SONOMA STATE ENTERPRISES, INC.
Minutes
Friday, September 17, 2010

**MEMBERS PRESENT:**
Dr. Ruben Armiñana
Ms. Letitia Coate
Ms. Bridgette Dussan
Mr. Michael Ogg
Mr. Neil Markley
Dr. Saeid Rahimi
Ms. Katie Robinson
Mr. Alex Sorci
Mr. Tim Tiemens
Dr. John Urbanski

**MEMBERS ABSENT:**
Mr. Yale Abrams
Dr. Stephanie Dyer
Dr. John Kunat
Joan R. Palmer

**OTHERS PRESENT:**
Mr. Laurence Furukawa-Schlereth
Ms. Lisa Andresen
Ms. Malia Arevalo
Mr. Ryan Ernst
Mr. Ryan Fitzpatrick
Mr. Ian Hannah
Ms. Kelley Kaslar
Mr. Eric Malvestiti
Ms. Kathy Mitchell
Mr. Peter Neville
Mr. Dan O’Brien
Mr. Jeremy Olsan
Mr. Talmadge Savage
Ms. Amanda Visser
Ms. Jessica Way
Mr. Matt Williams
10.00 Call to order
The meeting was brought to order at 9:35am by Dr. Armiñana.

10.01 Approval of the May 14, 2010 Minutes
Minutes were provided to the committee via email in advance of the meeting. There were no comments and/or changes to the minutes. The minutes were approved.

10.02 Seating of the Board
Dr. Armiñana introduced the new board members which included the Interim-Provost Dr. Saied Rahimi; new student representatives: Ms. Bridgette Dussan, Ms. Katie Robinson, Mr. Alex Sorci; and new faculty representative Dr. John Kunat who was unable to attend this meeting.

10.03 Committee Appointments
Dr. Armiñana noted that there are three standing committees for the Sonoma State Enterprises Board. Each of these committees includes Faculty, Staff and Student representatives and need to be appointed on an annual basis. Committee appointments were made. Following is a list of the current committee memberships:

Executive Committee: Dr. Armiñana, Mr. Markley, Ms. Coate, Dr. Dyer, Mr. Tiemens, and Ms. Dussan.

Finance Committee: Ms. Coate, Mr. Markley, Dr. Urbanski, Mr. Ogg, Ms. Katie Robinson, Mr. Ian Hannah (non-voting), and Ms. Amanda Visser (non-voting).

Audit Committee: Mr. Abrams (Chair), Dr. John Kunat, Mr. Tiemens, and Mr. Sorci.

Dr. Armiñana rearranged the agenda because the student Board members needed to leave early to attend another meeting. The Board moved to the action items.

10.07 ACTION ITEM: Approval of 2009/10 Audited Financial Statements
Mr. Tiemens made the report on behalf of Mr. Abrams and the Audit Committee. He reminded the Board that the Audit Committee is responsible for reviewing the audit report in detail which was done earlier in the week prior to the Board meeting. Overall, Mr. Tiemens noted that there were no concerns or issues on the report and the auditors felt very confident with management over the organization. Mr. Tiemens reported that the Audit Committee unanimously voted to accept the audit as submitted.

The Audit Committee requested the Finance Committee to review Custodial Credit Risk the next time they review the corporation’s investment policy.
Dr. Armiñana opened up the report for discussion. He noted that the Audited Financial Statements are being brought forward with a committee recommendation to accept the report. The Audited Financial Statements were accepted unanimously by the Board.

10.08 ACTION ITEM: Approval of the 2010/11 Budget

Prior to moving into the actual budget item, Dr. Armiñana introduced the item by providing some comments regarding the status of the state budget. He announced that today marked the longest day that California has gone without a budget. He stressed the impact and implications this has at both the state and local levels.

Concerns are being raised by students, primarily at the community college level, because they cannot receive Cal Grants. UCs and CSUs have paid these grants with the assumption of receiving a reimbursement from the state once the budget is approved.

Currently, the CSU is operating without any state funds and is able to do so as a result of the student fees which will hopefully carry through the end of the year. Dr. Armiñana was unsure as to when the budget matter would be resolved, but was hopeful that it would be soon.

Dr. Armiñana discussed the $106 million in federal stimulus money that the CSU is anticipating to receive by the end of the month. SSU’s share is approximately $2.1 million. With this additional funding comes an additional 106 FTES which are already at the University. There could be another increase in enrollment depending on when the budget is passed.

Currently, the CSU is open for spring admission through the end of September at which time the Chancellor will determine what to do regarding Spring admits.

Dr. Armiñana concluded his comments by noting the amount of uncertainty that exists as a result of the state of the budget.

Dr. Armiñana moved into the budget item and turned over discussion to Ms. Coate. Ms. Coate introduced the proposed budget. Handouts were provided. She noted that the proposed budget was presented to the Finance Committee earlier in the week and was reviewed in detail. Ms. Coate brought the budget forward on behalf of the Finance Committee with the committee’s recommendation for approval by the Board.

Mr. Markley reviewed the budget in detail with the Board.

With the Finance Committee’s recommendation to approve the 2010/11 Budget, the President moved this item to a vote. The budget passed unanimously by the Board.

10.04 Conflict of Interest Presentation Non-Profit Integrity Act

Mr. Jeremy Olsan, the Organization’s attorney, provided the members of the Board the annual letter informing Board Members of their duties as a Board member, information
about conflict of interest, and the Non-Profit Integrity Act. He requested that, after the presentation, each member sign and return the form to SSE staff to be kept on file.

Mr. Olsan reviewed the attorney letter in detail, emphasizing its main points. He also discussed the Conflict of Interest statements and reviewed the responsibilities of the individuals and the organization under the California Non-Profit Integrity Act. Mr. Olsan highlighted the important role that each person is taking as a Board member and the fiduciary duties that go along with their position on the SSE Board. He stressed the need for each member to act in the best interest and good faith of the organization.

There were no questions on Mr. Olsan’s report.

**10.05 Chief Operating Officer’s Report**

Mr. Markley provided a Power Point presentation that reviewed the following areas:

- **SSE Focus – The Student Experience, Diversity and Sustainability**
- **Housing – Housing is currently at 90% occupancy with 2681 residents in Housing. There are 81 more residents than this time last year, but it is anticipated that the occupancy percentage will go down in Spring due to normal attrition patterns.** Mr. Markley announced another great move-in that took place at the start of the Fall semester. He thanked everyone for their hard work and for helping to make the move-in process go so smoothly. Finally, Mr. Markley shared some Housing clips from the ssuhousing YouTube channel.
- **Dining Services – Dining Services had an excellent year last year.** Mr. Markley noted the continued hard work of Lisa Andresen and her staff. He thanked them for making it such a successful year. Dining Services hosted Midnight Breakfast recently in which record attendance was recorded. Finally, Mr. Markley presented the Dining Services Facebook page to the Board and highlighted certain aspects of the page.
- **Marketing – Wolfbucks deposits are coming in less than last year. Therefore, Mr. Markley and the marketing team will be revamping efforts in this area.** He noted continued support of campus events and a new Fall marketing plan promoting new items, events, sustainability and increasing social media efforts. Some upcoming promotions include: continuing the Friday 50% off for campus employees at Zinfandel through Fall and Blazing Blue Thursdays.
- **Bookstore – Mr. Markley discussed the desire to include textbook rental as an option at the Bookstore.** He also reminded the Board that the contract with Barnes & Noble expires in June and the Board will need to determine if it would like to go out to bid or extend the current contract. Mr. Markley informed the Board of the Nook Study which is an ereader software system available through Barnes & Noble that allows digital textbooks to be available through many different platforms. It is a good tool to help students manage digital textbooks and course content.
- **University Center (UC) – Mr. Markley noted that the project is nearing its final stages of design and financial review.** A watercolor rendering was shared with
the Board. Some loose ends are still being completed however a presentation will be provided at the December meeting. He indicated that the partners are targeting a fee referendum for the Spring.

- Green Music Center (GMC) – Mr. Markley discussed the name of the restaurant, activities that are being planned in the facility and other plans that are underway to complete the facility. The restaurant has been named Prelude. On-Campus Presents (OCP) is working on putting on one event per month in the Hall during the current academic year. The hope is to have a more robust season when the hall officially opens. Finally, there has been some design work and preliminary renderings done for the South Lawn and East Bowl.

There were no questions.

**10.06 Chief Financial Officer's Report**

Ms. Coate noted that her report would be very brief as most of her report was related to the Budget item which was already reviewed. She informed the Board that a major implementation is underway which is converting SSU’s current Finance database to a new Finance database that will be shared with all 23 campuses. Ms. Coate and her team are currently in the testing stage however January 1st is the go live date. She informed the Board that this change will mostly be invisible to the end users with the exception that reports will be different and reported out of a system-wide warehouse. She noted that there will still be drill down capability and trainings will be forthcoming.

There were no questions.

**10.09 Other Non-Action Items**

None.

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Letita Coate                                         Anna Reynolds-Smith
Secretary/Chief Financial Officer                     Recording Secretary