



UWF Business Enterprises, Inc. Board of Directors Meeting

University of West Florida
Conference Center Lounge, Building 22
April 16, 2018

Present

Chair Dave Cleveland, Treasurer Ed Ranelli, Member Judge Lacey Collier, Member Chula King, Member Jerry Maygarden, Outgoing SGA President Kishane Patel, New SGA President Brandon Malone, President Martha Saunders, Assistant General Counsel Chrisandra Nash, Interim Vice President Betsy Bowers, Chief Executive Officer Steve Cunningham, and Assistant to the CEO Lisa Bernau.

Guests: Chad Lassen (CliftonLarsonAllen-via phone), Michele Casali (CliftonLarsonAllen-via phone), Colleen Asmus, Ellen Till, Janice Gilley, Angel Sedillo, Dorian Zwierewicz, Kelly Massey, and Basil Kuloba.

Absent

Vice-Chair C. Ray Jones and Secretary Susan O'Connor.

Welcome/Opening Remarks

Chair Cleveland called the meeting to order at 1:30 p.m. Lisa Bernau called roll and confirmed that a quorum was present.

Approval of Minutes

February 5, 2018, BEI Board Meeting.

Chair Cleveland asked if there were any changes or corrections to the minutes. None were noted.

Motion to approve: Member Judge Lacey Collier

Second: Member Chula King

Motion passed.

University Update

President Saunders provided the University Update highlighting Founders Week activities, which includes the Day of Service, the Day of Giving, and the grand opening of University Park Center.

Funding has been identified for the \$3.2 million Switchgear project and some deferred maintenance projects. UWF is looking strong in the BOG's metrics review. The search for a new Chief of Police for the University will be completed soon and there will be an announcement. UWF Commencement will be held on May 5, 2018, and the 100,000th UWF graduate is anticipated in that assembly.

Treasurer's Report

Treasurer Ranelli provided the Treasurer's Report.

- Bookstore sales decreased 6.57% in the 3rd quarter of this fiscal year compared to the 3rd quarter of last fiscal year with reduced sales of new textbooks and rentals. New textbook sales continue to decline from increased used book sales and digital book sales. There is also an increase in competition. Some new required course materials are at a lower price point and are offered to on-line students at no cost, resulting in a decline in both sales of the textbooks and dollars per book sold.

- Upon BEI's notice of termination of the campus dining services agreement, the agreement was assigned to the University. As of November 2017, all dining services commissions under the current agreement are University revenue. BEI continues to recognize revenue from the amortization of capital investments made under the current dining services agreement. Under the new dining services agreement, BEI will receive \$6,100,000 to reimburse the current dining services vendor for the unamortized balances of the capital investments as of the contract termination date. BEI will also receive an unrestricted grant of \$900,000. The revenue associated with these capital investments will also be deferred and recognized over the initial term of the new dining services contract.
- Contractual services payments to the University for oversight of the Bookstore and Dining Services Assigned Functions are lower compared to last fiscal year, since these payments are equal to the amount of commission revenue earned by BEI.
- BEI continues to earn rental income from Argonaut Village and will assume management responsibility for the facility on May 6, 2018.
- Revenue from the Digital Signs has decreased 36% through the end of the 3rd quarter compared to the revenue through the end of the 3rd quarter of last fiscal year, primarily from reduced lease fees associated with reduced advertising sales for the East Campus digital monument sign.

CEO's Report

CEO Cunningham stated that this meeting agenda is a culmination of many key events for BEI. Several positive developments took place over the past fiscal year, including transferring Parking and Transportation Services back to the University and completing the sale of the Scenic Hills Country Club to a homeowners association group. Aramark will be coming to the University soon as the new dining services vendor, which will also involve the transition for BEI to assume management of the Argonaut Village facility. BEI's goal is to stabilize the tenants of Argonaut Village as soon as possible. BEI staff is looking forward to working with this Board in the future on potential projects.

Public Comments

None

Information Item

External Audit Entrance – CliftonLarsonAllen (CLA) was moved to the forefront of the agenda to facilitate efficiency of time for the CLA staff. The auditors participated by conference call and presented the External Audit Entrance overview and highlighted recent BEI activity. Michele Casali, Bryan Simkanich, and Chad Lassen of CLA will perform the BEI financial statements audit for the fiscal year ending June 30, 2018. CLA indicated timely work will happen remotely in Orlando and final fieldwork is scheduled for July 16 – July 20, 2018. The Board did not have any questions for the auditors. Chair Cleveland thanked Ms. Casali for her presentation.

Action Items

- 1) Form 990 and 990T - Colleen Asmus provided the overview of the BEI DRAFT 2016 Return of Organization Exempt from Income Tax (Form 990) and BEI DRAFT Exempt Organization Business Income Tax Return (Form 990T) and recommended the BEI Board approve both forms for CEO signature and submission to the Internal Revenue Service. Both forms were prepared by CliftonLarsonAllen.
Motion to approve: Treasurer Ed Ranelli
Second: Member Jerry Maygarden
Motion passed unanimously.
- 2) BEI 2018-2019 Meeting Schedule - The BEO Board reviewed the proposed meeting schedule for 2018/2019 and agreed to meet on the following dates: September 17, 2018, November 19, 2018, February 11, 2019, and April 15, 2019.
Motion to approve: Member Chula King
Second: Member Judge Lacey Collier
Motion passed unanimously.

- 3) Corporate Authorization Resolution and Signature Card Updates for BEI Accounts (ServisFirst Bank) – Ms. Asmus requested approval of the Corporate Authorization Resolution and approval of the affiliated signature cards for the following persons to sign checks and to approve transfers of funds to pay expenditures or for other disbursements evidenced by an invoice or other appropriate documentation from the BEI bank accounts established at ServisFirst Bank.

Dr. Steven Cunningham, Chief Executive Officer
Dr. Ed Ranelli, Treasurer
Dr. Chula King, BEI Board Member

Motion to approve: Member Judge Lacey Collier
Second: Member Jerry Maygarden
Motion passed unanimously.

- 4) BEI FY 2017-2018 Budget – Ms. Asmus presented to the BEI Board for review and approval the FY 2017-2018 BEI Budget proposal as provided in the agenda materials. Ms. Asmus reviewed with the Board the financial activities included in the proposed budget. Ms. Asmus confirmed the BEI budget proposal for FY 2018-2019 will be presented for review and approval at the September 17, 2018 BEI Board of Directors meeting.

Motion to approve: Member Chula King
Second: Member Judge Lacey Collier
Motion passed unanimously.

- 5) BEI Bylaws Revision - CEO Cunningham discussed the recent amendment to Florida Statutes Section 1004.28(3) in relation to DSO Board appointments as of March 11, 2018. CEO Cunningham presented to the BEI Board for approval conforming amendments to the BEI Bylaws Section 3.4, “Appointment of Directors and Tenure” and Section 5.1, “Creation of Committees.”

Motion to approve: Treasurer Ed Ranelli
Second: Member Chula King
Motion passed unanimously.

Information Items

- 1) Budget to Actual – Ms. Asmus explained the Budget to Actual Report represented a summary of the actual revenue and expense transactions from the beginning of the fiscal year through the end of the 3rd quarter (July 1, 2017-March 31, 2018) compared to the revenue and expense budgets established for the fiscal year. Ms. Asmus discussed the details of transactions listed on the reports as presented to the Board.
- 2) External Audit Entrance – Reported prior to Action Items.
- 3) Fraud and Internal Controls – Ms. Asmus presented BEI fraud and internal control updates to the Board. Each BEI Board member is required to review the BEI Conflict of Interest Policy (BEI 1.14-11/11) on an annual basis and disclose any personal, family, or business relationships that could give rise to a conflict of interest involving BEI or the University of West Florida by completing and signing the Conflict of Interest Disclosure Form. The Conflict of Interest Policy was reviewed at the New Board Member Orientation on February 5, 2018, and forms were collected at that time.
- 4) Food Services Transition Update - CEO Cunningham, Betsy Bowers and Ellen Till presented an overview of the major terms of the tentative agreement negotiated between BEI and Aramark. The final agreement will be presented to the BEI Board for approval before being presented to the University Board of Trustees for approval. A BEI Board of Directors Conference Call meeting will be scheduled to accomplish such approval prior to the transition date of May 6, 2018.

- 5) Argonaut Village Operational Planning for Transition - CEO Cunningham provided a report on the status of Argonaut Village planning for the May 6, 2018 operational transition that included the Analysis and Business Plan prepared by UWF graduate students (Small Business Management Class), under the direction of Kelly Massey, Regional Director of Florida Small Business Development Center at UWF. The Analysis and Business Plan was presented by the UWF graduate students to the BEI staff on March 6, 2018.
- 6) Strategic Planning Process - CEO Cunningham reported on the BEI Strategic Planning Process that will be coordinated with the BEI Board of Directors during the Summer of 2018. Chair Cleveland requested a BEI Board meeting be scheduled in July 2018 for strategic planning.

Other Business

Special Presentation by CEO Cunningham and Chair Cleveland: Resolution in recognition and appreciation for distinguished service was presented to graduating SGA President and BEI Director Kishane Patel.

New Business

None

Adjournment

There being no further business, Chair Cleveland adjourned the meeting at 2:50 p.m.

Respectfully submitted,
Lisa Bernau, Assistant to the CEO