



UWF Business Enterprises, Inc. Board of Directors Meeting

University of West Florida

Virtual Meeting

February 24, 2025

Present

Chair C. Ray Jones, Vice Chair Dick Baker, and Treasurer-Secretary Betsy Bowers. Also attending were President Martha Saunders, Associate Vice President Jeffrey Djerlek, Assistant General Counsel Michael Wyatt, 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 12:59 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

December 3, 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: Vice Chair Dick Baker

Motion passed.

University Update

President Saunders provided the University update and stated that student enrollment from Spring 2024 to Spring 2025 is up 11%. The highlight of the week is welcoming the onsite visit from our accreditors, SACSCOC, for our 10-year accreditation. This accreditation makes UWF eligible for significant federal financial aid. The accreditation process was reviewed.

Treasurer Report

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

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

- Follett reported bookstore commissionable sales of \$1.212 million yielding an 11.65% commission of \$141,166 to date. This represents a sales decrease of \$117,474 compared to the prior year's second-quarter sales which were \$1.329 million with an 11.65% commission of \$154,851. 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 \$3.304 million and paid a 6% commission of \$199,345 for the second quarter of the fiscal year ending June 30, 2025. This is slightly lower than the prior year, July through December, with commissionable sales of \$3.401 million with a 7% commission of \$238,082.
- All the bookstore and dining commissions received for the fiscal year 2025 have been provided to auxiliary services for their support functions.
- BEI received \$166,655 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 \$165,787.
- BEI reported a net income of \$217,112 for the second quarter of the fiscal year ending June 30, 2025 compared to the prior year's net income of \$232,235 for the second quarter of the fiscal year ending June 30, 2024. The decrease is due largely to the loss on lease termination for Starbucks, unit 100.
- At the end of December 31, 2024, BEI's ending cash balance was \$1,297,695 compared to 924,807 in the prior year.
- I have reviewed the year-to-date cash activity of BEI as of December 31, 2024.

CEO's Report

CEO Ranelli discussed BEI's year-to-date financial performance through December 2024. The BEI Net Income was \$217,112 for the second quarter. The ending Cash Balance for December 31, 2024, was \$1,297,695.

Per CEO Ranelli, the Aramark contract renegotiations that were reported and approved at the last BEI Board meeting are resulting in \$1 million of cash advances to BEI over the term of the contract. The first \$100,000 payment of the cash advances was received last month.

CEO Ranelli reported the Follett contract amendment and renewal will be presented to the BEI Board for review and approval at today's meeting. He stated the amendment and renewal defines the terms for the transition to the EAP program which will result in significant reductions in the costs of required online instructional material to students. Over the term of the renewal and amendments, Follett will provide over \$1 million in cash advances to BEI.

Argonaut Village is 100% leased, generating positive net income and unrestricted cash from long-term leases with desirable tenants. Bagelheads' opening of its eatery for breakfast and lunch services has been delayed to the first of April.

CEO Ranelli conveyed that BEI generated over \$55,000 in interest income through 12/31/2024 via its investment of previously idle non-interest-bearing funds in short-term insured CDs and money markets.

At today's meeting, CEO Ranelli stated the BEI Board will be asked to confirm and ratify BEI's Quarterly Capital Expenditure Report, which was distributed to the UWF President and BEI Board members. The report confirms that there were no significant commitments of BEI or UWF resources during the quarter.

Public Comments

None

Action Items

1. Follett Contract Amendment and Renewal – For the Board of Directors review and approval, CEO Ranelli presented the terms of the Follett Contract Amendment and Renewal which were included in the Board materials.

Motion to approve: Vice Chair Dick Baker

Second: Secretary-Treasurer Betsy Bowers

The motion passed unanimously.

2. 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 December 31, 2024. There were no significant changes or significant commitment 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. 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 December 31, 2024 was \$55,729.15.
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 December 31, 2024. Variances between budgeted and actual data were noted and explained.

Adjournment

There being no further business, Chair Jones adjourned the meeting at 1:23 p.m.

Respectfully submitted,

Suzanna Daughtry, Accountant