



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

University of West Florida

Virtual Meeting

February 27, 2023

### **Present**

Chair C. Ray Jones, Vice Chair Susan O'Connor, Treasurer Chula King, Member Jerry Maygarden, Member Judge Lacey Collier, and Member Robert Sires. Also attending were Vice President Betsy Bowers, 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, and Accountant Suzanna Daughtry.

Guests: Chemistry Department Chair and Professor Dr. Karen Molek

### **Absent**

SGA President Patrick Marshall

### **Welcome/Opening Remarks**

Chair Jones called the meeting to order at 1:02 p.m. He welcomed all attendees to the quarterly BEI Board of Directors meeting and thanked them for their attendance. He then asked Vice Chair O'Connor to call the roll and she confirmed that a quorum was present.

### **Approval of Minutes**

November 28, 2022, BEI Board Meeting.

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

Motion to approve: Chula King

Second: Member Jerry Maygarden

Motion passed.

### **Treasurer Report**

Treasurer King provided the Treasurer's report.

To summarize BEI's financial activity for the fiscal year July 1 – December 31, 2022:

- Follett reported bookstore commissionable sales of \$1.460 million yielding an 11.65% commission of \$170,061 to date. This represents a sales decrease of \$118,910 compared to the prior year's second-quarter sales which were \$1.579 million with a 10.25% commission of \$161,813. 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 \$2.841 million and paid a 6% commission of \$170,460 for the second quarter of the fiscal year ending June 30, 2023. This is higher than the prior year, July through December, with commissionable sales of \$2.498 million with a commission of \$149,934.
- All the bookstore and dining commissions received to date will be provided to auxiliary services for their support functions.

- BEI received \$155,710 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 \$95,404. The increase is mostly due to the GASB 87 accounting for leases. Also, suite 200 was the only suite not paying rent for the entire second quarter whereas there were two vacant suites at this time in the prior year. Suite 200 began paying rent in January 2023.
- Under the lease for Building 8, rent revenue received was \$15,086. Prior year revenue was \$15,044. The increase in rent revenue is due to the annual July lease rate per square foot increase of 2%.
- BEI reported a net income of \$245,679 for the second quarter of 2023 compared to the prior year's income of \$244,830 for the second quarter of 2022. The increase is due largely to the decrease in vacancies at Argonaut Village.
- At the end of December 31, 2022, BEI's ending cash balance was \$923,574 compared to 911,330 in the prior year.

Treasurer King noted that she has reviewed the year-to-date cash activity of BEI as of December 31, 2022.

### **University Update**

The University Update is typically provided by the President but due to scheduling conflicts, it was not presented.

### **CEO's Report**

CEO Ranelli discussed the appointment of new BEI Board members per the Revised BEI Bylaws that were approved at the last meeting on November 28, 2022. The BOT representative to the BEI Board of Directors which is appointed by the Chair of the UWF Board of Trustees (BOT) will continue to be Robert Sires until his term expires or until he is reappointed to the UWF BOT. The second Board position is designated by the UWF President. Betsy Bowers was appointed by the University President to the BEI Board and will serve a four-year term. This appointment must be approved by the UWF BOT and will be added to the agenda for the March BOT meeting. C. Ray Jones is the University President's designee and he will serve until the University President's term expires. C. Ray Jones will continue to be the Chair of the BEI Board of Directors. The Bylaws allow for two additional directors that "may be" elected by a majority vote of the then-current voting members of the Board of Directors. No additional directors are anticipated to be appointed at this time. Additional Board members may be appointed at a later date if there is a particular project that requires specific expertise on the part of the Board member.

CEO Ranelli confirmed that the 2021 Tax Form 990 was filed with the Internal Revenue Service to meet the filing deadline.

CEO Ranelli also relayed updates about the renegotiation of the Aramark Dining contract. Aramark will be aggressively marketing voluntary meal plans to on-campus and off-campus students. Meal plans are back to the pre-pandemic level. Food prices are elevated. With the increased volume of students and return to pre-pandemic levels for mandatory meal plans, a better financial year going forward is still expected.

CEO Ranelli discussed the relocation of the UWF Small Business Development Center from building 8 to on-campus at the College of Business. The move will negatively affect the bottom line on an annual basis by about \$30,000. In anticipation of that, the UWF Childcare Center and Student Affairs along with BEI staff are exploring the feasibility of renovating building 8 and operating a childcare center for infants in that building. With minor improvements financed by Student Affairs and BEI, it appears that 24 infants could be accommodated. It will likely operate at a deficit, but it is consistent with the UWF Mission. As a fallback position, other tenant possibilities are also being explored if the Childcare project does not proceed.

Argo Village is 100 percent occupied and there is a positive cash flow. New tenants are doing well.

Bookstore sales continue to be on a downward trend primarily because of the movement to online accessibility of textbooks. The bookstore contract comes due in 2024 and a contract renegotiation or other vendors will be considered.

CEO Ranelli provided financial highlights for the second quarter of the 2023 fiscal year.

## Public Comments

None

## Action Items

1. Revised Investment Policy (change to Part 4 B) – At the request of the General Counsel, a minor change to the Investment Policy was made in Section 4 B. It has now been noted that the Investment Committee is an Investment Management Committee in the BEI Revised Investment Policy.

The BEI Revised Investment Policy was presented for Board approval.

Motion to approve: Treasurer Chula King

Second: Member Robert Sires

The motion was passed unanimously by the six voting Board members present at the meeting.

2. Schwab Account Application – CEO Ranelli presented the background information for the Charles Schwab account opening for investing idle funds. An interest rate of 4.2% to 4.5% could be possible which would represent about \$20,000 of additional income. This would offset the loss of income resulting from the movement of SBDC out of building 8. The investment policies in this account have been reviewed by the Controller, Jeffrey Djerlek. CEO Ranelli read Recommendation 2, Authorize, in its entirety as the resolution to the Board:

**Authorize** the following: BEI adopts the following Certificate of Authority and Corporate Resolution. The undersigned certifies that:

- a. Each individual whose signature appears in Section 9 (each, an Authorized Individual) is authorized to (1) provide tax certifications; (2) establish, maintain, and operate an account(s) with Schwab on behalf of the Corporation and to bind the Corporation to the Application Agreement and all incorporated agreements and disclosures, including, but not limited to, the Schwab One Account Agreement and the Charles Schwab Pricing Guide for Individual Investors, each as amended from time to time (the “Agreement and Disclosures”); and (3) designate persons to operate such account(s).
- b. Each Authorized Individual is authorized to act individually, independently, and without the consent of the board or any director, officer, or other person of the Corporation. Notice sent to any Authorized Individual will constitute notice to the Corporation. Nothing in the organizational documents, agreements, and laws governing the Corporation imposes any obligation upon Schwab for determining the purpose or propriety (1) of any instructions received from any Authorized Individual or (2) of payments or deliveries to or among Authorized Individuals.
- c. The authority thereby conferred is not inconsistent or in conflict with the Certificate of Incorporation, charter, bylaws, resolution, or other applicable constituent documents of the Corporation and is within the Corporation’s corporate power and authority and agreements and laws governing the Corporation.
- d. The signatures that appear in Section 9 are true and genuine original signatures.

The information set forth in this Certificate of Authority and Corporate Resolution is true and correct, and Schwab may conclusively rely upon this Certificate of Authority and Corporate Resolution until the Corporation delivers a written replacement Certificate of Authority and Corporate Resolution to Schwab at an address specified by Schwab.

The Schwab Account Application was presented for Board approval.

Motion to adopt: Treasurer Chula King

Second: Member Lacey Collier

The motion was passed unanimously by the six voting Board members present at the meeting.

3. 2021 Tax Form 990 – CEO Ranelli reviewed that the 2021 Tax Form 990 was an agenda item at the previous meeting. The form has been filed with the IRS to meet the filing deadline.

The 2021 Tax Form 990 as submitted to the Internal Revenue Service was presented for Board approval.

Motion to approve: Treasurer Chula King

Second: Vice Chair Susan O'Connor

The motion was passed unanimously by the six voting Board members present at the meeting.

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 December 19, 2022. 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 confirm and ratify: Member Jerry Maygarden

Second: Member Lacey Collier

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

### **Informational Items**

1. BEI Board member appointments – CEO Ranelli reviewed Florida Statute Section 1004.28(3) Board of Directors and the BEI Revised Bylaws, Section 3.4 Appointment of Directors and Tenure. The President has designated and appointed Betsy Bowers, Chief Financial Officer of the University, as a BEI Board member. Robert Sires will continue to serve as a BOT representative to the BEI Board until his term expires or until he is re-appointed to the UWF BOT. C. Ray Jones will continue to serve as the BEI Board Chair. There will be three directors per the BEI Revised Bylaws. Appointments of all remaining Board members will terminate upon the appointment of the three directors. Each Board member has received a letter from the President thanking them for their services. CEO Ranelli thanked the Board members for their services on the BEI Board.
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, 2022. Variances between budgeted and actual data were noted and explained.

### **Adjournment**

There being no further business, Chair Jones adjourned the meeting at 1:40 p.m.

Respectfully submitted,  
Suzanna Daughtry, Accountant