



**UWF Business Enterprises, Inc. Board of Directors Meeting**  
University of West Florida  
Teleconference Alumni Room 150, Building 12  
April 27, 2020

**Present**

Vice-Chair C. Ray Jones, Secretary Susan O'Connor, Treasurer Chula King, Member Jerry Maygarden, Member Judge Lacey Collier, Member Greg Britton, Member SGA President Jordan Negron, President Martha Saunders, General Counsel Pam Langham, Chief Executive Officer Ed Ranelli, and Accountant Carole Reed

Guests: Chad Lassen (CliftonLarsonAllen-via phone), Michele Casali (CliftonLarsonAllen-via phone), Jeffery Djerlek, Ellen Till, Cynthia Talbot, and Dave Scott

**Absent**

None

**Welcome/Opening Remarks**

Vice Chair Jones called the meeting to order at 1:05 p.m. He welcomed all attendees to the teleconference meeting and asked Secretary O'Connor to call the roll and confirm that a quorum was present.

**Approval of Minutes**

November 4, 2019, BEI Board Meeting.

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

Motion to approve: Treasurer Chula King

Second: Member Judge Lacey Collier

Motion passed.

**University Update**

President Saunders provided the University Update highlights, which mostly related to University operations and studies being conducted remotely due to the COVID-19 Pandemic closures. As the University continues to conduct coursework and operations remotely, approximately 150 students remain in housing and are exiting as their work schedules come to an end. She commented that University personnel are in contact with their counterparts at other Florida universities to share solutions for the issues that arise due to remote operations. UWF is currently tracking summer and fall enrollment numbers to determine the impact of the COVID 19 Pandemic closures. Finally, the University tele-recruited of about 20 student athletes.

**Treasurer's Report**

Treasurer King reported the following for BEI's financial activity July1 – March 31, 2020:

- Follett reported bookstore sales of \$2.761 million through February 29, 2020. This represents an increase over the same time prior year which were \$2.620 million. The commission rate of 10.25% yielded \$283,013 in bookstore commission revenue to BEI in the current year compared to \$268,592 in the prior year.

- The bookstore commission received was paid as contractual service payments to the University for oversight of the Bookstore Services Assigned Function.
- Aramark reported \$3.910 million in fiscal year to date sales through February 2020. BEI received a 6% commission of \$234,580 after sales tax. In the prior year, sales were \$3.378 million and the prior year commission was \$202,708 net of sales tax.
- Like the bookstore, the contractual service payment to the University for oversight of the Dining Services Assigned Function is equal to the amount of commissions received to date.
- As of March 31, 2020, BEI received \$210,838 for rent and CAM (common area maintenance) fees from tenant leases at Argonaut Village. Rent revenues in the same time prior year were \$152,125. The increase is due to the occupancy of Building 1 on September 23, 2019.
- Under the new lease beginning July 1, 2019 for Building 8, rent revenue received through March 31 was \$21,691. Prior year revenue was \$15,694. The increase in rent revenue is due to the new lease rate per square foot at a fair market rate of \$10.00 versus the previous rate of \$7.23.
- The BEI year to date net revenue from all activities is \$563,030. Year to date thru March 31, 2019 was \$373,973.
- Cash flow or net revenues less depreciation, less deferred revenues, and less the donation of dining services capital improvements as of March 31, 2020 is \$127,550 compared with \$63,306 in the same period of the prior year.

The Treasurer conclude her report by stating that she has reviewed the year to date cash activity of BEI as of March 31, 2020.

### **CEO's Report**

CEO Ranelli commented on the in-process negotiations with Aramark related to COVID-19 events and the anticipated impact on BEI's budget. He updated the Board members on the current Argo Village tenant occupancy status and reported on tenant requests for credit and forbearance on rent due to the mandated closures. CEO Ranelli reported on the initiative to produce and provide face shield kits to area health care providers due to supply shortages caused by the COVID 19 Pandemic. A waiver and indemnity will be required of recipients and a quote for product liability was researched. CEO Ranelli reported that BEI has a strong cash position as BEI nears the beginning of the 2021 fiscal year and anticipates that will hold during the upcoming fiscal year per budgeted estimates.

### **Public Comments**

None

### **Action Items**

- 1) Nominations and Election of Officers – CEO Ranelli reported that Dave Cleveland resigned his position as BEI Chair in consideration of the start of his term as UWF Board of Trustees Chairperson. CEO Ranelli cited the Sections of the BEI bylaws that provide for the periodic appointment of Officers to the Board of Directors. The floor was opened for nominations. Treasurer King nominated Vice Chair Jones for the position of Chairperson. There were no other nominations presented. The Vice Chair asked for any opposition to the motion and none was noted.

Motion to approve: Treasurer Chula King

Second: Member Judge Lacey Collier

Motion passed unanimously.

Nominations and Election of Officers – CEO Ranelli indicated that with the election of C. Ray Jones to the office of Chairman, the position of Vice Chair was now vacant. Treasurer King nominated Secretary O'Connor for the position of Vice Chair. There was no opposition to the motion.

Motion to approve: Treasurer Chula King  
Second: Member Judge Lacey Collier  
Motion passed unanimously.

Both Chair Jones and Vice Chair O'Connor thanked the Board for their vote of confidence.

- 2) BEI 2019-2020 Meeting Schedule – CEO Ranelli presented the meeting options for next year. The BEI Board reviewed the proposed meeting schedule for 2020/2021 and agreed to meet on the following dates: September 28, 2020, November 9, 2020, February 1, 2021, and April 26, 2021.

Motion to approve: Vice Chair Susan O'Connor  
Second: Member Judge Lacey Collier  
Motion passed unanimously.

- 3) BEI FY 2020-2021 Budget – For the Board of Directors review and approval, CEO Ranelli presented the fiscal year 2020-2021 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 in the prior year budget and the current year proposed budget. In general, a decline in revenues budgeted is due to uncertainty related to remote operations, online coursework, and other COVID-19 issues as of the preparation date of the proposed budget. He also indicated that most of the budgeted net revenue of \$805K is due to deferred revenues or non-cash.

Motion to approve: Member Jerry Maygarden  
Second: Vice Chair Susan O'Connor  
Motion passed unanimously.

### **Information Items**

- 1) External Audit Entrance – The auditors from Clifton, Allen, Larsen presented the External Audit Entrance slide program for fiscal year 2020. Chad and Michele highlighted the audit service plan, timelines, deliverable services, and introduced the service team that will provide service. They invited questions and comments from the Board Members during the presentation, and posed questions related to governance to the Board. CEO Ranelli shared recent changes and activities with the auditors to assist CLA in their audit planning. The Board did not have any questions for the auditors. The Board and CEO Ranelli thanked the auditors for their presentation.
- 2) Introduction of New BEI Board Member – Dr. Ranelli introduced Greg Britton, who also serves on the UWF Board of Trustees, as the newly appointed BOD member of BEI. CEO Ranelli cited Mr. Britton's achievements and welcomed him to the Board.
- 3) BEI Budget to Actual – Carole Reed explained that the Budget to Actual Report represented a summary of the actual revenue and expense transactions from the beginning of the fiscal year through the end of the 3<sup>rd</sup> quarter (July 1, 2019-March 31, 2020) compared to the revenue and expense budget established for the fiscal year. Variances between budget and actual data were noted and explained.
- 4) 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 pursuant to BEI Internal Controls.

- 5) Expenditure Update - CEO Ranelli shared that in January 2020, BEI began reimburseing of a portion of administrative salary to UWF in alignment with its mission and purpose.

**Other Business**

None

**Adjournment**

There being no further business, Chair Jones adjourned the meeting at 2:17 p.m.

Respectfully submitted,  
Carole Reed, Accountant