



UWF Business Enterprises, Inc. Board of Directors Meeting
University of West Florida
Conference Center Lounge, Building 22
November 6, 2017

Present

Secretary Suzanne Lewis, Treasurer Ed Ranelli, President Martha Saunders, Member C. Ray Jones, Member Judge Lacey Collier, Member John Todorovich (via phone), SGA President Kishane Patel, General Counsel Pamela Langham, Chief Executive Officer Steve Cunningham, and Staff Support Secretary Tiffany Nisewonger.

Guests: UWF Board of Trustees Chair Mort O'Sullivan, Florida Board of Governors Member Jay Patel, K. C. Clark (via phone), Janice Gilley, Betsy Bowers, Cindy Talbert, Colleen Asmus, Angela Wallace, Eric Ingerman, Chad Lassen (CliftonLarsonAllen), Bryan Simkanich (CliftonLarsonAllen).

Welcome/Opening Remarks

Secretary Suzanne Lewis called the meeting to order at 12:30 p.m. Ms. Nisewonger called roll and confirmed that a quorum was present.

Approval of Minutes

August 14, 2017, Board Meeting.

Secretary Lewis asked if there were any changes or corrections to the minutes. None were noted.

Motion to approve: Member C. Ray Jones

Second: Judge Lacey Collier

Motion passed unanimously.

University Update

President Saunders reported that the search for the Usha Kundu, MD College of Health Dean continues following the retirement of Dr. Ermalynn Kiehl. Additionally, on Halloween evening 2017, UWF experienced several acts of vandalism; campus conversations have been held with students in an effort to explain the disturbing posters as well as the damage to the Diversity Office locks. SGA President Kishane Patel contributed to the report by stating that the acts of vandalism on UWF's campus were also experienced by several additional campuses across the state. President Saunders reported that the department of University Advancement has received more than \$62 million to be used toward the capital campaign, which will be closed on at the end of the month. Athletics experienced a great victory, as the UWF Argo football team won an exciting game last Saturday night. University enrollment has experienced a 1.2% increase; some students have withdrawn due to Hurricane Irma, but UWF is working with these students to re-enroll next semester. Finance and Administration has been involved in assisting the University to work with the State University System toward a block tuition plan to save students money. This year's UWF Holiday party will be held on December 14, 2017, at the UWF Historic Trust. In closing, the national search for the AVP of Human Resources has yielded UWF employee Ms. Jamie Sprague for the position; Ms. Sprague was appointed last week.

Treasurer's Report

Treasurer Ranelli provided the Treasurer's Report.

- Bookstore sales for fiscal year 2017 decreased approximately 2%. An increase in the sales of computers and related equipment are the expected reasons for the decrease in commissionable sales, as they are exempt from commissions.
- Campus dining sales for fiscal year 2017 have decreased approximately 4%. This decrease is a result of fewer mandatory and voluntary meal plans sold, as well as a decrease in some retail sales, primarily as a result of the reduced number of FTIC resident students in fiscal year 2017, the Southside residence halls being offline (approximately 300 beds), and an increase in off-campus housing competition. The increase in dining services' revenue under BEI is a result of the amortization of the Nautilus Market renovation project and Argonaut Village capital investments.
- Parking and Transportation Services' total revenue for fiscal year 2017 has decreased approximately 5.5%. Increased online enrollment has been identified as the primary reason for the decline in parking revenue. (Transportation access fees charged per credit hour do not apply to online courses.) Additionally, there has been some decline in sales of commuter and resident parking permits. The assignment of Parking and Transportation Services to BEI as an Assigned Function ended June 30, 2017.
- Scenic Hills Country Club (SHCC) revenue decreased 17% in fiscal year 2017. Revenue from membership dues, merchandise sales, green fees, and cart fees continued to decline, with the number of golf rounds down over 12%.
- BEI completed the sale of Scenic Hills Country Club on August 31, 2017.
- BEI earned the first full year of rental income from Argonaut Village. The rental income in fiscal year 2016 was pro-rated based on the subtenant leases executed during the first year of operations.
- BEI reported a donation of over \$84,000 to the University in fiscal year 2017 from the capital investment made by the dining services vendor for the Nautilus Market renovation.
- Treasurer Ranelli and CEO Cunningham meet regularly to review and discuss BEI financial documents.

CEO's Report

CEO Cunningham congratulated former Vice-chair Jay Patel on his recent appointment to the Florida Board of Governors. New member orientation meetings will be held soon for the four (4) new members. CEO Cunningham referenced informational items that would be discussed later during the meeting, including the sale of SHCC, the new food services agreement for next Spring, the status change for BEI's future projects and development, and the current development of a strategic plan for BEI.

Public Comments

None.

Action Item

- 1) Audited Financial Statements for June 30, 2017 – Ms. Wallace recommended acceptance of the BEI audited financial statements for June 30, 2017, as presented. The BEI audited financial statements for June 30, 2017, were presented to the BEI Board of Directors by BEI staff and Clifton Larson Allen, a team of independent certified public accountants. Ms. Wallace introduced Mr. Chad Lassen and Mr. Bryan Simkanich to present the information from the audit and Mr. Lassen presented the audit process. Mr. Simkanich discussed the financial highlights, including revenue and expenses. BEI received a clean unqualified opinion. The sale of Scenic Hills Country Club was noted as a subsequent event. The BEI audited financial statements for June 30, 2017, were presented for Board approval.

Motion to approve: Judge Lacey Collier

Second: Treasurer Ranelli

Motion passed unanimously.

Prior to the Information Items being introduced and discussed, Secretary Lewis recognized and introduced Pamela Langham, UWF's new General Counsel, to the BEI Board members.

Information Items

- 1) Scenic Hills Country Club Update – CEO Cunningham reported the successful closing on the sale of SHCC that was completed on August 31, 2017. Net proceeds to BEI remain positive for this transaction, totaling \$2,540, following the payoff of the ServisFirst Bank note and reconciliations of expenses and credits. The difference in sale versus purchase cost will be recorded in the fiscal year 2018 financial statements.
- 2) Food Services Transition Update – CEO Cunningham reported that in compliance with the BEI procurement process and following completion of the due diligence review and verification of proposals from Chartwells, Sodexo, and Aramark, President Saunders authorized BEI to proceed with negotiations with Aramark. The parties have been notified and implementation will take place at the conclusion of the Spring 2018 semester. The financial arrangements will fully cover all obligations payable to Chartwells, as well as allow a significant amount remaining for improvements to Argonaut Village and BEI's financial obligations mentioned by the auditors. Overall, the commission schedule will be at least three (3) times what have been previously experienced.
- 3) Board of Directors Terms of Office – Four (4) BEI Board Member positions became vacant as of November 2017. KC Clark and John Todorovich have both completed their initial six-year terms. Jerry Maygarden and Chula King have been appointed by President Saunders as their respective replacements. As the result of Jay Patel's recent appointment to the Board of Governors, BOT Chair Mort O'Sullivan appointed Dave Cleveland as the Board of Trustees representative replacement on the BEI Board. Suzanne Lewis has joined the Board of the UWF Historic Trust and will therefore no longer be serving on the BEI Board of Directors; replacement for this vacancy will be announced soon.
- 4) BEI Budget to Actual Report – Ms. Wallace explained the Budget to Actual Report represented a summary of actual revenue and expense transactions for all BEI projects and functions for the fiscal year (July 1, 2016 - June 30, 2017) compared to the revenue and expense budgets established for the fiscal year. Ms. Wallace discussed the details of transactions listed on the reports and supporting documentation presented to the Board.

Other Business

Special Presentations by CEO Cunningham: Resolutions in recognition and appreciation for distinguished service were adopted and presented to the following former Directors: K.C. Clark (Chair), Hal White (Treasurer), Suzanne Lewis (Secretary), and Jay Patel (Vice-chair).

K.C. Clark Resolution

Motion to adopt: Member C. Ray Jones
Second: Treasurer Ranelli
Motion adopted unanimously.

Harold "Hal" White Resolution

Motion to adopt: Judge Lacey Collier
Second: Treasurer Ranelli
Motion adopted unanimously.

Suzanne Lewis Resolution

Motion to adopt: Judge Lacey Collier
Second: Member C. Ray Jones
Motion adopted unanimously.

Jay Patel Resolution

Motion to adopt: Judge Lacey Collier
Second: Member C. Ray Jones
Motion adopted unanimously.

New Business

None

Adjournment

There being no further business, Secretary Lewis adjourned the meeting at 1:40 p.m.

Respectfully submitted,
Lisa Bernau, Assistant to the CEO