



UWF Business Enterprises, Inc. Board of Directors Meeting
Scenic Hills Country Club Argonaut Ballroom
May 4, 2015

Present

Chair K. C. Clark, ICEO James Barnett, General Counsel Pat Lott, Vice-chair Jay Patel, Treasurer John Todorovich, Secretary Suzanne Lewis, Member C. Ray Jones, Member Judge Lacey Collier, Member Hal White, President Judy Bense, Interim Vice President Betsy Bowers, and Staff Support Secretary Tiffany Nisewonger.

Guests: Lewis Bear, Martha Saunders, Kevin Bailey, Brendan Kelly, Angela Wallace, David O'Brien, Dave Scott, Dan Lucas, Tammy Ford, Rick Gorman Megan Gonzalez, Colleen Asmus, Cindy Talbert, Ruth Davison, Gail McGrady, Ellen Till, Bill Healey, Joy Ward, Tony Nguyen, Cole Rabin, Collin Bissett, Richard Kelly, Tom Heffernan, Derick Johnson, Jeff Schmitt, Mark Helmus, Marie Glass, Anamarie Mixson, Chip Chism, Valerie Moneyham, Jeffrey Djerlek and Karen Wright, ServisFirst Bank.

Welcome/Opening Remarks

Chair Clark called the meeting to order at 1:30 p.m. Ms. Nisewonger called roll and confirmed that a quorum was present.

Approval of Minutes

February 23, 2015. Secretary Lewis asked if there were any changes or corrections to the minutes. None were noted.

Motion to approve: Vice-Chair Patel

Second: Member John Todorovich

Motion passed unanimously.

University Update

President Bense provided the latest University updates noting the prestigious Fulbright International Education Program received by Dr. Saunders, UWF Executive Vice President/Provost, graduation statistics for Spring 2015, football update, 5th Week Summer Registration statistics, and the Legislative update.

Treasurer's Report

Treasurer Todorovich provided the Treasurer's Report. Comparing this fiscal year's 3rd quarter to the 3rd quarter results of last year, the following results were noted:

- Bookstore sales Year-to-Date through the end of the 3rd quarter are 5% lower than last fiscal year.
- Campus Dining sales Year-to-Date through the end of the 3rd quarter are 4% higher than last fiscal year.
- Capital investments by Chartwells under the Amended Campus Dining Agreement currently in progress includes Scenic Hills Country Club dining upgrades. New table tops and chairs were purchased for the dining area and were installed in March.
- Parking and Transportation Services revenue is lower in the 3rd Qtr. of this fiscal year compared to the 3rd quarter of last fiscal year. As mentioned at the last BEI Board meeting, the timing for posting spring Transportation Fees has changed with the new Banner Student system from cash basis to accrual basis accounting.
- Scenic Hills Country Club income increased 10% this fiscal year through the end of the 3rd quarter in comparison to last fiscal year.
- SHCC operating expenses continue to stay within the budget established for this fiscal year.
- Future revenue sources for BEI include the Digital Monument Sign, East Campus Argonaut Village, and the Mobile Laundry and Dry Cleaning Services.
- The Treasurer and Interim CEO continue to meet with the Director on a frequent basis to review BEI financial information and reconciliations.

Public Comments

None

CEO's Report

ICEO Barnett provided information on the East Campus Argonaut Development "ribbon-cutting." The event will be scheduled after the site is cleaned-up and more tenants occupy the spaces as part of the FULL BOT meeting in either September or December 2015.

ICEO Barnett also provided an update on the East Campus Argonaut Village Development. CBRE's appraisal of "undeveloped and developed" land was received. CBRE's report aligns with Beck Properties estimated probable space lease rate of between \$24-\$25/GSF. The common area maintenance (CAM) rate for exterior/GSF negotiation will be in addition to that interior space rate.

BEI requested Chartwells provide a projected "statement of cash flow plan," the first ending June 30, 2016, and the second ending June 30, 2017. They will be used to establish a basis for the lease agreement between Chartwells and BEI. Also, BEI requested a Chartwells report that will identify the status of each planned tenant (Boneheads, Starbucks, Subway, Follet's UWF Spirit Shop, and TBD large anchor), to specifically identify "if a Lease Option has been executed and status of negotiations in progress, for our review and to enable the Board to be updated."

The ICEO Barnett highlighted three (3) items related to Scenic Hills Country Club:

- The 3-year balloon note on SHCC will be due June 29, 2015. BEI is working on a loan modification with ServisFirst, BEI's mortgage lender, and will present two (2) finance options for the Board to consider during the Action Items of today's meeting.
- ICEO Barnett gave a status update of the impoundment site near Tee Box No. 17. The Northwest Florida Water Management District and BEI staff met at the site April 16, 2015. An email was received on Friday, April 24, 2015, giving BEI their inspection report based upon FL Statute 373.426 summarizing "abandonment" and FL Administrative Code 62-330 interpretation. BEI's position has not changed as this was an "Act of God," and BEI/SHCC did not intentionally abandon the site. Discussions will continue with the Northwest Florida Water Management District.
- SHCC continues to focus upon increasing revenue by obtaining more faculty and staff membership. ICEO Barnett recently communicated with the Academic Deans requesting they include SHCC Director Rick Gorman, Dave O'Brien, and ICEO Barnett to meet with their respective College's Chairperson's meeting. Part of a SHCC presentation will be to try and obtain more student interest in internships at SHCC.
- The mobile dry cleaning and laundry service operated by X-Clean will be operational on Monday, May 18th. A "soft opening" is planned for this summer. A fall grand opening event will be planned.

Action Items

1. Approval of 2015-2016 Meeting Schedule - The Board discussed the various options as provided by ICEO Barnett. The Board agreed to meet on September 21, November 2nd, February 15th and April 25th. The Board agreed on a Conference Call @ 2:00 p.m. on June 10th.

Motion to approve: Member Patel

Second: Member Todorovich

Motion passed unanimously.

2. Approval of the SHCC Loan Renewal and Modification – Mr. O'Brien explained the original SHCC mortgage loan was incurred in June 2012 and will mature on June 29, 2015. Ms. Karen Wright, Sr. Vice President for Commercial Banking from ServisFirst was present to answer any questions. The Board discussed the various options. General Counsel Lott stated that the BOG Debt Management Guidelines provide that a DSO may incur a mortgage debt for acquisition of real property without having approval from the BOG. This financing would be a renewal of the existing note, and would not require seeking competitive bids or approval from the BOG the extension and modification of the ServisFirst mortgage loan for acquisition of the Scenic Hills property. The Board selected the option where the extension is for a period of five years at a fixed interest rate of 4.75%. The Board also authorized ICEO Barnett to execute appropriate closing documents subject to the approval of the proposal.

Motion to approve: Member Patel

Second: Member Jones

Motion passed unanimously.

Informational Items

1. Budget to Actual – Ms. Wallace explained the Budget to Actual Report represented a summary of actual revenue and expense transactions through the 3rd quarter ending March 31, 2015, for all BEI activities compared to the revenue and expense budgets established for the fiscal year. Ms. Wallace discussed the details of transactions listed on the reports as presented to the Board.
2. External Audit Entrance Conference – Clifton Larson Allen, certified public accountants, will perform the BEI financial statements audit for the fiscal year ending June 30, 2015. A formal entrance conference was held during today's meeting.
3. Compass/Chartwells Update on Dining Services- Regional Vice President Fred Heavside, Regional District Manager Ken Crane, and UWF Dining Director Chris Cleveland gave an overview of the dining services operations, recent enhancements, and planned capital improvements for UWF. Additionally, they provided an update on the East Campus Argonaut Village project.

Other Business

None

New Business

Dr. Kevin Bailey, UWF Vice President Student Affairs, requested the Board include a student representative from the Student Government Association (SGA) on the BEI Board. The Board recommended Dr. Bailey have representatives from SGA attend the next BEI Board meeting and make a presentation of what the group can bring to the Board.

There being no further business, the Chair adjourned the meeting at 3:20 p.m.

Respectfully submitted,
Tammy Ford, Assistant Staff Support Secretary