



UWF Business Enterprises, Inc. Board of Directors Conference Call Meeting

University of West Florida

Alumni Room, Building 12

May 8, 2017

Present

Chair K. C. Clark (via phone), Vice-chair Jay Patel, Treasurer Hal White, Secretary Suzanne Lewis (via phone), Member C. Ray Jones (via phone), Member Judge Lacey Collier (via phone), Member John Todorovich (via phone), Interim General Counsel James Felder, Chief Executive Officer Steve Cunningham, SGA Representative Kishane Patel, and Staff Support Secretary Tiffany Nisewonger.

Absent

President Martha Saunders and Ed Ranelli

Guests: Angela Wallace, Ellen Till, Joy Ward, Colleen Asmus, Mary Anne Christopher, Jenny Hamilton, Thomas St. Myer, Rick Gorman (via phone), Betsy Bowers (via phone), Diane DiFebbo, CliftonLarsonAllen (via phone), Bryan Simkanich, CliftonLarsonAllen (via phone), and Michele Casali, CliftonLarsonAllen (via phone).

Welcome/Opening Remarks

Chair K.C. Clark called the meeting to order at 10:04 a.m. and welcomed SGA Representative Kishane Patel to his first BEI meeting. Secretary Lewis asked Ms. Nisewonger to call roll. A quorum was present.

Approval of Minutes

Secretary Lewis asked if there were changes or corrections to the minutes:

February 6, 2017 Board Meeting

March 17, 2017 Conference Call Meeting

None were noted.

Motion to approve: Treasurer White

Second: Vice Chair Patel

Motion passed unanimously

University Update

President Saunders was unable to attend therefore; there will be no University Update for today's meeting.

Treasurer's Report

Treasurer White provided the following Treasurer's Report.

- Bookstore sales decreased 8.73% in the 3rd quarter of this fiscal year compared to the 3rd quarter of last fiscal year with reduced sales of textbooks, school supplies, and graduation items. New textbook sales continue to decline from increased used book sales and digital book sales.
- Sales for Campus Dining Services decreased 12% in the 3rd quarter of this fiscal year compared to the 3rd quarter of last fiscal year. Sales have decreased 6.75% through the end of March 2017 compared to sales through March 31st of last fiscal year. The decrease is mostly from fewer meal plan sales resulting from a reduction in the number of FTIC resident students (mandatory meal plans) and the Southside residence halls are currently offline (approximately 300 beds).
- Parking and Transportation Services fiscal year-to-date total revenue through March 31, 2017 is down almost 6% compared to last fiscal year, primarily from reduced transportation access fees revenue. There is a timing difference with the posting of summer transportation access fees associated with the start date of summer registration. Also, the Academic Technology Center confirmed online enrollment is increasing. The \$8.00 per credit hour transportation access fee only applies to undergraduate and graduate courses on campus and does not apply to online courses. Parking Services total revenue through March 31st is up 1% compared to last fiscal year. The reduced revenue from resident parking permits is currently offset with increased revenue from parking fines.
- Scenic Hills Country Club revenue through the end of the 3rd quarter is 4% higher than the year-to-date revenue budget but has decreased approximately 11% compared to revenue through the 3rd quarter of last fiscal year. Revenue from membership dues, merchandise sales, and green fees continued to decline in the 3rd quarter. The number of golf rounds improved slightly in March, but overall the number of golf rounds are down over 10% this fiscal year through March 31st.
- Scenic Hills Country Club expenses through the end of the 3rd quarter are 4% higher than the year-to-date expense budget and are approximately 8.5% higher compared to last fiscal year and now includes expenses associated with the food & beverage vendor management arrangement.
- Revenue from the Digital Signs has increased over 50% through the end of the 3rd quarter compared to the revenues through the end of the 3rd quarter last fiscal year primarily from lease fees associated with the East Campus digital monument sign.
- Treasurer White met periodically throughout the quarter with both CEO Cunningham and Dr. Ranelli to sign checks, transfer requests, and review BEI financial information. Treasurer White will step-off the Board at the conclusion of this meeting and he congratulated Dr. Ranelli who will replace him as President Saunders' Designee. Chair Clark thanked Treasurer White for his dedication and time commitment to the responsibilities of Treasurer for BEI and the entire Board wished him well on his upcoming sabbatical in England.

CEO's Report

CEO Cunningham will provide a SHCC update in detail later in the agenda but is actively working on the transition to sell. CEO Cunningham reported optimism that there will be a favorable outcome with food service negotiations in early June. BEI has received proposals from Sodexo, Aramark, and will receive the Chartwells proposal on May 24th. Following the final proposal and review, CEO Cunningham expects that he will be prepared in mid-June to make a food service vendor recommendation to the BEI Board in preparation for UWF Board of Trustees consideration at the June 29 meeting. CEO Cunningham reported the reassignment of Parking and Transportation back to the University which makes sense in light of major

capital projects being undertaken in the near future.

Public Comments

None present. None via phone.

Information Item

- 1) External Audit Entrance- CliftonLarsonAllen (CLA) was moved to the forefront of today's agenda to facilitate efficiency of time for CLA staff. Diane DiFebbo, Michele Casali, and Bryan Simkanich of CliftonLarsonAllen, Certified Public Accountants, will perform the BEI financial statements audit for the fiscal year ending June 30, 2017. A formal entrance conference was held during today's meeting. CLA indicated timely work will happen remotely in Orlando and final fieldwork is scheduled for July 17 - July 21, 2017. Chair Clark shared the Board's confidence that Angela Wallace was on top of compliance and procedure.

Action Items

- 1) Form 990 and 990T - Angela Wallace recommended the BEI Board approve the BEI DRAFT 2015 Return of Organization Exempt from Income Tax (Form 990) and BEI DRAFT Exempt Organization Business Income Tax Return (Form 990-T) forms for CEO signature and submission to the Internal Revenue Services. Both forms were completed by CliftonLarsonAllen and include standard information and there were no significant format changes since last file.

Motion to approve: Treasurer White

Second: Vice Chair Patel

Motion passed unanimously.

- 2) 2017-2018 Meeting Schedule - The Board reviewed the proposed meeting schedule for 2017/2018 and agreed to meet on the following dates: September 18, 2017, November 6, 2017, February 5, 2018 and April 16, 2018.

Motion to approve: Secretary Lewis

Second: Vice Chair Patel

Motion passed unanimously.

- 3) New Board Appointment and Designation of Treasurer - As Treasurer White reported, President Saunders has conferred with Dr. Ed Ranelli in regards to his willingness to serve the coming term as her designee for the BEI Board. Dr. Ranelli has accepted the appointment. No vote is required as the appointment is established in the BEI Bylaws. Treasurer White nominated Dr. Ed Ranelli to serve as Treasurer subject to his final acceptance. On behalf of the Board, Chair Clark thanked Treasurer White for his service and commitment to the BEI Board.

Motion to approve: Treasurer White

Second: Secretary Lewis

Motion passed unanimously.

Information Items continued

- 1) Reported prior to action items.

- 2) Budget to Actual - Ms. Wallace explained the Budget to Actual Report represented a summary of actual revenue and expense transactions for all BEI projects and functions from the beginning of the fiscal year through the end of the 3rd quarter (July 1, 2016 - March 31, 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 as presented to the Board.
- 3) Fraud & Internal Controls - Ms. Wallace presented BEI fraud & internal control updates to the Board. Each BEI Board member is required to review the BEI Conflict of Interest Policy (BEI 1.14-11/11) annually and disclose any personal, family, or business relationships that could give rise to a conflict of interest involving BEI or the University of West Florida by completing and signing the Conflict of Interest Disclosure Form and returning a hard copy of the form as soon as possible. Ms. Wallace reminded Board members there is a Whistle Blower Protection Policy in place to report fraudulent activity.
- 4) Parking and Transportation Services (PATS) Reassignment - CEO Cunningham summarized the justification and analysis memo provided to President Saunders for reassignment of the Parking and Transportation Services (PATS) from BEI back to the University. PATS revenue is restricted and can only be used for PATS related projects and the assignment created a great deal of additional reporting and accounting for BEI. In anticipation of significant upcoming capital project activity for PATS, CEO Cunningham recommended returning this function back to the University.
- 5) Scenic Hills Country Club Update - CEO Cunningham summarized activity pertaining to the sale of SHCC. As prior tentative agreements have failed final execution, the ITN remains open. CEO Cunningham continues to pursue recruitment of other buyers and remains optimistic a sale will be negotiated soon. Currently, there are two ongoing discussions of interest (Mike Nguyen of Osceola Community Golf Course and representatives of the Scenic Hills Homeowners) however; a signed letter of intent from either party has not been received. Failing an executed agreement, CEO Cunningham reported communication with a network of brokers who manage golf courses in preparation to broker a sale. Mr. Greg Christovich, of Christovich and Associates, has been identified as the forerunner to likely pursue an engagement to begin a brokered sale in the event the interested parties fail to execute a final agreement.

Other Business

None

New Business

None

Adjournment

There being no further business, Chair Clark adjourned the meeting at 11:01 a.m.

Respectfully submitted,

Mary Anne Christopher, Assistant Staff Support Secretary