



UWF Business Enterprises, Inc. Board of Directors Meeting
Argonaut Athletic Club
April 12, 2013 Minutes – Approved August 23, 2013

Present

Chair Judy Bense, Vice-chair K. C. Clark, Secretary Jay Patel, Treasurer John Todorovich, Member Suzanne Lewis, Associate General Counsel Pat Lott, ICEO James Barnett, and Staff Support Secretary Marie Glass. Absent: Member C. Ray Jones.

Presenters/Guests: Susan Stephenson, Dave O'Brien, Betsy Bowers, Angela Wallace, Ellen Till, Chip Chism, student reporter, and others.

Welcome/Opening Remarks

Chair Bense called the meeting to order at 11:44 a.m. Ms. Glass called roll and confirmed that a quorum was present.

Report of the Chair

Chair Bense welcomed everyone to the meeting and provided the latest University updates regarding the new BOT Member Susanne Lewis; new Provost Dr. Martha Saunders; departure of Dr. Kyle Marrero and his replacement; and new Vice President for Business, Finance and Facilities Dr. Susan Stephenson and Vice President/Chief of Staff Kim Brown. She also shared various legislative updates; Leed Gold Certification of President's Hall; new Flight Academy Partnership; and the UWF Speech and Debate Team winning the Division 1 Championship at the 2013 Florida Intercollegiate Forensics Association in Tallahassee. Lastly, Julian and Kim McQueen just named our first academic program, "Hospitality and Resort Management," with a gift of \$250,000.00.

Break at 12:01 p.m.
Resumed at 12:05

Dr. Bense briefly mentioned BEI major accomplishments this quarter that include the one-page executive brief provided for the Board of Directors on the University Park and Northwest Village, the East Campus Development Groundbreaking planned for June 11, as part of the Board of Trustees meeting, and the University Dining Contract Renegotiations.

Action Items

- 1) Approval of Minutes – December 6, 2012, January 29, 2013 and February 18, 2013. Secretary Patel asked if there were any changes or corrections to the minutes. None was noted. Secretary asked for a motion.

Motion to approve: Vice-chair K. C. Clark
Second: Member Suzanne Lewis
Motion passed unanimously

- 2) Approve 2011 Form 990 – Ms. Wallace explained to the Board the purpose of the 2011 IRS Form 990 – Return of Organization Exempt from Income Tax for the tax period of fiscal year ending June 30, 2012, which was prepared for BEI by the local CPA Firm, Warren Averett O'Sullivan Creel. The Form 990 is an

annual information return BEI is required to file. This is the first Form 990 to be filed for BEI. Ms. Wallace briefly highlighted sections of the return. Dr. Stephenson added that the Form 990 had been through a thorough review and the numbers came from audited financial statements.

Motion to approve: Member Suzanne Lewis
Second: Treasurer John Todorovich
Motion passed unanimously

- 3) External Audit and Consultant Services - Dr. Barnett stated this action item was to recommend two firms: Saltmarsh, Cleaveland & Gund, who would do our annual audit, and Lee White, representing George K. Baum & Company, for financial advising. Neither firm was selected through a public solicitation process because their fees were below the threshold. Dr. Barnett stated that with the anticipation of the Board's approval, BEI would continue with the firm of Saltmarsh Cleaveland & Gund. He also noted that Warren Averett O'Sullivan Creel prepared the quarterly reports and worked very closely with Ms. Wallace. The combination of those two firms and their responsiveness was a tremendous asset for BEI.

Motion to approve: Vice-chair K. C. Clark
Second: Secretary Jay Patel
Motion passed unanimously.

- 4) Amend Schedule 2 to the Master Lease Agreement – Ms. Lott stated this amendment was for authorization to prepare the agreement to add 7.5 acres south of Campus Drive for additional parking that would be added to the Schedule 2 to the Master Lease Agreement. She noted that the amended schedule was not presented to the Board because the legal description was not completed. She asked for authorization to prepare the amended Schedule 2 to attach to the Master Lease Agreement. In the process, the titles to Schedule 1 and Schedule 2 would more correctly reflect the housing and convention center on the East Campus Property as opposed to the University Park Property.

Mr. O'Brien provided a brief update on the RFP process. Within the new campus development, he remarked that they hoped to develop a 55 and over active retirement community, but were open to other proposals. They have worded the RFP carefully, and that once the finalist was selected, they may have some other thoughts. There were 50 currently under construction in the United States on various college campuses and another 50 roughly already in existence. On April 5, the RFP was issued to three finalists. They have some major people interested in this next development phase, and they were looking forward to receiving the proposals at the end of May, and negotiating a predevelopment agreement. They would be presenting additional amendments to the Master Lease as things unfolded. Ms. Lott mentioned that this particular amendment was needed at this point and requested the Board authorize the preparation of the amended schedules. She also noted that with authorization, this approval contemplated preparation of the schedules by staff and execution by the appropriate officers for the 7.5 acres for parking to be added to the east village complex project.

Motion to approve: Member Suzanne Lewis
Second: Secretary Jay Patel
Motion passed unanimously.

- 5) Update Signature Authority to Include Dr. James Barnett – Ms. Wallace explained the Corporate Authorization Resolution had been updated for the addition of Dr. James Barnett, Interim CEO with signature authority for the BEI bank account established with Servis First Bank, to include signing checks and approving transfers of funds to pay expenditures or for other disbursements evidenced by an invoice or other appropriate documentation. The Corporate Authorization Resolution was presented for ratification and approval by the Board along with the Account Signature Card for approval by the Board.

Motion to approve: Vice-chair K. C. Clark
Second: Secretary Jay Patel
Motion passed unanimously.

Ms. Wallace also explained the Corporate Authorization Resolution had been updated for the addition of Dr. James Barnett, Interim CEO with signature authority for the Scenic Hills Country Club Operations bank account established with Servis First Bank, to include signing checks and approving transfers of funds to pay expenditures or for other disbursements evidenced by an invoice or other appropriate documentation. The Corporate Authorization Resolution was presented for ratification and approval by the Board along with the Account Signature Card for approval by the Board.

Motion to approve: Member Suzanne Lewis

Second: Secretary Jay Patel

Motion passed unanimously.

- 6) BEI Operation Policies – Dr. James Barnett stated that in 2011, they executed the Bylaws of the DSO and through the valuation Betsy Bowers, Susan Stephenson, Pat Lott, Angela Wallace, and others, they focused on operational policies to be commensurate with the University and Foundation policies, to ensure issues were addressed proactively, with documents in place.
- A. Code of Ethics Policy provided that BEI employees adhere to the legal and ethical standards of the University of West Florida. Dr. Stephenson added that this policy required employees to follow the same guidance as University employees.
 - B. The Debt Management Policy provided that BEI specified the responsibilities for prudent management of institutional debt and would comply with all applicable state regulations and Statutes.
 - C. The Whistleblower Protection Policy provided a process for anyone who suspected wrongdoing to go about initiating that concern. BEI would have Ms. Bower's contact information on the BEI website. Due to the sensitivity issues involved with whistleblowing, they wanted to create the best possible mechanism to do that. Ms. Lott also added that retaliation would not be permitted.
 - D. Record Retention and Destruction Policy recognized that BEI has an obligation to retain records and that BEI needed to align with the UWF's expectations.
 - E. Gift Acceptance Policy. Gifts to BEI would flow through the UWF Foundation.
 - F. Post Issuance Tax-Exempt Debt Compliance Policy. They wanted to assure that should BEI issue debt that BEI would be in complete compliance. Ms. Lott also added that this policy provided a work group that would review the proceeds and the use of the proceeds of the tax-exempt debt at least annually to make sure that it was being used as BEI said it would be used in the tax documents at the time of issuance.
 - G. Joint Venture Policy. There was potential for joint venture relationships with a master developer for the purpose and mission of BEI; this was a routine operational policy. Mr. O'Brien added that before BEI could enter into any legal arrangement, the CFO and legal counsel had looked at the makeup of legal entity and ensured that BEI had voting control to protect BEI's non-profit situation, and the goals of special legal entity support BEI's non-profit mission.
 - H. Compensation Review Procedure Process Policy provided that the Vice President would annually evaluate and benchmark compensation.

Vice-chair K. C. Clark asked if a whistle blower would have the ability to maintain anonymity. Ms. Bowers responded no security measures are in place, but they have a proposal for a compliance package, which included an independent hotline with a third party provider. Ms. Lott included that the Statute does require that anonymity be maintained. In the past, whistle blower complaints have been brought through the General Counsel's Office and Internal Auditing and Management Consulting Office. They have been cognizant of the responsibility to maintain compliance. They do not have a specific IT system to make sure that is done, but they have been very careful in entering into investigations.

Vice-chair K. C. Clark also asked if Gift Acceptance Policy included acceptance of gifts by the organization. Ms. Lott stated gift acceptance by individuals would be handled under the code of conduct or ethics policy.

Secretary Jay Patel asked if BEI filed all records electronically. Dr. Barnett stated that they have a significant amount of paper documents that were catalogued and filed, as well as a document imaging

system, but they do not file 100% of their files electronically. Ms. Lott stated they could not dispose of their records except in accordance with the policy.

Motion to approve: Vice-chair K. C. Clark
Second: Treasurer John Todorovich
Motion passed unanimously.

- 7) BEI Budget – Dr. Stephenson discussed the FY12-13 and FY13-14 Budget Proposal for BEI. Dr. Barnett discussed various non-recurring upgrades and associated expenses at SHCC. A lengthy discussion ensued. Dr. Barnett suggested minor changes to the FY13-14 budget on Page 3 of the BEI – General & Administrative report. Under the section Projected Expenses, change “board expenses” to “board operational expenses.” Also, he recommended to change “a portion of the wages and fringes for the CEO” to “a portion of the wages and fringe benefits for the CEO.”

Motion to approve: Secretary Jay Patel
Second: Vice-chair K. C. Clark
Motion passed unanimously

Break at 1:20 p.m.
Resumed at 1:33

Informational Items

- 1) Assignment of Parking and Transportation Services Function to UWF BEI - Dr. Barnett reviewed the benefits of assignment of the transfer of Parking and Transportation Services function to UWF Business Enterprises, Inc. (BEI). To consolidate as an assigned function along with the bookstore, dining services, and the country club would give the BEI balance sheet, asset, and liability position strength should BEI get ready to issue debt. Dr. Stephenson added that the mixed-use project approach involving parking and transportation changes was advantageous to the institution.
- 2) BEI BOD – Annual Internal Control Review & Workshop – Board Members decided to meet as a whole on April 29, 2013 from 1:00 p.m. - 3:00 p.m.
- 3) Budget to Actual Reports – Ms. Wallace explained to the Board the Budget to Actual Report was a summary of actual revenue and expense transactions through December 31, 2012 for all BEI activities compared to the revenue and expense budgets established for the fiscal year. The total revenues earned were 42% of the amount budgeted for the current fiscal year. Included unbudgeted \$84,000 bonus for campus dining Meal Plans, which were sold during the prior fiscal year. The total expenses were 43% of the amount budgeted for the current fiscal year. The Net Profits were 14.5% of the amount budgeted for the current fiscal year.
- 4) SHCC Fiscal Year to Date Progress – Mr. O’Brien provided a brief fiscal year to date executive summary of notable accomplishments.

Other Business – Dr. Bense asked Dr. Stephenson to discuss the cycling of BEI meetings in relationship to the BOT meetings. Dr. Stephenson explained the issue to the Board and suggested that meetings occur closer to the BOT committee meetings. The Board was agreeable that the next BEI Board meeting be scheduled for August 23, 2013 and that a “hold” be placed for November 15, 2013 (and to keep the December 6, 2013 meeting date as well). It was also recommended to schedule meetings from 9:00 a.m. to 11:30 a.m. instead of afternoons.

New Business – Chair Bense called for new business to be brought forth. None was noted.

Chair Bense adjourned the meeting at 2:12 p.m.

Respectfully submitted,
Tiffany Nisewonger, Assistant Staff Support Secretary