



UWF Business Enterprises, Inc. Board of Directors Meeting

University of West Florida
Conference Center Lounge, Building 22
November 19, 2018

Present

Chair Dave Cleveland (via phone), Vice-Chair C. Ray Jones (via phone), Treasurer Chula King (via phone), Secretary Susan O'Connor, Member Judge Lacey Collier, Member Jerry Maygarden, SGA President Brandon Malone, President Martha Saunders, Deputy General Counsel Anita Schonberger, Vice President Betsy Bowers, Chief Executive Officer Ed Ranelli, and Accountant Carole Reed

Guests: David Scott, Colleen Asmus, Ellen Till, Cynthia Talbert, Tiffany Nisewonger, Janice Gilley, Eric Ingerman, and Angel Sedillo

Welcome/Opening Remarks

Chair Cleveland called the meeting to order at 1:00 p.m. Carole Reed called roll and confirmed that a quorum was present.

Approval of Minutes

September 17, 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 Jerry Maygarden

Motion passed.

University Update

President Saunders reported the conclusion of a successful fall season in sports. There were many trophies won, and the UWF football team had a winning season. At the recent Donor Dinner, it was reported that it was a very good year for fund raising. With the recent receipt of a major gift, it was announced that the University Park Building will be named the Darrell Gooden Building. In academic affairs news, the long awaited PhD program in intelligence systems and robotics has been approved by the BOG. The University, in partnership with IHMC, is expecting the first students in the fall 2019 term. Student affairs is monitoring the impact on enrollment due to the recent Hurricane, and initiatives are being adopted and developed to assist students with continuing their education. Statewide, Universities are under scrutiny due to attention related to the use of Carryforward Funds. UWF expects to see state auditors on campus and is confident that it has been a responsible steward of state funds. The BOG recently made modification to the performance based funding and metrics requirements, which is viewed as a positive move by UWF. With the newly elected legislature, UWF is watchful and proactive as there are pending funding requests for cyber security, the PhD program, roof maintenance, and the LBR (Applied Behavioral Analyst) program. UWF is strengthening its presence with the relocation of Cyber Security to downtown Pensacola.

Chair Cleveland reported that he was present at the BOG meeting when the PhD program was approved and

was very impressed by the presentations.

Dr. Saunders responded to questions of interest from the BEI Board regarding the PhD program and the LBR Program.

Treasurer's Report

Treasurer King provided the Treasurer's Report.

- Bookstore sales decreased approximately 6.6% in the first quarter of fiscal year 2019 when compared to first quarter fiscal year 2018. This trending decline was anticipated and budgeted for accordingly.
- Contractual service revenue and payments to the University for oversight of the Bookstore Services Assigned Functions are lower in the first quarter compared to last fiscal year. Bookstore commission revenue earned by BEI are paid to UWF and recorded as corresponding expense to BEI. The net revenue from this activity includes amortization (\$15,000) of the \$600K signing bonus received in 2012.
- Under the new dining services agreement between Aramark and BEI, for the first quarter of fiscal year 2019, BEI received a 6% commission. In contrast, under contract with the prior vendor, first quarter 2018 sales yielded 2.25%. The reduced sales for the first quarter of FY 2019 may be due to the late completion of the Argo Galley dining area. The Minimum Mandatory Meal plans of 480 has been exceeded in order to receive the minimum guarantee in commissions for fiscal year 2019. The net revenue from this activity includes the amortization of the \$6.1 buyout of previous vendor unamortized balances of capital investments and the amortization of a \$900K unrestricted grant.
- Like the bookstore, the contractual service payment to the University for oversight of the dining services function is equal to the amount of commission in the first quarter. Therefore the larger commission for the first quarter of FY 2019 yielded a greater contractual services expense.
- BEI currently receives approximately \$14,321 per month in rent from tenant leases. Beginning in November the monthly receipts are approximately \$16,800 with the occupancy of suite 500. Building 1 anchor space is still unoccupied, but management has received some inquiries of interest.
- Revenue from the Digital Signs contract decreased slightly. This contract will be allowed to expire on January 31, 2019. Also, this is the final year for the Cox Communication Marketing agreement.

Treasurer King concluded that she had reviewed the first quarter 2019 cash activity of BEI.

CEO's Report

CEO Ranelli noted that the first quarter of FY 2019 yielded positive earnings in excess of budget mostly due to the favorable commission rate in the Aramark agreement. He supplemented the Treasurer's report by noting the decline in Bookstore sales as consistent with national trends. Regarding the dining services contract with Aramark, CEO Ranelli reported on the delay of the opening of the Argo Galley venue, but that now two of the three vendors are open for business. Due to the delay and upon BEI's request, Aramark did provide a service recovery plan by providing a Chick Filet kiosk in the Commons area, which was well received. Modified and updated construction completion dates for the \$2.675M client investment in Nautilus Market are scheduled for December 2018 for Phase 1 and early summer 2019 for Phase 2. Regarding the Argonaut Village Facility, the completion of the improvements and the subsequent tenant occupancy of suite 500 will further improve cash flow beginning in November. There are two potential tenants for the Anchor space at Argonaut Village. In other

news, paid advertising has discontinued on the Digital Monument sign due to a notification from FDOT that a permit and license is required for this sign. BEI has applied for the license and permit, but going forward there will only be University related advertising on this sign which will be administered and monitored by UWF personnel. Due to the low revenue threshold, the Electronic Network Signage contract will be allowed to expire in January 2019. Finally, after consulting with each Board Member, CEO Ranelli will be compiling the views of the members on future operations and will report back to the BEI Board soon.

Public Comments

None

Action Items

- 1) BEI Board Vacancy and Election – CEO Ranelli reported the BEI Board vacancy and recommended the re-election of Judge Collier. CEO Ranelli summarized the portion of the Bylaws that apply to re-election and announced Judge Collier’s eligibility and willingness to serve.

Motion to re-elect: Secretary Susan O’Connor

Second: Member Jerry Maygarden

Motion passed unanimously.

Judge Collier was unanimously re-elected, and Chair Cleveland congratulated Judge Collier on his re-election and thanked him for his willingness to serve.

- 2) Corporate Authorization Resolution and Signature Cards - CEO Ranelli explained the need to approve new signature cards and related ServisFirst (bank) documents to remove previous BEI CEO Cunningham and to add Judge Collier as an emergency backup check signer.

Motion to approve: Member Jerry Maygarden

Second: Vice-Chair C. Ray Jones

Motion passed unanimously.

- 3) Certification of Resolutions - CEO Ranelli disclosed that due to ServisFirst Bank internal requirements the BEI Board is required to adopt resolutions, which identify and authorize certain individuals who may execute legally binding agreements with ServisFirst Bank on behalf to the corporation. These resolutions relate the Cash Management Master Services Agreement.

Motion to adopt: Member Judge Collier

Second: Member Jerry Maygarden

Motion passed unanimously.

- 4) Delegation of Authority - CEO Ranelli requested authority to negotiate and execute a lease agreement with potential tenants for Building 1 upon review and consultation with the Chair. CEO Ranelli shared details about the perspective tenant and anticipated lease terms. After much discussion, the Board decided to modify the request to grant the CEO the authority to negotiate a lease agreement with the review and approval of Chair Cleveland. By voice acknowledgement, each individual Board member granted the Chair the authority to approve the terms of a lease for Building 1 on behalf of the Board of Directors. Thus, the motion was modified to strike the word “execute” and to change the word consultation to “approval”.

Motion to approve modified delegation: Secretary Susan O’Connor

Second: Member Judge Collier

Motion passed unanimously

Information Item

- 1) BEI Budget to Actual Report –Ms. Reed reported on the summary of the comparison of the actual results of operations for all BEI projects and activities with the amounts budgeted for the first quarter of fiscal year ending June 2019. Reasons for notable variances were given.

Other Business

None

New Business

None

Adjournment

There being no further business, Chair Cleveland adjourned the meeting at 2:10 p.m.

Respectfully submitted,
Carole Reed, Accountant