



## **UWF Business Enterprises, Inc. Board of Directors Meeting**

University of West Florida

Virtual Meeting

April 29, 2024

### **Present**

Chair C. Ray Jones, Treasurer-Secretary Betsy Bowers, and Member Dick Baker. Also attending were President Martha Saunders, Associate Vice President Jeffrey Djerlek, General Counsel Susan Woolf, Director of Business and Auxiliary Services James Adams, Chief Audit Executive Cynthia Talbert, Chief Executive Officer Ed Ranelli, SGA President Maggie Brown, and Accountant Suzanna Daughtry.

### **Absent**

None

### **Welcome/Opening Remarks**

Chair Jones called the meeting to order at 1:01 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 26, 2024, BEI Board Meeting.

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

Motion to approve: Treasurer-Secretary Betsy Bowers

Second: Member Dick Baker

Motion passed.

### **University Update**

President Saunders provided the University update and stated the upcoming graduation on May 4, 2024, has an expected large attendance. There has been record enrollment again this year, and an overall 14% increase over the past five years with each year topping the year before and it is looking very strong for the Fall semester. UWF has also enjoyed record fundraising over a variety of measures. The total investment pool has grown by 50% since President Saunders has been president. The "Here for Good" capital campaign has kicked off with a goal of \$90 million by June 2026 to bring much-needed scholarship money to the students. UWF has enjoyed several national recognitions for the second consecutive year. UWF was ranked in the top 10 public institutions in the region by U.S. News and World Report, ranked number 12 in the country on the Best for Vets college list that is released by Military Times, and ranked in the top 5 nationally for large schools for military friendly and military spouse friendly schools. For the eleventh time, UWF was named a Great College to Work For and was featured in the Chronicle of Higher Education for that distinction which only identifies 10 in each category. UWF has another named college, the Lewis Bear Jr. College of Business. The performance-based-funding metric score has increased with special recognition for retention, graduation rate, and high-impact practices. UWF hopes to enjoy record legislative support with much-needed funding for operations and facilities. The governor's signature is needed before the funds will be available.

## **Treasurer Report**

Associate Vice President Jeffrey Djerlek provided the Treasurer's report on behalf of Treasurer-Secretary Betsy Bowers.

To summarize BEI's financial activity for the fiscal year July 1 – March 31, 2024:

- Follett reported bookstore commissionable sales of \$1.907 million yielding an 11.65% commission of \$222,212 to date. This represents a sales decrease of \$123,008 compared to the prior year's third-quarter sales which were \$2.030 million with an 11.65% commission of \$236,442. This decrease continues to be in line with prior year trends due to changes in textbook sales and the Florida Textbook Affordability Act.
- Aramark reported commissionable sales of \$5.411 million and paid a 7% commission of \$378,751 for the third quarter of the fiscal year ending June 30, 2024. This is higher than the prior year, July through March, which had commissionable sales of \$4.692 million with a 6% commission of \$281,494.
- All the bookstore and dining commissions received for the fiscal year 2024 have been provided to auxiliary services for their support functions.
- BEI received \$251,188 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 \$241,935. The increase is mostly due to full tenant occupancy.
- The sale of Building 8 was completed on February 28, 2024. A gain of \$243,886 on the sale was recorded.
- BEI reported a net income of \$594,282 for the third quarter of 2024 compared to the prior year's net income of \$336,373 for the third quarter of 2023. The increase is due largely to the gain on the sale of Building 8.
- At the end of March 31, 2024, BEI's ending cash balance was \$1,358,551 compared to \$884,060 in the prior year.
- Associate Vice President Jeffrey Djerlek stated that Treasurer-Secretary Betsy Bowers has reviewed the year-to-date cash activity of BEI as of March 31, 2024.

## **CEO's Report**

CEO Ranelli discussed BEI's year-to-date financial performance through March 2024. The BEI estimated Net Income and Cash Balance, as of the end of March 2024, were \$594,282 and \$1,358,551, respectively. The increase in the cash balance is attributable to the sale of Building 8.

CEO Ranelli stated that BEI is in the final stages of renegotiating the Follett bookstore contract. Upon completion of the contract renegotiations, BEI is anticipating a \$1,000,000 capital advance consisting of: \$300,000 capital cash advance for the contract renewal, \$200,000 for the renewal of two five-year terms, \$250,000 for the implementation of the EAP program which will reduce the cost of instructional materials for the students, and \$250,000 for bookstore upgrade.

CEO Ranelli stated that BEI is also in the final stages of renegotiating the dining services contract with Aramark for an additional five years. Upon renewal of that contract, BEI anticipates receiving \$950,000 for capital projects, including a \$100,000 unrestricted cash advance to BEI.

Upon completion of final negotiations and the review and approval of the General Counsel, the Aramark food service contract renewal and Follett bookstore contract renewal will both be presented to the BEI board for review and approval at a subsequent board meeting.

BEI is in the process of recruiting a local coffee vendor to replace Starbucks at Argo Village to avoid a \$850,000 franchise mandatory renovation.

### **Public Comments**

None

### **Action Items**

1. Election of Vice Chair – CEO Ranelli presented Dick Baker for election as Vice Chair of the Corporation. CEO Ranelli reviewed Article 4 of the BEI Bylaws. Chair Jones thanked Dick Baker for agreeing to serve as Vice Chair.

Motion to approve: Secretary-Treasurer Betsy Bowers

Second: Member Dick Baker

The motion passed unanimously.

2. BEI 2024-2025 Meeting Schedule – CEO Ranelli presented the meeting options for the next fiscal year. The BEI Board reviewed the proposed meeting schedule for 2024-2025 and agreed to meet on the following dates: September 30, 2024, November 25, 2024, February 24, 2025, and April 28, 2025. The dates were presented to the Board for approval.

Motion to approve: Vice Chair Dick Baker

Second: Secretary-Treasurer Betsy Bowers

The motion passed unanimously.

3. BEI FY 2024-2025 Budget – For the Board of Directors' review and approval, CEO Ranelli presented the fiscal year 2024/25 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 estimated cash advances.

Motion to approve: Vice Chair Dick Baker

Second: Secretary-Treasurer Betsy Bowers

The motion passed unanimously.

4. 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 that was sent out to the President and BEI Board members on April 1, 2024. As of the BEI BOD meeting on February 26, 2024, the BEI board approved a capital expenditure of up to \$110,000 for the purchase and installation of a digital marquee sign at the East entrance of UWF and the corner of Argo Village. The actual contract price is \$102,375 and will be funded from BEI's available cash balance.

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

Motion to confirm and ratify: 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. Investments in Money Markets, CD, and U.S. Treasury 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. At Charles Schwab, \$75,000 at 5.04%, its current rate, has been invested in a money market and \$100,000 has been invested at 4.375%, its current rate, in a U.S. Treasury. At ServisFirst Bank, \$791,500 at 4.1%, its current rate, has been invested in a money market and \$175,000 has been invested at 4.75% in a 13-month CD. Suzanna Daughtry reviewed the amounts of interest earned on each account as of March 31, 2024, and provided the total amount of investment interest earned \$30,231.53.
2. 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 second quarter ending March 31, 2024. Variances between budgeted and actual data were noted and explained.

## **Adjournment**

There being no further business, Chair Jones adjourned the meeting at 1:50 p.m.

Respectfully submitted,

Suzanna Daughtry, Accountant