



UWF Business Enterprises, Inc. Board of Directors Meeting

Scenic Hills Country Club Argonaut Ballroom

November 15, 2013 – Approved

Present

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

Guests: Dave Scott, Ellen Till, Ruth Davison, Betsy Bowers, Brendan Kelly, Megan Gonzalez, Kevin Bailey, Kim Brown, Jim Hurd, Richard Podemski, Sheri Pope, Angela Wallace, Anita Schonberger, Dave O'Brien, Tony Nguyen, Molly Murphy, Allison Jones, Diane Martinez, Rick Gorman, Nathan Ford, Lauren Loeffler, Tiffany Nisewonger, Rhema Thompson (Pensacola News Journal), and a UWF student.

Welcome/Opening Remarks

Chair Clark called the meeting to order at 9:00 a.m. Chair Clark asked the Board to remove Action Item 2 from the agenda regarding the Draft 2012 Form 990. This item would be considered at the next meeting. The CPA firm that was to prepare the return needed to conduct more research before finalizing and approving.

Chair Clark announced the new Public Comment Process and instructed any member of the public who wished to address the Board complete a request form and submit to Ms. Glass. Comments would be allowed during the public comment period. Ms. Glass called roll and confirmed that a quorum was present.

Approval of Minutes

August 23, 2013 and September 16, 2013. 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 such as enrollment, Pat Lott designated as Interim General Counsel, the Academic Affairs Reorganization, UWF ranked 22 out of the Top 86 Four - Year Colleges in the "Best for Vets: Colleges 2014" list by Military Times, Marshall Criser named as finalist for Chancellor, search for a football coach, and UWF earned two Gulf South Conference titles in soccer. President Bense reminded the Board of the Boards Holiday Function and Commencement.

Treasurer's Report

Treasurer Todorovich stated that last fiscal year was the first year of operating activity for BEI with the purchase of the golf course and administering the assigned functions. BEI accounting software has been put in place and financial procedures were developed with special attention to separation of duties for proper internal controls. External auditors cited four different findings for the BEI June 30, 2013 Financial Statements audit. Improved processes were immediately implemented to correct those findings and would continue to be monitored throughout the fiscal year. The President granted approval for BEI to accept and administer the Bookstore services in addition to Dining Services. Capital improvements made by those vendors are the property of the University, and BEI does continue to earn commissions for Dining Services and Bookstore sales. BEI made some investments at SHCC; BEI also had some associated costs with project development for the East Campus, as well as University Park. Treasurer Todorovich wanted to clearly state to the Board that the staff was continually helpful, constantly provided information as requested, and acknowledged Angela Wallace, who did a great job in presenting the information.

CEO's Report

Dr. Barnett thanked ITS for setting up the laptops and mentioned to the Board this would be the last meeting where printed notebooks would be provided. Dr. Barnett provided updates on several items. First, representatives from Saltmarsh, Cleaveland and Gund were here today and would present the audited financial statements for BEI as of June 30, 2013. Secondly, Dr. Barnett provided several project updates. University Park and Northwest Retirement Village Pre-Development Phase to be completed by March 1, 2014, and would bring the recommended "Pre-Dev. Agreement" to the February 17, 2014 meeting. The Development phase to be completed by May 30, 2014. Design Completion and Agency Reviews to be completed by October, 2014, and Site Work / Utility Modifications should begin by November 2014. The East Campus goal is to finish design and begin construction Spring 2014, and occupy the facility on or before December 2014. The Electrical Vehicle Pilot Program received one (1) submittal from an ITN advertisement. Options to lengthen the SHCC driving range have been evaluated and required funding sources would be identified. Thirdly, the Accounting and Auditing Consulting Services RFP would be issued in December. Finally, the SHCC Memberships have increased 7.91 percent since July 1, 2012, and Dr. Barnett asked the Board Members to consider becoming a member at some level. Dr. Barnett and Dr. Stephenson presented gifts to Ms. Wallace and Ms. Glass for their excellent and dedicated work.

Public Comments

None

Action Items

- 1) Audited Financial Statements for June 30, 2013. Ms. Wallace stated the BEI fiscal year 2013 financial statement audit was conducted by the local CPA firm Saltmarsh, Cleaveland and Gund. Ms. Wallace asked Ms. Molly Murphy, Ms. Allison Jones, and Ms. Diane Martinez to present the information from the audit. Ms. Murphy briefly explained the required communications in the Audit Communication Letter as provided in the agenda material. Ms. Jones explained the independent auditor's report as provided in the agenda material. Secretary Lewis and Treasurer Todorovich requested they go over the deferred inflow of resources. Ms. Jones further explained that when Chartwells makes their own improvements to be utilized over the course of their contract, they give those improvements over to BEI in accordance with the contract. BEI

recognizes this as deferred revenue and essentially an asset. Over a time period, that revenue will be moved off the balance sheet and onto the income statement. At the same time BEI receives the assets, they are giving the full amount of the assets over to the University. The full amount of the expense is hitting the income statement, but the revenue is recognized over a period of time.

Ms. Murphy discussed the 4 findings of the audit as listed in the agenda material. Pat Lott noted the auditors have the ability to report something as a material weakness as opposed to a deficiency, and there were no material weaknesses. Dr. Barnett stated there would be Standard Operating Procedures developed for the items cited.

Motion to approve: Member C. Ray Jones

Second: Vice-chair Jay Patel

Motion passed unanimously.

- 2) Draft 2012 Form 990
To be considered at next meeting.

Break at 9:55 a.m.

Resumed at 10:08 a.m.

- 3) Revision of Bylaws. ICEO Barnett briefly discussed the recommended modifications of the Bylaws as listed on the action item. Several comments were discussed. Ms. Lott will modify the last paragraph in Section 3.4 to 6-year terms as applicable and where stated two-thirds vote will change to "a minimum of 4" in Sections 3.4 and 3.5. Ms. Lott stated the Bylaws will not become effective until they are approved by the BOT should the Board decide to recommend these changes. Ms. Lott added that a line was added on Page 6: "notwithstanding the forgoing, two members of the Board of Directors appointed in November 2011, shall serve an initial term of six years." Dr. Stephenson stated the Bylaws are on the agenda for the Audit and Operations Committee of the BOT and will be voted on in the December meeting, therefore not official until then.

Motion to approve: Vice-chair Jay Patel

Second: Member C. Ray Jones

Motion passed unanimously.

The Board discussed the 6-year terms and recommended Chair Clark and Treasurer Todorovich remain on the Board for the 6-year term.

Motion to approve: Member C. Ray Jones

Second: Secretary Suzanne Lewis

Motion passed unanimously.

- 4) Internship Program Policy. Dr. Barnett explained the purpose of the recommended Internship Program policy, which would allow BEI to support the academic mission and vision of the University through the sponsorship of successful and rich student internship experiences as related to BEI project developments/operations.

Motion to approve: Treasurer John Todorovich

Second: Vice-chair Jay Patel

Motion passed unanimously.

Information Items

- 1) Office of Research and Sponsored Programs and BEI MOU. Dr. Barnett briefly commented on the benefits of this MOU for BEI and RSP. He asked Dr. Podemski to provide further comments. Dr. Podemski explained the functions of the Office of Research and Sponsored Programs (RSP) and how the MOU identified relationship specifics that would allow the University to submit proposals mostly to foundations that require submission through a not-for-profit. RSP could assist in managing the grant. The MOU is an example of a best practice where the unique characteristics of a DSO are used to support and provide assistance to the ongoing mission of the University. Chair Clark stated the MOU was mutually beneficial. Member White added that the MOU embraced the use of intellectual property.
- 2) Budget to Actual. Ms. Wallace explained the Budget to Actual Report was a summary of actual revenue and expense transactions for the 1st quarter ending September 30th for all BEI activities compared to the revenue and expense budgets established for the fiscal year. Ms. Wallace also added that Scenic Hills Country Club was currently in the process of implementing a new Point of Sale software system, which would provide enhanced customer service, security, and internal controls (such as with the nightly Point of Sale closeout procedures), as well as efficiencies. Treasurer Todorovich added that the digital signs have begun to show a profit, and the Pro Shop did see an increase in sales since July.
- 3) SHCC Internships. Dr. Barnett asked Mr. Rick Gorman and Mr. Nathan Ford to provide information on the Scenic Hills Country Club Internships opportunities. Mr. Gorman stated the internships would provide real life work experiences for students and explained the three internship positions to the Board. Mr. Ford explained how Career Services could assist in this initiative, such as marketing positions and assist BEI in supervising interns.

Other Business

None

New Business

Chair Clark suggested approving the position descriptions and changing the policy to guidelines.

Motion to approve: Secretary Suzanne Lewis

Second: Treasurer John Todorovich

Motion passed unanimously.

There being no further business the Chair adjourned the meeting at 11:15 a.m.

Respectfully submitted,

Tiffany Nisewonger, Assistant Staff Support Secretary