



UWF Business Enterprises, Inc. Board of Directors Meeting

University of West Florida

Virtual Meeting

September 30, 2024

Present

Chair C. Ray Jones, Vice Chair Dick Baker, and Treasurer-Secretary Betsy Bowers. Also attending were 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.

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

April 28, 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.

Treasurer Report

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

Regarding BEI's financial activity for the past fiscal year that ended June 30, 2024, (July 1 – June 30, 2024):

- Follett reported bookstore commissionable sales of \$2.322 million yielding an 11.65% commission of \$270,553 for the fiscal year 2024. This represents a sales decrease of \$49,765 compared to the prior year's sales which were \$2.372 million with an 11.65% commission of \$301,690. 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 \$6.478 million and paid a 7% commission of \$426,495 for the fiscal year ending June 30, 2024. This is higher than the prior year which had commissionable sales of \$5.770 million with a 6% commission of \$323,631.

- All the bookstore and dining commissions received for the fiscal year 2024 have been provided to auxiliary services for their support functions.
- BEI received \$337,051 for rent, interest, and CAM (common area maintenance) fees from tenant leases at Argonaut Village. Rent revenues in the previous fiscal year were \$323,576. The increase is mostly due to the 2% annual rent increase for three tenants and the CAM fee increasing by \$0.46 per square foot from fiscal year 2023 to fiscal year 2024.
- BEI reported a net income of \$707,214 for the fiscal year 2024 compared to the prior year's net income of \$476,643 for the fiscal year 2023. The increase is due largely to the gain on the sale of Building 8.
- At the end of June 30, 2024, BEI's ending cash balance was \$1,277,448 compared to \$898,123 in the prior year.
- I have reviewed the year-to-date cash activity of BEI as of June 30, 2024.

CEO's Report

CEO Ranelli discussed BEI's year-to-date financial performance through June 2024. The BEI Net Income was \$707,213, compared to the prior fiscal year Net Income of \$476,643. The ending Cash Balance at the end of June 2024 was \$1,177,791, compared to \$898,123 in the previous fiscal year.

CEO Ranelli discussed a consultation meeting with the BEI Investment Committee regarding the projected reductions in interest rates. BEI has extended the duration of its investments and has reinvested unrestricted cash in the money market account and maturing CDs. \$250,000 was invested in an insured 12-month CD at a 4% interest rate, and another \$250,000 was invested in an insured 24-month CD at a 3% interest rate.

CEO Ranelli reviewed that the Quarterly Capital Expenditure Report for September 30, 2024 was distributed this morning to the President and Board of Directors. The Quarterly Capital Expenditure Report for September 30, 2024 will be an action item for the Board to approve at the next BEI Board of Directors meeting on November 25, 2024.

CEO Ranelli relayed updates about the contract renegotiations with Aramark and Follett. The bookstore contract with Follett expires September 30, 2024. The new contract will provide cash advances to BEI for contract renewals and the implementation of the EPA program which will reduce the costs of instructional materials for students. Since final negotiations are not yet completed, BEI and Follett have mutually agreed to a 120-day extension of the current contract. BEI is also concluding negotiations with Aramark for the dining service contract. The new contract will provide cash advances to BEI for the introduction of the Drop Food Service (Online/Pickup) Program, certain dining capital projects, and unrestricted cash advances for contract renewals.

CEO Ranelli announced that BEI has completed lease negotiations with Bagelheads for a breakfast/lunch eatery operation at the Argo Village in the facility previously occupied by Starbucks. The 5-year lease agreement begins on October 1, 2024, with the opening of Bagelheads scheduled for the end of January 2024. The lease agreement includes two 5-year extensions upon mutual agreement by both parties. In addition, Bagelheads has agreed to purchase certain kitchen equipment and furnishings at the facility from BEI under a separate equipment purchase agreement.

Public Comments

None

Action Items

1. Audited Financial Statements for June 30, 2024 – Mr. Kevin Warren representing James Moore and Company, independent certified public accountants, presented the audited financial report for the year ending June 30, 2024. Mr. Warren highlighted and commented on the components of the audited financial report. He noted that the audit opinion stated in the report indicates that the financial statements present fairly, in all material respects, the financial position of UWF Business Enterprises, Inc. as of June 30, 2024. The presentation ended with an opportunity for the Board to ask questions and discuss the information.

The BEI audited financial statements for June 30, 2024, were presented for Board approval.

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 June 30, 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: Treasurer-Secretary Betsy Bowers
Second: Vice Chair Dick Baker

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

3. University Resource Allocation Certification – For the Board of Directors review and approval, CEO Ranelli presented the University Resource Allocation Certification, which was included in the agenda materials. CEO Ranelli certified that all University resources allocated in the fiscal year ending June 30, 2024, were used only for the purposes approved by the Board of Trustees.

Motion to approve: Vice Chair Dick Baker
Second: Secretary-Treasurer Betsy Bowers
The motion passed unanimously.

Informational Items

1. Investments in Money Markets 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 4.99%, its current rate, has been invested in a money market; \$100,000 at 4.375%, its current rate, has been invested in a U.S. Treasury. At ServisFirst Bank, \$873,348.62 at 4.1%, its current rate, has been invested in a money market.

\$175,000 was invested at 4.75% in a 13-month CD that matured on 5/4/2024. \$184,223.62 was redeemed into the ServisFirst money market account on 5/6/2024. The CD earned \$9,223.62 in interest. Suzanna Daughtry reviewed the amounts of interest earned on each account as of June 30, 2024, and provided that the total amount of investment interest earned was \$34,567.01.

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 fourth quarter ending June 30, 2024. Variances between budgeted and actual data were noted and explained.

Adjournment

There being no further business, Chair Jones adjourned the meeting at 1:39 p.m.

Respectfully submitted,

Suzanna Daughtry, Accountant