SONOMA STATE ENTERPRISES, INC.
Minutes
Friday, December 2, 2011

MEMBERS PRESENT:
Mr. Yale Abrams
Mr. Alex Boyar
Dr. Michael Cohen
Dr. Stephanie Dyer
Mr. Anthony Gallino
Dr. John Kunat
Mr. Neil Markley
Mr. Michael Ogg
Joan R. Palmer
Mr. Tim Tiemens

MEMBERS ABSENT:
Dr. Ruben Armiñana
Ms. Letitia Coate
Dr. Andrew Rogerson
Mr. Collin Yballa

OTHERS PRESENT:
Mr. Laurence Furukawa-Schlereth
Mr. Ryan Ernst
Mr. Ian Hannah
Mr. Steve Higginbotham
Ms. Kelley Kaslar
Ms. Kindra Kautz
Mr. Eric Malvestiti
Mr. Peter Neville
Mr. Dan O’Brien
Ms. Katie Robinson
Mr. Talmadge Savage
Ms. Amanda Visser

11.14 Call to Order
The meeting was brought to order at 9:37am by Mr. Markley.

11.15 Approval of the September 16, 2011 Minutes
Minutes were provided to the committee via email in advance of the meeting. There were no comments. Mr. Boyar made a motion to approve the minutes. Mr. Ogg seconded. There was one abstention from Mr. Gallino. The minutes were approved.

11.16 Report from SSU Vice President for Administration and Finance/Chief Financial Officer
Mr. Schlereth discussed the enrollment numbers for the 2012/2013 year. He indicated that enrollment numbers are projected to be the same as the current fiscal year.
Mr. Schlereth noted that the state budgeted revenue is not likely to materialize and additional cuts are expected. He anticipates another $100 million reduction to both the CSU and UC systems if the “trigger” is pulled. This “trigger” equates to a $2.3 million reduction for SSU. This reduction can be addressed on a one-time basis by the Federal Stimulus funds that were held for academic purposes. Therefore, there will not be an impact on course offerings for Spring. Funds will be taken from other areas to cover the reduction to lower the impact on academic programs. This reduction could become a permanent reduction. Mr. Schlereth noted that more will be known when the Governor’s Budget is released in January.

Mr. Schlereth spoke about the Green Music Center (GMC) project. He announced opening night will be September 29, 2012. The GMC is a large project, however progress is being made on the back of house and the lobby construction is nearly completed. The Courtyard construction has started and work on the Weill lawn is anticipated to begin soon. Mr. Schlereth noted that the lawn should be completed by opening night.

Mr. Schlereth shared some exciting partnerships and relationships that are being discussed relating to the GMC. He noted a meeting with Carnegie Hall to create an academic partnership with the schools and Carnegie Hall. Mr. Schlereth is excited at the potential of this partnership. Mr. Schlereth also informed the Board of a relationship with the San Francisco Symphony and an educational program that could be held in the summer or a residential educational program that might come out of this relationship. The Symphony is exploring options for a 4-6 week summer program.

Finally, Mr. Schlereth revealed that the GMC Season will go on sale in March.

11.17 Chief Operating Officer’s Report
Mr. Markley began his report by introducing Mr. Anthony Gallino, a new student representative to the Board. Mr. Markley provided copies of a PowerPoint presentation to the Board.

Mr. Markley reported on several areas:

- Focus of Organization continues to be on the student experience.
- Housing – Enrollment continues to be strong and occupancy in Housing is also strong. Fall enrollment will continue to be at 1880 FTF. Mr. Markley noted that this is financially positive however poses challenges operationally because Dining is limited by current facilities.
- Dining Services – Sales are strong in Dining venues. Mr. Markley announced that Zinfandel Dining Hall will be starting a composting program in early spring. It is a pilot program that Dining has been working on for quite some time. Recently, Associated Students passed a resolution regarding composting and Dining is excited to start this pilot program. They are hopeful to be able to roll it out to other venues over time. Housing is also looking to do composting in Res Halls as well and is working with Join Us Making Progress (JUMP) and the
Sustainability Co-Op. They will be doing a pilot program in Spring and hope to roll out to other areas over time.

- Elimination of plastic bags in Dining and Bookstore – Looking to eliminate the use of plastic bags and move to more sustainable products.
- Bookstore – The adoption of course materials in a timely manner continues to be a challenge. Only 65% of adoptions were received at this point for the Spring semester.
- Green Music Center (GMC) – The GMC will have a grand opening event on September 29, 2012. Mr. Markley talked about the number of events that will take place on this grand opening weekend. He noted that it will be very exciting but will also pose large challenges. He expressed the desire to move forward with building permanent structures on the GMC site for future use and concessions to support the upcoming activities at the GMC. He is exploring ways to get concession stands up and running by 2012/2013 and ways to be able to pay for these. Mr. Markley announced that On Campus Presents (OCP) has appointed a Director for OCP, Mr. Erik Dickson. OCP is the student presenting season at Green.
- Student Center Project – Mr. Markley shared a timeline for the Student Center Construction. Mr. Markley provided some background to the project. He reminded the Board of the election held in Spring 2011 where students voted in favor to raise fees to help support this project. There was some concern raised surrounding the election. Therefore, President Armínana did additional consultation with the students. Mr. Markley noted that there was not much participation from the students in this additional consultative process. A recommendation from the Fee Advisory Committee (FAC) was sent to the President in which the President felt that these results corroborated the results from the vote held in the Spring. The items went to the Chancellor’s Office for final approval and was passed unanimously by the BOT. A ground breaking ceremony will be forgone due to weather and construction is anticipated to start in December. Mr. Markley announced that Parking Lot D will be closed throughout construction. Mr. Markley informed the Board that a number of groups are working on this project to prepare for the opening and operations.
- Reorganization – Mr. Markley announced that a number of EA employees have moved around. He ensured the Board that no one lost their job as a result of these changes, however, changes have been made to help meet budget reductions and address future needs in the Student Center.

Discussion ensued regarding the COOs report covering topics such as instructional material adoptions, Green Music Center performances, costs, Board of Advisors, sponsorships, the different types of performances that will be held in the Hall, the Student Center and the type of composting.

11.18 Chief Financial Officer’s Report

In Ms. Coate’s absence, Ms. Visser conducted the financial report. Handouts were provided. Ms. Visser noted that the Schedule of Net Assets and the Statement of Activity (both through October 31, 2011) were reviewed in detail with the Finance Committee.
prior to the Board meeting. Ms. Visser reviewed the Schedule of Net Assets followed by the Statement of Activity.

Mr. Markley reported on the Finance Committee meeting held prior to the Board meeting. He noted that the committee reviewed the financial statements in detail and reviewed the investments and reserves for the Corporation. He noted that Mr. Hannah made a recommendation to the Committee to move funds around to be in line with the Investment Policy that was recently updated and approved by the Board. The Finance committee reviews the Reserves annually and the committee approved the reserves that are driven by the policy. Mr. Markley noted that the liquid reserves are the challenging part as the desire is to have working Capital and Capital Development in liquid form. Working Capital is almost fully funded in liquid assets due to significant progress made over the past few years. The Finance Committee will be looking at ways to fund the Capital Development portion in liquid form that is needed for the Student Center project.

11.19 Other Non-Action Items
Committees: Mr. Markley noted that the SSE Board has three committees. With the appointment of Anthony Gallino to the Board, Mr. Markley would like to appoint him to the Audit Committee which currently has a vacancy.

Mr. Yballa will be resigning from his position in AS and therefore will be resigning from the Board. AS is currently going through interviews to fill this position.

Mr. Tiemens will be retiring from the University at the end of the calendar year. Mr. Markley thanked Mr. Tiemens for all his hard work at the University and on the Board. A round of applause was given by the Board. Mr. Abrams provided additional comments and gratitude regarding Mr. Tiemen’s service to the Board, especially in relation to his role on the Audit Committee.

Mr. Tiemen’s provided some final comments to the Board and thanked the Board.

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Neil Markley      Anna Reynolds-Smith
Vice President/Chief Operating Officer  Recording Secretary