

TEXAS **STUDENT HOUSING**

**MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF THE
TEXAS STUDENT HOUSING AUTHORITY
(AN INSTRUMENTALITY OF THE TOWN OF WESTLAKE) HELD DECEMBER 15, 2015 AT
3 VILLAGE CIRCLE
COUNCIL CHAMBER, 2ND FLOOR
WESTLAKE, TEXAS 76262**

PRESENT: Board members Scott Bradley, Bryant Fisher, Tracy Schornack, and Trish Howard. Director Mark Harrow arrived during the discussion of agenda item 5.

ABSENT: Director Gregg Malone

OTHERS PRESENT: Nitin Chexal and John DeBurro

1. CALL TO ORDER

President Bradley called the meeting to order at 6:01 p.m.

2. REVIEW AND APPROVE MINUTES FOR THE MEETING ON NOVEMBER 12, 2015.

MOTION: Interim Executive Director Schornack made a motion to approve the minutes of the November 14, 2015 meeting. Director Fisher seconded the motion. The motion carried by a vote of 4-0.

3. CONSIDER AND TAKE ACTION TO ACCEPT THE SECRETARY'S RESIGNATION AND TO APPOINT TRISH HOWARD AS THE SUCCESSOR TO THE OFFICE.

Item was on last month's agenda. No action required.

4. CONSIDER AND TAKE ACTION CONCERNING FUTURE OF TOWN LAKE AS IT RELATES TO POSSIBLE ACQUISITION OF SUBORDINATE BONDS. NITIN CHEXAL OF NIMES CAPITAL TO ADDRESS BOARD MEMBERS.

DISCUSSION: Mr. Nitin Chexal expressed the desire of Nimes Capital to expand the “partnership” between the Authority and Nimes Capital should Nimes Capital succeed in acquiring the outstanding bonds on the Town Lake project. Nimes Capital is the owner of the Ball Park project in Austin, which previously was owned by the Authority but was acquired by Nimes Capital from the bondholder who foreclosed on the property. Mr. Chexal stated that Nimes Capital was unaware that it would have been better to acquire control of the Ball Park project by purchasing the bonds rather than through the foreclosure process. President Bradley stated that it may not be possible for the Authority to reacquire the Ball Park project under current Texas law, and suggested that Mr. Chexal should consult with his attorneys and possibly consider consulting a lobbyist to see if current law might successfully be tweaked to allow the Authority to reacquire this student housing property. President Bradley stated that former State Representative Vicki Truitt was familiar with the status of the current laws governing student housing properties. Mr. Chexal stated that he intends to investigate the prospects, as Nimes Capital would like to “partner” with the Authority on more student housing projects because Nimes Capital is very interested in furthering higher education and is very impressed with the scholarship program developed by the Authority.

President Bradley stated that the Authority would like Nimes Capital to assist the Authority in collection of the outstanding \$140,000 in deferred asset management fees owed by the Town Lake project if Nimes Capital acquires control of the bonds on the project.

No action required by the Board.

5. RECEIVE REPORT FROM THE AUDITORS, WEAVER TIDWELL, LLC FOR FISCAL YEAR 2015.

DISCUSSION: John DeBurro, a partner with Weaver Tidwell, LLC, which also audits the Town of Westlake, presented preliminary audit results of its examination of the Authority’s financial activities.

Management Letter: Mr. DeBurro stated that the Authority has a material weakness in that the Authority does not have a dedicated person to prepare its financial statements, but this is understandable since the Authority has no staff other than the Executive Director. He also noted that the QuickBooks entries for the College Station project were not made for Jan. 2015.

He stated that there is a risk when there is no segregation of duties and suggested that the Board review disbursements to provide oversight.

He also noted that it is unknown how room values were determined for purposes of the scholarship program at The Cambridge. The Cambridge scholarship students pay directly to The Cambridge's management company. He also suggested that some old payable balances need to be reviewed.

Mr. DeBurro also stated that the Board can add a management response to the audit reports if it desires.

President Bradley then suggested that representatives of the management company for the Denton and College Station projects come to the next board meeting to discuss budget and operational matters.

6. CONSIDER AND TAKE ACTION TO RATIFY THE AUTHORIZATION OF THE AUTHORITY'S PROPERTY MANAGER TO SHARE INFORMATION WITH NIMES CAPITAL AND THE A-2 BOND HOLDERS FOR JEFFERSON COMMONS AT TOWN LAKE.

DISCUSSION: President Bradley stated that the property manager for the Town Lake project has already furnished the requested information to Nimes Capital due to time constraints.

MOTION: Director Howard made a motion to ratify the action of the property manager. Director Harrow, who joined the meeting just before this item was called for discussion, seconded the motion, which carried by a vote of 5-0.

7. CONSIDER AND TAKE ACTION CONCERNING EXECUTIVE DIRECTOR EMPLOYMENT.

DISCUSSION: Interim Executive Schornack presented financial information to the Board for its consideration in deciding whether to employ an executive director and the terms of the employment.

MOTION: Director Bradley made a motion that the Board employ the current Interim Executive Director, Tracy Schornack, as Executive Director at a salary of \$80,000 per annum, the salary to be retroactive to Sept. 1, 2015; and that the Executive Director's salary shall be reviewed after six months. The Motion was seconded by Director Fisher. Motion was approved 4-0. Director Schornack abstained from the vote.

8. ADJOURN

All agenda items having been addressed, President Bradley adjourned the meeting at 8:12 p.m.

APPROVED by the Texas Student Housing Authority Board of Directors on

January 12, 2016.

Scott Bradley
Scott Bradley, President

ATTEST:

Trish Howard
Trish Howard, Secretary