



UWF Business Enterprises, Inc. Board of Directors Meeting
Scenic Hills Country Club Argonaut Ballroom
February 17, 2014 – **Approved**

Present

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

Guests: Dave Scott, Ellen Till, Ruth Davison, Betsy Bowers, Brendan Kelly, Kim Brown, Jim Hurd, Angela Wallace, Dave O'Brien, Rick Gorman, Tiffany Nisewonger, Joy Ward, Jeff Schmidt, Bill Healey, Megan Gonzalez, and a UWF student.

Welcome/Opening Remarks

Chair Clark called the meeting to order at 9:00 a.m. Ms. Glass called roll and confirmed that a quorum was present.

Approval of Minutes

November 15, 2013. Secretary Lewis asked if there were any changes or corrections to the minutes. None were noted.

Motion to approve: Vice-chair Jay Patel

Second: Member C. Ray Jones

Motion passed unanimously.

University Update

President Bense provided the latest University updates about the Legislative session, BOG metric measurement system, completion of the Academic Affairs Reorganization, SACS reaffirmation process and preparation of on-site review, and naming of our first head football coach, Pete Schinnick. President Bense reminded the Board of the next Board of Trustees meeting in FWB.

Treasurer's Report

Treasurer Todorovich stated that BEI continues to earn commissions from Dining Services and Bookstore sales. The Chartwells Dining Services agreement will be finalized soon, Parking and Transportation Services revenues were lower during the 2nd quarter compared to the 1st quarter. The majority of revenue will be earned at the beginning of the Fall and Spring semesters. During the 2nd quarter, BEI incurred project development costs for University Park through the contract with Brailsford & Dunlavey for development advisory services. The amount of the contract is \$75,000 and is approximately 55% complete. BEI plans to capitalize these project development costs. Scenic Hills Country Club 2nd quarter

revenue increased approximately 15% compared to the 1st quarter revenue. The 2nd quarter expenses were approximately the same amount as the 1st quarter expense. An overall net loss was realized for the 2nd quarter. Management is closely monitoring costs and continues to focus on increasing the number of memberships. In December, Scenic Hills Country Club switched Jonas Software to a new Point of Sale software system that is more efficient than the prior system. The new software will improve the accounting and monitoring of club activity. Treasurer Todorovich also stated he continues to meet with the Division Budget Director on a frequent basis to review invoices, sign checks, and review budget and financial reports for all BEI activities.

CEO's Report

ICEO James Barnett reminded the Board about the approval of an additional director for BEI and asked members to provide candidate suggestions to Dr. Stephenson by March 7. The SHCC introductory membership program was developed to increase cash flow quickly. Introductory memberships have the potential to transition to full time memberships. The East Campus Restaurant Site Phase 1 groundbreaking date for the restaurant parcel will be announced later. More information will be provided about BEI projects within the action items.

Public Comments

None

Action Items

- 1) Form 990 - To be considered at next meeting.

- 2) Reimbursement Resolution – General Counsel Pat Lott stated the UWF Board of Trustees approved the revision to the BEI bylaws that the Board member, who is the President's designee now, has voting privileges. Ms. Lott briefly asked the Board to consider adoption of a reimbursement resolution regarding expenditures in connection with University Park. US Treasury regulation 1.150-2 contemplates that if you wish to reimburse yourself from the proceeds of tax exempt bonds at the time they are issued, you may be reimbursed only for expenditures made after the adoption of an official declaration of intent. This would constitute a declaration of intent for expenditures that are made that would qualify for reimbursement from tax exempt bonds proceeds. Ms. Lott stated that we do not know whether there will be a proposal for tax exempt bonds to be issued for University Park and that the hope is the developer will do non-bond financing or will use some type of bond financing that does not involve this Board. She continued that if some portion of the project could most efficiently and most economically be financed by this Board, we might return with a recommendation that the Board consider such financing and it could be helpful to recoup the various costs of financing. The forms are standard and are similar to what the Foundation and University Board have adopted in connection with housing bond issues. Secretary Lewis asked if the resolution is required for every action or University Park specific. Ms. Lott confirmed this is an umbrella in respect to University Park.

Motion to approve: Secretary Lewis

Second: Vice-chair Jay Patel

Motion passed unanimously.

3) University Park and Northwest Retirement Village: Master Pre-Development Agreement

Chair Clark stated this is the initial agreement between BEI and Balfour Beatty Campus Solutions, who would act as the Master Developer. ICEO Barnett stated the agreement negotiations are in progress and we will be expecting a resolution soon. Chair Clark asked ICEO Barnett to review the University Park development. The ICEO provided a brief presentation of the University Park Full Build-out and Phase 1 Components.

Staff recommended that the Board:

- Approve the Master Pre-Development Agreement between Balfour Beatty Campus Solutions, the Developer, and Business Enterprises, Inc. (“BEI”) in substantially the form attached, with such changes and modifications as may be approved by the Interim CEO with advice from the General Counsel and concurrence of the UWF Vice President for Business, Finance, and Facilities; and
- Authorize the Interim CEO to execute and deliver the Master Pre-Development Agreement and Statements of Preliminary Development Budget to be attached thereto as they are developed.

Motion to approve: Vice-chair Jay Patel

Second: Secretary Lewis

Motion passed unanimously.

Ms. Lott mentioned that Balfour Beatty will not serve as developer at risk according to the agreement. If the project does not go forward, due to Balfour Beatty’s default, BEI will owe Balfour Beatty nothing. If the project does not go forward due to BEI’s default, BEI will owe Balfour Beatty the amount that has been agreed upon for each phase of the project. If the project does not go forward for other reasons, BEI will be responsible to pay for the cost of the actual engineering and hard of out-of-pocket costs for developing the plans and 50% of the other expenses. If BEI has to pay, we will retain ownership to the plans and specifications. Dr. Barnett reassured the Board we will continue to have high quality facilities for the long-term best interest of the University.

ICEO Barnett presented to the Board West Campus Mixed-Use Development master plan to include the possible solar field location.

4) East Campus Development – Restaurants Site, Phase 1, (Argonaut Village)

ICEO Barnett gave a brief presentation of the East Campus Development of the Restaurant Site, Phase I Argonaut Village land use site plan. The Board discussed the various parking and traffic scenarios, costs, etc.

Staff recommended that the Board:

- Approve the a) land use site plan, and b) Development Agreement and Right of Entry documents for the East Campus Phase I (Argonaut Village) in substantially the form

attached, with such changes and modifications as may be approved by the Interim CEO with advice from the General Counsel and concurrence of the UWF Vice President for Business, Finance, and Facilities; and

- Authorize the Interim CEO to execute and deliver the Development Agreement and Right of Entry to Chartwells.

Motion to approve: Vice-chair Jay Patel

Second: Member Jones

Motion passed unanimously.

- 5) 2014-2015 BEI Board Meeting Dates - The Board discussed the various options as provided in the agenda. The Board agreed to meet on the Mondays as proposed for the first three quarters. A Monday in the 4th quarter will be proposed at a later time.

Motion to approve: Member White

Second: Secretary Lewis

Motion passed unanimously.

Informational Items

- 1) Budget to Actual - Ms. Wallace explained to the Board the Budget to Actual Report is a summary of actual revenue and expense transactions through the 2nd quarter ending December 31st for all BEI activities compared to the revenue and expense budgets established for the fiscal year. Ms. Wallace briefly explained the various revenues and expenditures as provided in the agenda.

Break at 10:30 a.m.

Resumed at 10:40 a.m.

Other Business

- 1) Fraud & Internal Control Workshop - Ms. Wallace explained to the Board that each year BEI plans to conduct a Fraud & Internal Control Workshop. Ms. Wallace presented to the Board the updates of BEI's internal controls, separation of duties, and other steps taken to eliminate fraud. Vice President Stephenson reassured the Board various changes will ensure internal controls, separation of duties, and adequate management review.

New Business

None

There being no further business, the Chair adjourned the meeting at 11:13 a.m.

Respectfully submitted,

Tiffany Nisewonger, Assistant Staff Support Secretary