



**UWF Business Enterprises, Inc. Board of Directors Meeting**  
Scenic Hills Country Club Argonaut Ballroom  
September 22, 2014 – **APPROVED**

**Present**

Chair K. C. Clark, Vice-chair Jay Patel, Treasurer John Todorovich, Secretary Suzanne Lewis, Member C. Ray Jones, Member Hal White, President Judy Bense, ICEO James Barnett, General Counsel Pat Lott, Vice President Susan Stephenson, and Staff Support Secretary Marie Glass.

Guests: Betsy Bowers, Angela Wallace, Dave O'Brien, Tiffany Nisewonger, Rick Gorman, David Hicks, Ruth Davison, Jim Hurd, Kim Brown, Megan Prawdzik, Brendan Kelly, Collin Bissett, Anamarie Mixson, Eric Ingerman, Judge Lacey Collier, Diane DiFebbo, Clifton Larson Allen, and Scott Bridgman, Clifton Larson Allen.

**Welcome/Opening Remarks**

Chair Clark called the meeting to order at 9:00 a.m. Ms. Glass called roll and confirmed that a quorum was present.

**Approval of Minutes**

May 9, 2014 and June 30, 2014. Secretary Lewis asked if there were any changes or corrections to the minutes. None were noted.

Motion to approve: Member C. Ray Jones

Second: Vice-chair Jay Patel

Motion passed unanimously.

**University Update**

President Bense provided the latest University updates about the Board of Governors visit, Enrollment, Metric Improvement Plan, State of the University Address, Reaffirmation of Accreditation, Academic Affairs Reorganization, Innovation Institute, East Gate Restaurant Complex, Diversity Plan, Enrollment Plan, Retention Plan, Banner Implementation, and the Union Bargaining Impasse.

Ms. Lott mentioned the UWF Board of Trustees met in special session and unanimously adopted a resolution of support for the President in response to the situation with the Faculty Senate. The Board of Governors attorney stated to Ms. Lott that Dr. Bense has the solid support of the BOG. They are aware of the proliferation of these votes as bargaining tactics throughout the nation.

### **Treasurer's Report**

Treasurer Todorovich stated the BEI June 30, 2014 financial statements audit was performed by Clifton Larson Allen. Last fiscal year was the second year of operating activity for BEI. BEI ended last fiscal year with a positive net position from the addition of Parking & Transportation Services and rental income from the Building 8 lease was a new source of revenue. Chartwells made capital investments last fiscal year for the East Campus Restaurant Parcel. Construction in progress includes a \$100,000 receivable from Chartwells for \$50,000 of improvements for campus resident dining and \$50,000 of improvements for Scenic Hills dining. There were no title transfers to UWF last fiscal year from vendor capital investments. BEI continued to make investments in the East Campus and University Park projects in the amount of \$137,000 last fiscal year. The Bookstore and Scenic Hills ended last fiscal year with a net loss. In review of the Scenic Hills financial information for the summer months June through August 2014, revenue has increased 50% compared to last fiscal year and expenses have increased approximately 19% compared to last fiscal year. This includes fiscal year-end adjustments and non-routine expenditures such as the marketing expenses associated with the Introductory Membership Campaign and continued golf course repairs and maintenance costs from the April 2014 storm. Treasurer Todorovich also stated he continues to meet with the Division Budget Director on a frequent basis to review BEI financial information, including detailed reviews of the financial reconciliations.

### **CEO's Report**

ICEO James Barnett stated the revenues are trending in a positive direction and are further reducing annualized operating expenses. The three year balloon payment for the bank loan is due June 29, 2015. Preliminary discussions have been held with ServisFirst Bank to restructure the existing loan to provide a longer term and add capital improvements. Additional internal discussion will occur. ICEO Barnett briefly discussed the closing of Marcus Pointe and membership opportunities, Electric Vehicle Project, West Campus Retirement Village, and West Campus Master Plan. ICEO Barnett provided a presentation of the Phase 1 parcel. ICEO Barnett offered to take members on a tour of the west campus after the meeting. The Board discussed memberships and commercial opportunities for the development.

### **Public Comments**

None

### **Action Items**

- 1) Audited Financial Statements for June 30, 2014 – Ms. Wallace stated that the BEI fiscal year 2014 financial statement audit was performed by the CPA firm, Clifton Larson Allen based in Orlando, FL. Ms. Wallace introduced Ms. Diane DiFebbo and Mr. Scott Bridgman to present the information from the audit. Ms. DiFebbo presented the audit process and governance communication letter. Ms. DiFebbo discussed the financial highlights including revenues and expenses and revenue by sources comparison with industry of golf courses compared to SHCC. Mr. Bridgmann discussed areas that have room for growth. Ms. DiFebbo suggested monitoring the vendor relationship performance to make sure the commission revenue will not exceed the expenses. The Board had questions about BEI losing money with the vendor relationships and requested clarification. Ms. Wallace stated that last year BEI estimated sales for Dining Services and the Bookstore. Aside from Dining Services and Bookstore sales being lower than originally estimated, it was due to accounting adjustments. BEI was holding funds committed from fiscal years 12/13 and 13/14 in an agency account and expensing as the funds were being spent. But with the accounting adjustment that BEI made with the University, BEI had to move the money

over to an auxiliary fund with the University, therefore BEI had to expense the full amount even though the University had not used the entire commitment from the prior year. There are two years of commitments that are expensed under BEI and counted as revenue over on the University side for auxiliaries. For further clarification, Vice President Stephenson explained the Bookstore accounting. Funds were held in a University agency account and only expensed as spent. There were some funds left over from last year, which were reported as an asset on BEI's financial statements last year. This year money was fully expended on the BEI side. To make the accounting adjustment BEI had to also expend the money sitting in the agency account. In essence, BEI gave the University what they were due this year, plus BEI had to expend a portion of what the University didn't use last year. It won't repeat itself. The Board requested talking points in order to explain accurate numbers. Vice President Stephenson will work with ICEO Barnett and Dr. Brendan Kelly to create talking points that will be concise and accurate for the Board when they are asked accounting questions.

Ms. DiFebbo added the concept of an EBITDA (earnings before interest, taxes, depreciation, and amortization) could be helpful for development and take focus away from the non-cash losses.

The BEI audited financial statements for June 30, 2014 were presented for Board approval.

Motion to approve: Vice-chair Jay Patel

Second: Secretary Lewis

Motion passed unanimously.

Break at 10:21 a.m.

Resumed at 10:38 a.m.

- 2) Approve One (1) Board of Director – ICEO Barnett stated he and Vice President Stephenson enthusiastically recommended approval of Judge Lacey Collier as the 7<sup>th</sup> BEI Board member. Several positive comments about Judge Collier were made.

Motion to approve: Vice-chair Jay Patel

Second: Member White

Motion passed unanimously.

Chair Clark welcomed Judge Collier to the Board and joined the Board at the table. Judge Collier thanked the Board for the honor of serving.

## **Informational Items**

- 1) Budget to Actual – Ms. Wallace stated the Budget to Actual Report is a summary of actual revenue and expense transactions through June 30, 2014, for all BEI activities compared to the revenue and expense budgets established for the fiscal year. Ms. Wallace described details within the report for the assigned functions Parking & Transportation Services, Bookstore, and Dining Services as well as Bldg. 8 Rental Income, Scenic Hills Country Club, the East Campus Project, and the University Park Project. Ms. Wallace added BEI ended FY14

with a positive net position of approximately \$780,000, primarily from Parking & Transportation Services.

Chair Clark asked why Dining Services revenue declined primarily at the main campus. Vice President Stephenson explained this was due to the decrease in FTIC meal plan students on campus. The Board discussed the strengthening of the admission requirements, adapting to trends how students purchase on campus, controlling expenses, hours of operation, shifting resources, and the food truck venue supplementing revenue. Chair Clark stated he would like to hear from the bookstore and dining services contractors as an Information Item at the next meeting.

- 2) SHCC Staff Recognition – ICEO Barnett introduced David Hicks, Grounds Superintendent, and explained how Mr. Hicks has been a dedicated and valuable employee at Scenic Hills Country Club for 13 years. ICEO Barnett recognized and thanked him for his leadership and hard work.

#### **Other Business**

Chair Clark stated that Dr. Bense has been the target of negative press recently and since the UWF Board of Trustees passed a resolution, he recommended this Board do the same. The Board expressed unanimous support for Dr. Bense and the efforts she puts forward for this University and BEI.

Motion to approve: Vice-chair Jay Patel

Second: Member Jones

Motion passed unanimously.

President Bense thanked the Board for their support.

#### **New Business**

None

There being no further business, the Chair adjourned the meeting at 11:07 a.m.

Respectfully submitted,

Tiffany Nisewonger, Assistant Staff Support Secretary