



UWF Business Enterprises, Inc. Board of Directors Meeting

University of West Florida

Virtual Meeting

April 28, 2025

Present

Chair C. Ray Jones, Vice Chair Dick Baker, and Treasurer-Secretary Betsy Bowers. Also attending were President Martha Saunders, Associate General Counsel Carolyn Eaton, Assistant General Counsel Julie Jones, Director of Business and Auxiliary Services James Adams, Chief Audit Executive Cynthia Talbert, Director of External Affairs Alex Smith, Chief Executive Officer Ed Ranelli, SGA President Trista Bennett, and Accountant Suzanna Daughtry.

Guest from James Moore & Co.: Kevin Warren

Absent

None

Welcome/Opening Remarks

Chair Jones called the meeting to order at 1:00 p.m. He welcomed all attendees to the quarterly BEI Board of Directors meeting and thanked them for their agreement to attend. He then asked Suzanna Daughtry to call the roll, and she confirmed that a quorum was present.

Approval of Minutes

February 24, 2025, BEI Board Meeting.

Chair Jones asked if there were any additions or corrections to the minutes. None were noted.

Motion to approve: Vice Chair Dick Baker

Second: Treasurer-Secretary Betsy Bowers

Motion passed.

University Update

President Saunders provided the University update and stated that student enrollment for Summer 2025 is up 6%. The university set a record for the Day of Giving. The Spring Commencement ceremony for approximately 1,700 undergraduate and graduate students is this Saturday, May 3, 2025. There will be a special Athletics graduation ceremony tomorrow, April 29, 2025, for the athletes progressing into the postseason. Men's Tennis is still #1 in the country. Men's and Women's Golf won the GSC Championship and are advancing to the postseason.

Treasurer Report

Treasurer-Secretary Betsy Bowers provided the Treasurer's report.

To summarize BEI's financial activity for the fiscal year July 1 – March 31, 2025:

- Follett reported bookstore commissionable sales of \$1.920 million, yielding an 11.65% commission of \$230,266 to date. This represents an estimated sales increase of \$13,447 compared to the prior year's third-quarter sales, which were \$1.907 million with an 11.65% commission of \$222,112. This increase is attributed to increased merchandise sales.
- Aramark reported commissionable sales of \$5.095 million and paid a 6% commission of \$306,784 for the third quarter of the fiscal year ending June 30, 2025. This is somewhat lower than the prior year, July through March, with commissionable sales of \$5.411 million, with a 7% commission of \$378,751. The decrease is due to the lower commission rate for FY25 and fewer First Time in College students in student housing who are required to purchase mandatory meal plans.
- All the bookstore and dining commissions received for the fiscal year 2025 have been provided to auxiliary services for their support functions.
- BEI received \$248,748 for rent, interest, and CAM (common area maintenance) fees from tenant leases at Argonaut Village. Rent revenues in the same time the prior year were \$251,188. This is slightly lower than the prior year, July through March, due to Bagelheads having four months of rent abatement while preparing to open.
- BEI reported a net income of \$300,273 for the third quarter of the fiscal year ending June 30, 2025, compared to the prior year's net income of \$594,857 for the third quarter of the fiscal year ending June 30, 2024. The decrease is due largely to the increased income in FY24 due to the sale of Building 8, and also the loss on lease termination for Starbucks, unit 100, in the current fiscal year.
- At the end of March 31, 2025, BEI's ending cash balance was \$1,476,167 compared to \$1,358,551 in the prior year.
- I have reviewed the year-to-date cash activity of BEI as of March 31, 2025.

CEO's Report

CEO Ranelli discussed BEI's year-to-date financial performance through March 2025. The BEI Net Income was \$300,273 for the third quarter. The ending Cash Balance for March 31, 2025, was \$1,467,167. BEI continues to generate sustainable positive net income and cash flow, which are available to advance the mission of UWF. The financial performance of BEI and each of BEI's operating units was provided in the Treasury report.

Per CEO Ranelli, BEI has completed renegotiations of the Aramark dining service contract extensions that were approved by the BEI Board at earlier board meetings. The new contract will provide \$1.175 million in financial commitments to BEI/UWF, which includes a \$100,000 cash advance, \$425,000 for the implementation of the online Drop Program, \$300,000 for renovations of the Pace Coffee House, and a \$350,000 renovation of Chick-fil-A at the UWF Commons. The contract renewal provides a 6% commission on dining service sales to BEI, with all commissions donated to UWF.

Argonaut Village is 100% occupied. The Bagelheads coffee shop and eatery has executed a five-year lease with two optional five-year extensions. Renovations of the leased facility have been completed, and Bagelheads is scheduled to open by mid-May for breakfast and lunch.

CEO Ranelli reported that BEI has also completed renegotiation of the Follett Bookstore contract, which will provide a \$1.0 million cash advance to BEI for contract renewals, implementation of the EAP program, and bookstore renovation and upgrades. Bookstore commission rates to BEI are renewed at current commission rates beginning at 11.65% for bookstore sales up to \$4.0 million, with increases in commission rates for sales above \$4.0 million. Commissions received by BEI are donated to UWF. In addition, Follett has agreed to fund \$50,000 annually for an accounting position to assist with billings and collections of student receivables.

CEO Ranelli conveyed that beginning in FY 2025, BEI will house GoLearn, a new tutorial venture of the UWF CBA. As indicated in the 2025-2026 budget, the venture is projected to generate an estimated \$185,100 in revenues, with BEI retaining 8% of first-year revenues for hosting GoLearn.

Public Comments

None

Action Items

1. BEI 2025-2026 Meeting Schedule – CEO Ranelli presented the meeting options for the next fiscal year. The BEI Board reviewed the proposed meeting schedule for 2025-2026 and agreed to meet on the following dates: September 29, 2025, November 24, 2025, February 16, 2026, and April 27, 2026. The dates were presented to the Board for approval.

Motion to approve: Secretary-Treasurer Betsy Bowers

Second: Vice Chair Dick Baker

The motion passed unanimously.

2. BEI FY 2025-2026 Budget – For the Board of Directors' review and approval, CEO Ranelli presented the fiscal year 2025/26 proposed BEI Budget, which was included in the agenda materials. CEO Ranelli reviewed the financial activities included in the proposed budget with the Board. He noted and explained the significant differences between the prior year's budget and the current year's actual activities and proposed budget. The variance from the prior year is primarily the result of the amortization of the deferred revenues and estimated cash advances.

Motion to approve: Vice Chair Dick Baker

Second: Secretary-Treasurer Betsy Bowers

The motion passed unanimously.

3. Quarterly Expenditure Report – Each quarter, per Article 8 of the BEI Revised Bylaws, BEI is required to file a BEI Quarterly Capital Expenditure Report. This item is presented to have the Board confirm and ratify the receipt of the BEI Quarterly Expenditure Report sent out to the President and BEI Board members as of March 31, 2025. There were no significant changes or significant commitments of resources during the quarter.

The Quarterly Expenditure Report was presented for Board confirmation and ratification.

Motion to approve: Vice Chair Dick Baker

Second: Secretary-Treasurer Betsy Bowers

The motion was confirmed and ratified unanimously by the three voting Board members present at the meeting.

Informational Items

1. External Audit Entrance – To respect the firm’s time, the External Audit Entrance was presented before the CEO Report. Kevin Warren, audit director from James Moore & Co., highlighted the audit service plan, timelines, and deliverable service for the fiscal year 2025. He invited questions and comments from the Board Members during the presentation. The Board asked what the highest risk area is that the auditors address, and was told revenue recognition is typically the highest risk area.
2. BEI Policies and Conflict of Interest – CEO Ranelli presented the annual BEI Conflict of Interest Policy form request to the Board. He requested that each BEI Board member review the BEI Conflict of Interest Policy (BEI 1.14-11/11), which requires disclosure on an annual basis of any personal, family, or business relationships that could give rise to a conflict of interest involving BEI or the University of West Florida. CEO Ranelli asked that the members complete and sign the Conflict-of-Interest Disclosure Form and return it to the BEI office, where it is maintained on file according to BEI Internal Controls.
3. Investments in Money Market and CD accounts at ServisFirst & Charles Schwab – Suzanna Daughtry presented the background information of the BEI board’s approval of moving approximately \$500,000 of BEI’s approximately \$865,000 of idle non-interest-bearing cash balance in the checking accounts to brokerage accounts and investing in short-term CDs or short-term treasuries. Suzanna provided that the total amount of investment interest earned as of March 31, 2025, was \$64,797.58.
4. BEI Budget to Actual – Suzanna Daughtry presented the Budget to Actual comparison charts showing the variance between the actual performance versus the budgeted performance of BEI operations for the third quarter ending March 31, 2025. Variances between budgeted and actual data were noted and explained.

Adjournment

There being no further business, Chair Jones adjourned the meeting at 1:53 p.m.

Respectfully submitted,

Suzanna Daughtry, Accountant