SONOMA STATE ENTERPRISES, INC.
FINANCE COMMITTEE
Minutes
December 5, 2013

MEMBERS PRESENT: Ms. Letitia Coate, Mr. Neil Markley,
Dr. Michael Cohen, Mr. Michael Ogg,
Mr. Matt Dougherty

MEMBERS ABSENT: All members present

OTHERS PRESENT: Ms. Amanda Visser

I. Call to Order
The meeting was brought to order at 10:08am by Ms. Coate.

II. Approval of the September 12, 2013 Minutes
Motion to approve was made by Mr. Ogg, Dr. Cohen seconded the motion. The minutes were approved.

III. ACTION ITEM: Reserve Approval
Handouts were provided. Ms. Coate reminded the Committee that the Reserve Allocations are reviewed by the Finance Committee on an annual basis in consultation with the Chief Financial Officer for the campus. She referenced the Reserve Policy which was approved by the Board and guides the reserve allocations based on the 2012/2013 Audited Financials. She noted that the Chief Financial Officer for the campus requires Working Capital to be liquid.

Ms. Coate reviewed the reserve allocations for 2013/2014 in detail with the Committee. Ms. Coate explained that a new Capital Project had been identified in section C, Capital Development for New Projects, for GMC Concession Stands, estimated at $3.5 million. Mr. Markley provided additional information on this item and noted that although it is not a project that is approved by the Board nor has a determination of how to construct and pay for this project been made, he felt that it was prudent to include as a part of the reserves until more is known. He clarified that if this project is paid for or financed, this reserve amount would go down.

Ms. Coate advised the Committee that although SSE is meeting its reserve requirements and has a fund balance exceeding its reserve requirements, the excess fund balance is not liquid because it contains land that SSE owns, which is not currently being considered for sale.

Mr. Markley added that SSE is not currently meeting the liquidity requirement for Working Capital. Further, in the future, he expects an increase in expenses for this year and next year as a result of the Student Center coming online which will have a resulting increase in this reserve requirement category for the next couple of years as well.

Mr. Ogg made a motion to approve the Reserve Allocations for 2013/2014. Dr. Cohen seconded. The Reserves were approved unanimously.

IV. SSE Financial Statement Review
Handouts containing the Schedule of Net Assets and Statement of Activity through October 31, 2013 were provided to the committee. Both documents were reviewed in detail with the committee by Ms. Visser.
V. Review of Investments
Handouts were provided to the committee. Mr. Markley reviewed these handouts in detail with the committee.

VI. Other Non-Action Items
There were none.

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Neil Markley  Anna Reynolds-Smith
Chief Operating Officer       Recording Secretary