SONOMA STATE ENTERPRISES, INC.
Minutes
October 8, 2004

MEMBERS PRESENT: Dr. Ruben Armiñana, Mr. Yale Abrams, Ms. Sherrie Anderson, Dr. Carlos Benito, Ms. Letitia Coate, Mr. Chris Fadeff, Mr. Neil Markley, Mr. Alan Murray, Dr. Eduardo Ochoa, Mr. Floyd Ross, Mr. Jason Spencer, Ms. Mary Wood

MEMBERS ABSENT: Dr. Paul Porter

OTHERS PRESENT: Mr. Laurence Furukawa-Schlereth, Ms. Lisa Andresen, Mr. Mike Maciel, Ms. Paulette King, Mr. Talmadge Savage, Mr. Tim Tiemens

04.00 Call to Order
Dr. Armiñana called the meeting to order at 9:35 a.m. The minutes of May 14, 2004 were unanimously approved.

04.01 Seating of the Board
Professor Sherri Anderson, Business Administration and Mr. Chris Fadeff, Associated Students were seated as new members of the board.

04.02 Committee Appointments
The Executive Committee Members are Dr. Armiñana, President; Mr. Murray, Vice President/Chief Operations Officer; Ms. Coate, Chief Financial Officer; Mr. Neil Markley, Staff Representative; Mr. Chris Fadeff, Student Representative; and the Faculty Representative position is vacant.

The Finance Committee Members are Ms. Coate, Chair and Secretary/Chief Financial Officer; Mr. Alan Murray, Vice President/Chief Operations Officer; Dr. Paul Porter, Faculty Representative; Mr. Floyd Ross, Staff Representative; Mr. Jason Spencer, Student Representative and Mr. Bill Ingels, University Treasurer, Non-Voting.

04.03 Board Members Responsibilities
Mr. Maciel, from the law firm of Anderson, Zeigler, Disharoon Gallagher and Gray provided information to both new and continuing board members regarding legal
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responsibilities as a Director of Sonoma State Enterprises, Inc. Each member received a copy of the letter and was directed to sign a copy affirming that they received and read the letter regarding their duties as a member of the Corporation’s Board of Directors and regarding prohibitions on conflict of interest.

04.04 President’s Remarks

President Armíñana shared with the board that a former board member, Natasha Littletree passed away. The board remembered Natasha during a moment of silence.

President Armíñana commented on the dependency between SSE revenue and student enrollment. He noted that 2004/05 was suppose to see a 5% decrease in enrollment; actual decrease was 3%. Over the next couple years under the compact, enrollment will increase about 2.5%. This is still a little less than the normal pattern.

04.05 Report from SSU Vice President for Administration and Finance and SSU Chief Financial Officer

Mr. Schlereth updated the board on the Green Music Center. He noted that SSE would be part of commercial operations at the center. SSE will not borrow money for the project. The CSU will borrow funds through the system-wide revenue bond program. Debt will be paid by a variety of sources including rental agreements between SSE and the University.

The University Center schematics project continues

The Faculty, Staff Housing project planning continues. Master planning will begin soon SSE may have a role for commercial operations in the project.

Mr. Schlereth is co-chairing with Provost Ochoa the University Strategic Planning process.

04.06 Chief Operation Officer’s Report

Housing - despite lower freshmen enrollment due to budget cuts, housing opened at 97.5% occupancy rate.

Retail Services – During Freshman Orientations incoming students were solicited for the Textbook Reservation Program. Of the 1013 freshmen residing on campus, 838 orders were received.
The Bookstore held a Grand Opening, honoring its new name, Seawolf Shops. President Armínana led the ceremony by cutting the 'official opening' ribbon and the Seawolf mascot was on hand for photos.

Seawolf Shops will sponsor a cooking demonstration by Executive Chef Mark Dierkhising. This demonstration targets our on-campus residents with cooking facilities and is called “Learn Not To Burn”. The entire campus is invited.

General Services - Reprographics has a new press person, Scott DiStephano. Mr. DiStephano comes to SSU with 31 years experience. Reprographics also hired a Graphic Artist, Gary Sugiyma. Mr. Sugiyma has many years experience and is the artist who redesigned the City of Cotati’s logo.

Dining Services - the Commons introduced a new Asian food concept with the Fall 2004 opening. Falling under the name of Jump Asian Food, the program’s menu will rotate every three weeks to keep the line interesting to our customers. The program has been received well and sales on several days have exceeded the sales of the Grill and Sandella’s combined.

Sales in the Pub have declined slightly again this term, which is seen more in the area of alcohol sales. To offset the decline, we are introducing some new monthly sandwich and salad specials.

Our Catering department experienced another fast paced summer with weddings, conferences, concessions and the concerts.

The University Club reopened this year with a new menu that rotates every two weeks.

Sales at Charlie Brown’s Café and Toast continue to exceed expectations.

Three of our foodservice operations, Zinfandel Dining, Zinfandel Marketplace, and Ameci’s Pizza and Pasta, opened this fall with the Blackboard Dining Card system. With the Blackboard system, Dining Services has produced Dining Cards for over 1,300 students with the greatest percentage of these students being first-time freshman on meal plans. The cards typically carry board meals along with electronic dollars that students have enjoyed using at these three locations. Ameci’s Pizza and Pasta reports that sales have been strong and with the new Blackboard system the store has broken the $2,000 daily sales mark twice so far this term. Students
reported satisfaction with the card system. In fact, there was a very positive article in the student newspaper about the introduction of the new Dining Card. Last year, students were only allowed to use Ameci’s with their meal plan after 9:00 p.m. and the menu was fixed and limited. This year, students may use their card during store hours and they may select anything from the menu.

The Marketplace has returned to a ‘convenience store’ feel and is offering ready-to-eat foods. In addition, the Marketplace has launched its own menu to cater only to student organizations. (Brochure was distributed.) Items such as chips and salsa are readily available at the store for purchase. Tray work featured in the brochure may be ordered with only a 48-hour notice.

Zinfandel Dining has teamed up with Tyson Chicken and is introducing a concept called “Sunset Strips.” Last month, Tyson demonstrated several product lines, gave away prizes and even had a mascot present to launch the program. The product has been added to the five-week menu cycle and will appear several times during the fall term.

Zinfandel hosted their first special dinner on September 23rd titled “A Cook’s Tour” and featured the food bounty of Sonoma County. Even with the changes in the meal plan, attendance was strong, exceeding 625 participants.

Ameci’s is working with Residential Life to provide pizza slices for $1.00 to individuals attending the movie and karaoke night at the Cooperage. Through the recruitment process, two of our staff members received promotions. Robert Kubicak, working at Ameci’s as a FSWII joined the Zinfandel Dining team in the capacity of a Cook I. Brian York who had been working for Zinfandel Dining, joined the Ameci’s team as a FSWII.

The Retail/Dining/Conference/Lobby Sub-Committee of the Green Music Center Task Force has been meeting to develop recommendations for the restaurant, conference center, kitchen, lobby, and retail venue portion of the Green Music Center. The recommendations were forwarded to Capital, Planning, Design, and Construction for inclusion in the design process. The sub-committee includes members of our management staff as well as interested community members. This sub-committee is scheduled to continue meeting throughout the semester.

04.07 Land Purchase Update

Currently we have offers on three parcels and engaged in due diligence. The new third parcel includes a stoplight that will be helpful in the development of the property. The
threatened status of the Tiger Salamander is requiring additional studies before we may close the land.

04.08 Chief Financial Officer’s Report

Ms. Coate introduced Linda Kachiu, partner, Zainer, Rinehart, Clarke DFK. Ms. Kachiu presented the June 30, 2004 audited financial report.

04.09 ACTION ITEM: Audit

Mr. Ross moved, Ms. Wood seconded and the Board of Director’s unanimously accepted the 2003/04 audit.

04.10 ACTION ITEM: Budget

Ms. Coate presented the SSE, Inc. 2004/05 Budget for discussion and approval. Please refer to the handout distributed at the October 8, 2004 meeting.

ACTION ITEM: Mr. Murray moved, Mr. Ross seconded and the Board unanimously accepted the 2004/05 Budget.

04.11 Other Non Action Items:

Mr. Murray announced that he will be retiring on December 31, 2004. Mr. Murray has 31 years with the CSU, 27 years here at Sonoma State University.

The meeting adjourned at 11:20 a.m

Letitia Coate, Secretary/CFO

Barbara Danelia, Recording Secretary