The Board asked staff to look at the financials and develop a sustainability plan to determine if we could afford to keep the building.

### Motion

Mr. Don Roberts moved to accept the delay the decision selling or keeping the building until the sustainability plans brought to the Board. Ms. Melissa Gilreath seconded that motion. The motion carried, without opposition

### Building Repairs & Maintenance

JaLynne Santiago, Chief Financial and Operations Officer, provided the Board with the financial review of the *2019 Projects for Consideration*. Each document was made available to the Board in advance of their meeting, via email.

Linda explained that several things are include in the document that address accessibility and also general maintenance as well as addressing the strategy in our strategic plan related to Green Governance.

JaLynne explained the cost of each item on the document. After discussion, the Board recommended getting a few more quotes for the following projects:

- Automate all doors to be push-button
- LED Energy Efficiency program

JaLynne advised that we decided on a new Janitorial company called City Wide who had the most proactive approach, professional and the lowest price. She will send out a revised budget for the remaining projects.

### Motions

Mr. Don Roberts moved to accept painting the interior and exterior of the main building. Ms. Melissa Gilreath seconded that motion. The motion carried, without opposition.

### Bylaw Amendment Regarding Restrictions

Fran advised that the restricted use of the building does not have to be in the corporate Bylaws, but it does have to be documented in the warranty deed and the minutes. Fran will send out the *Zoning Restrictions* to the Board to see what we want to be restricted. The Board will decide on the sale restrictions of the 10696 building at the next meeting.

**Meeting Adjourned at 3:40**

**Minutes prepared by Jessica Del Rio, Administrative Assistant**

## Automatic Door Quotes

Company Name	Quoted Amount	Notes
Door Control Inc	25,308	Doors for suites, back door (employee entrance), 4 bathroom doors, 2 interior doors bolts * Have to hire an electrician
FDC	20,575.00	ADA for all suite doors, back door for employee entrance, and 1st and 2nd floor bathroom doors. *Need to purchase push plate for internal bathroom doors separately. We need to hire an electrician.
Vigneaux	18,941.93	ADA for all suite doors, back door for employee access, 1st and 2nd floor bathrooms, 4 occupied/vacant deadbolts for restroom doors. * We have to hire an electrician

## LED Lights

Company Name	Quoted Amount	Notes
Hercules	14,197.02	Includes all tubes, light bulbs, flood lights, exit and safety lights.
R & R Electric	29,240.00	Replace existing fixtures with LED, emergency exists and lights, flat panels, and exterior door lights.
Empire Electric	14,872.00	Remove and dispose of approx. 169 flourescent lights fixtures. Install 160 2x4 LED troffer type fixture. Supply and install 9 of 2x2 LED troffer type fixtures. **The business owner explained all we have to do is change the flat panels to LED troffer. The rest of the lights around the building, can be updated by replacing the current lightbulbs to LED. This will be cheaper for us than to have him change them. The fixtures are in good shape and don't need replacement.

## Monument Sign

Company Name	Quoted Amount	Notes
SignPlus		** I sent new logo and colors, he created a layout and now we are waiting on the quote.
Taylor Signs		** I sent new logo and colors. I'm waiting on his quote.
Harbinger		** Working on an appointment to come see the sign. No return calls from the sales rep.

Wise Owl Properties  
2019 Cash Position

Property 10688	Sell 10696	Keep 10696	Variance
Rental Income	135,000.00	107,443.00	27,557.00
Personnel Expense	4,368.00	4,368.00	-
Mortgage Payments	68,411.00	68,411.00	-
Building Maint	25,822.00	25,822.00	-
Utilities & Security	24,999.00	24,999.00	-
Marketing & Advertising	-	-	-
Supplies	1,916.00	1,916.00	-
Audit Fees	500.00	500.00	-
Property & Liability Ins	10,584.00	10,584.00	-
Taxes & Licenses	955.00	955.00	-
Net Operating Margin	<b>(\$2,555.00)</b>	<b>(\$30,112.00)</b>	<b>\$27,557.00</b>
Transfers In/Out for projects			
2nd Floor Renovations	25,747.00	25,747.00	-
Painting Building	19,830.00	19,830.00	-
Estimated for lights and handicap	45,000.00	45,000.00	-
Board room renovations	10,740.00	-	10,740.00
Total Transfers In/out	<b>\$101,317.00</b>	<b>\$90,577.00</b>	<b>\$10,740.00</b>
Additional Funds needed for operations	<b>(\$2,555.00)</b>	<b>(\$30,112.00)</b>	<b>\$27,557.00</b>

Property 10696	Sell 10696	Keep 10696	Variance
Rental Income	-	27,557.00	(27,557.00)
Personnel Expense	-	-	-
Mortgage Payments	68,995.00	68,995.00	-
Building Maint	3,008.00	8,862.00	(5,854.00)
Utilities & Security	4,071.00	6,868.00	(2,797.00)
Marketing & Advertising	2,243.00	2,243.00	-
Supplies	-	600.00	(600.00)
Audit Fees	-	-	-
Property & Liability Ins	6,168.00	6,168.00	-
Taxes & Licenses	545.00	545.00	-
Net Operating Margin	<b>(\$85,030.00)</b>	<b>(\$66,724.00)</b>	<b>(\$18,306.00)</b>
Transfers In/Out for projects			
Network fibers from 10688	4,202.00	4,202.00	-
Replace Commerical HVAC unit	-	20,000.00	(20,000.00)
		-	-
	-	-	-
Total Transfers In/out	<b>\$4,202.00</b>	<b>\$24,202.00</b>	<b>(\$20,000.00)</b>
Additional Funds needed for operations	<b>(\$85,030.00)</b>	<b>(\$66,724.00)</b>	<b>(\$18,306.00)</b>

<b>Summary of Additional Funds needed for Operations</b>			
	Keep 10696	Sell 10696	Variance
Short term	\$96,836.00	\$87,585.00	\$9,251.00
Long term	\$90,000.00	-	\$90,000.00

Notes: This cash flow analysis is prepared with the following assumptions

- (1) Property 10696 will remain unoccupied for the remaining/majority of 2019 based on interest level
- (2) Until 10696 is sold Wise Owl can expect to pay a minimum of \$85-90k annually
- (3) If Property 10696 is sold in a future period it would eliminate at least \$85-90k annually

Other Notes:

- (1) Property 10688 is \$2,555 away from breakeven. We can consider increasing the rent slightly and continue monitoring line items such as utilities
- (2) Although a portion of the operating deficit for 10696 is offset by the rental income. It leaves 10688 with less rental income and a larger operating deficit
- (3) The only foreseeable company that would be able to contribute towards rent is the Medicaid Management Srvs Co.