SONOMA STATE ENTERPRISES, INC.
Minutes
Friday, March 18, 2011

MEMBERS PRESENT:
Dr. Ruben Armiñana
Mr. Yale Abrams
Ms. Letitia Coate
Ms. Bridgette Dussan
Dr. Stephanie Dyer
Dr. John Kunat
Mr. Neil Markley
Dr. Saeid Rahimi
Ms. Katie Robinson
Mr. Alex Sorci
Mr. Tim Tiemens
Dr. John Urbanski

MEMBERS ABSENT:
Mr. Michael Ogg
Joan R. Palmer

OTHERS PRESENT:
Mr. Laurence Furukawa-Schlereth
Ms. Lisa Andresen
Mr. Ryan Ernst
Ms. Kelley Kaslar
Mr. John Locher
Mr. Partick Maloney
Mr. Eric Malvestiti
Ms. Kathy Mitchell
Mr. Peter Neville
Mr. Dan O’Brien
Ms. Patricia Sinclair
Ms. Amanda Visser
Ms. Jessica Way

10.19 Call to order
The meeting was brought to order at 9:35am by Dr. Armiñana.

10.20 Approval of the December 10, 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.

10.21 President’s Report
Dr. Armiñana announced that the Green Music Center Concert Hall is anticipated to be completed by December 31, 2011. After the concert hall is completed, construction will begin on the lawn spaces. He acknowledged this major accomplishment and noted that an official announcement will be made next week.
Dr. Armíñana discussed the state budget and the impact it has on the campus. Currently, he is anticipating a budget reduction in the 11/12 fiscal year for SSU of around $10 million. This is a result of an anticipated $9 million reduction and an additional $1.1 million for mandatory costs. Dr. Armíñana explained that this reduction could potentially double if the proposed tax extensions aren’t placed on the ballot and approved. He indicated that the campus will get through these hard times, but it will be very difficult and there will be significant changes.

Finally, Dr. Armíñana informed the Board of the enrollment targets for the upcoming year. He announced that headcount will be similar to the current year which is good for SSE because revenues are based on headcount and students on the meal plan. However, this could change if the budget challenges double.

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

Mr. Schlereth focused his report on the new developments taking place at the Green Music Center. He discussed the completion of the facility which is made possible by a large contribution which will be announced next week. He acknowledged the efforts of Dr. Armíñana and his wife who were key components in bringing this donation to campus. Mr. Schlereth indicated that the completion of the hall and lawn spaces provide many exciting opportunities for the campus and Sonoma State Enterprises.

He also discussed the amount of work that will be required in order to prepare for the opening of this facility. A Board of Advisors is being created for the Green Music Center which will do work through committees to prepare for opening and operating the facility. Two specific committees were noted: Hospitality and Operations Committee and the Facilities Committee. The Hospitality and Operations Committee will focus on the entire experience of the facility: from parking, to the courtyard, to receptions, etc. The Facilities Committee will focus on designing and completing the courtyard, lobby furnishings, and lawn spaces. SSE will have an active role on the Hospitality and Operations Committee and should be closely involved in the Facilities Committee. In addition, SSE is highly involved with On Campus Presents (OCP) which is a group that will focus on putting together events that are geared more for the student population.

10.23 Chief Operating Officer’s Report

Mr. Markley provided a PowerPoint presentation. He went through the operations and then provided a presentation on the Student Center project.

Mr. Markley reported on several areas:

- Housing – Mr. Markley feels that things are on track for Housing. SSU is expecting 1800 First Time Freshmen (FTF) for Fall 2011 which is important to SSE because these will provide revenues for the dining meal plan.
- Dining Services – Mr. Markley reported that revenues are on track and expenses are lower than anticipated. More detail will be provided in the CFO’s report. Dining is continuing to work with the Join US Making Progress (JUMP) program to donate food to St. Vincent Santa Rosa. Mr. Markley noted that this program is
going very well. In addition, Dining is continuing to work with the Santa Rosa Junior College (SRJC) to create a partnership for obtaining produce from SRJC’s Shone Farm and use wine produced by SRJC on the SSU campus. This partnership may be expanded to include purchasing grass fed beef which is also raised at Shone Farm and working together on composting efforts. These projects are still in the works. Mr. Markley informed the Board of several promotions that are taking place in the Dining venues throughout the semester.

- **Marketing** – Mr. Markley announced a Wolfbucks promotion that will be held March 21-27 where individuals putting Wolfbucks onto their cards will receive a 10% bonus. The Marketing area, led by Ryan Ernst, has been working hard to market SSE, but is now expanding these efforts to include Athletics and Green Music Center Marketing. The Marketing team has also been attending wedding shows to market Prelude as well as the main campus to promote the newest and existing venues. Mr. Markley shared the GMC and Prelude websites with the Board. Refer to the website addresses listed here: [http://gmc.sonoma.edu/](http://gmc.sonoma.edu/) and [http://sonoma.edu/prelude/](http://sonoma.edu/prelude/).

- **Bookstore** – Mr. Markley informed the Board of a robbery that took place just before the campus winter closure at the Bookstore. He noted that an investigation is still taking place. However, he clarified that SSE is not responsible for the money that was taken. Mr. Markley shared some recent personnel changes in which the Bookstore Manager, who has been with the Bookstore for four years, has left the Bookstore. The store is currently in the rehiring process. Finally, Mr. Markley noted that the initial 5 year term on the Bookstore contract is coming to a close and he is working on executing the contract which was discussed at the last board meeting.

- **Green Music Center** – Mr. Markley discussed the possibilities of the completion of this facility and what this means for SSE. He explained that it is a great undertaking and many people will be involved in the planning and implementation of the completed facilities.

- **Prelude** – Mr. Markley announced some upcoming events that are scheduled to take place in Prelude: Thursdays at 4pm, Winemaker Dinners held in April and June in which Eric Malvestiti and Kelley Kaslar have worked with a couple wineries to prepare unique menus to be paired with the selected wineries wines.

- **Acknowledgements** – Mr. Markley introduced Patrick Maloney who is Associate Director of Guest Services at the Green Music Center. He is currently working on a new ticketing system for the campus and will be handling all the front of the house/hospitality relating to events taking place in the Hall. Mr. Markley also thanked his whole team for coming together to work on this exciting project and for helping to make this facility a success. These are very exciting times, but there is much to be done in order to prepare.

- **Student Center Project** – Mr. Markley provided a PowerPoint presentation on the Student Center Project (see attached). He went through some of the historical elements from the buildings conception in the early 1990s and stressed that this project is about the students. The students have been involved from the very beginning and it will be a place centered around student life. He discussed the
various programs and departments that will be moving into the facility and the new areas that will be created and available for students as a result of this facility. He reviewed the general location of the new building and the current building plans by floor and venue. Mr. Markley discussed the funding for the building, the current Fee Referendum (which is asking students to vote on whether to increase the Student Union fee by $150/semester to help pay for the facility), reserves need for maintenance and repair, and the debt requirements. Discussion ensued.

10.15 Chief Financial Officer’s Report
Ms. Coate reported that the Finance Committee met earlier in the week and reviewed the financial statements in great detail and continued its work on reviewing the investment policy. As noted at the previous Board meeting, once the Finance Committee has completed its review on the policy, it will be brought to the Board with a recommendation from the Finance Committee for Board consideration.

Ms. Coate reviewed the Financial Statements through February 28, 2011 with the Board. Handouts were provided: Schedule of Net Assets and Statement of Activities (both through February 28, 2011). Overall, Ms. Coate feels that things look very good and is anticipating some additional income at the end of the year, however, more will be known in the coming months.

10.25 Action Item: Audit Committee recommendation for the engagement of the selected independent auditor
Mr. Abrams informed the Board that the Audit Committee met to review Requests for Proposals that were submitted for the independent auditors for the auxiliary organizations. He discussed the process, the number of proposals that were received, and the evaluation form that was used to review each firm. After a thorough discussion, the committee unanimously selected Pisenti & Brinker.

Mr. Abrams moved to approve the recommendation brought forward from the Audit Committee to select Pisenti & Brinker as SSE’s independent auditors. Dr. Armiñana disclosed and requested that it be noted in the minutes that Pisenti & Brinker is the firm that he uses for his personal accounting. No second on the motion needed because the recommendation came from a committee. The item was brought to a vote and was unanimously approved.

10.26 Other Non-Action Items
None.

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