SONOMA STATE ENTERPRISES, INC.
Minutes
Friday, March 16, 2012

MEMBERS PRESENT:
Mr. Yale Abrams
Dr. Ruben Armiñana
Mr. Alex Boyar
Ms. Letitia Coate
Dr. Stephanie Dyer
Mr. Anthony Gallino
Ms. Nicole Hendry
Mr. Neil Markley
Joan R. Palmer
Dr. Andrew Rogerson

MEMBERS ABSENT:
Dr. Michael Cohen
Mr. Adam Gourley
Dr. John Kunat

OTHERS PRESENT:
Ms. Lisa Andresen
Mr. Laurence Furukawa-Schlereth
Ms. Holly Gailbrath
Mr. Ian Hannah
Mr. Steve Higginbotham
Ms. Alicia Hodenfield
Ms. Kelley Kaslar
Mr. John Locher
Mr. Patrick Maloney
Ms. Anna Reynolds-Smith
Mr. Chris Romo
Ms. Diedre Tubb
Ms. Amanda Visser
Ms. Jessica Way

11.20 Call to Order
The meeting was brought to order at 9:37am by Dr. Armiñana.

11.21 Approval of the December 2, 2011 Minutes
Minutes were provided to the committee via email in advance of the meeting. There were no comments. The minutes were approved.
11.22 President’s Remarks
Dr. Armiñana announced the CSU Foundation was meeting on campus today. Dr. Armiñana welcomed Nicole Hendry as a new Board member. He noted that she is replacing the position that was recently vacated by Tim Tiemens and will fill the vacant seat on the Audit Committee as well.

He reported that SSU is managing through the year with the current challenges and conditions of the state budget. SSU is anticipating cutbacks totalling $9.4 million or more in permanent reductions to the campus, of which $2.3 million were temporary, but are now permanent reductions. For the upcoming year, the CSU System is anticipating a $200 million or more reduction dependent on the ability of the electorate to vote on the new tax proposal, Governor’s/Millionaires’ Tax, which will not be known until November. If this does not pass, it would require SSU to find $4.6 million as a mid-year reduction. This will have a drastic impact to the campus.

Of importance to SSE, SSU will be receiving new rules regarding enrollment that will go into effect in 2014/2015. Enrollment will decrease roughly 3%, almost the same target level as 2011/2012: from 7450 FTE to 7422 FTE for CA resident students. All campuses will be recommending 16 units per semester. There were no questions.

11.23 Report from SSU Vice President for Administration and Finance/Chief Financial Officer
No report.

11.24 Chief Operating Officer’s Report
Mr. Markley began his report by introducing students Ms. Deidre Tubbs and Mr. Chris Romo from Dining Services, who will be providing reports.

Mr. Markley reported on several areas:
- Housing - Spring enrollment had less attrition than expected and remains strong; Fall 2012 expecting 1800 Freshmen which relates to 1650 First Time Freshmen projected for housing and dining.
- Dining Services – sales are strong in all areas and ahead of forecast. Expenses are down and revenues are up. Composting started in Zinfandel in February with a coordinated effort of the students, facilities management and Enterprises. Found there are additional costs for composting, however it reduces the overall cost to facilities for disposal. Composting requires a tremendous amount of training and effort and if it is successful in Zinfandel, the desire is to expand the program to other areas next year. The Rec Center nutritionist is working with Dining and Students to help students in Zinfandel to make healthier options and portion control. Events such as Meatless Monday have been tried, but it wasn’t overall popular.
- Elimination of plastic bags in Dining and Bookstore – The plastic bags have been replaced with 100% recyclable or compostable bags. There is also a choice to
purchase a reusable bag. Mr. Markley thanked Lisa Andresen and Steve Higginbotham for their work on this and helping to roll out the new bags.

- **Bookstore** – Textbook rental revenue is 50% above forecast. Rentals are still a small portion of sales, but it is growing. Overall textbook sales have declined, though not as big as seen in past years. Mr. Markley is working with Barnes & Noble on concessions merchandise for the Green Music Center (GMC).

- **Green Music Center (GMC)** – The GMC will have a grand opening event on September 29, 2012 with Lang Lang and the following day will be the Santa Rosa Symphony and Allison Krauss and the Union Station Band. Expecting 10,000+ people for the opening events. A big announcement was made last week regarding the opening season. At the Lang Lang event, there will be a 500 person gala event. Currently, the opening team is working with a celebrity chef and local catering firm. On Campus Presents (OCP) is currently working on the 2012/13 line up which is anticipated to be announced and go on sale in May. OCP is putting together a student centered season and is planning to have its opening performance October 9, 2012. OCP would like to have a member of the SSE Board participate on the OCP Board of Advisors.

- **Marketing** – Wolfbucks deposits surpassed the highest level yet with $730,000 sold.

- **Student Center Project** – Ryan Ernst’s staff has started Student Center Focus Groups to discuss naming of dining venues, menus, etc. The webcam is up and running and time lapse photos will be put together at the end of the project. Currently, Internet Explorer doesn’t work to view the webcam, but a patch is being worked on to make this available. There is a firm opening of August 12, 2013, which is the day before school starts and later than originally hoped due to the delay which resulted from additional consultation. Currently working with contractors on a getting an earlier move-in date to allow for training prior to opening. There could be an additional cost associated with this. Student Center Board of Advisors will be forming soon including Administrative, Faculty, Staff and Student representation.

Diedre Tubb presented on her efforts to establish composting on campus and the success at Zinfandel. Mr. Markley appreciated and commended Ms. Tubb on her enthusiasm and work she has put into this project.

Chris Romo presented on his effort to create more student outreach and his efforts to facilitate open communication between the students and the dining services area, especially as it relates to the new Student Center.

At the conclusion of their presentations, Mr. Markley reinforced how great it was to have students take such an active role. Mr. Markley is considering implementing an intern program where students can take an active role in what Entrepreneurial Activities does.

Discussion ensued.
11.25 Chief Financial Officer’s Report
Ms. Coate conducted the financial report. Handouts were provided. Ms. Coate noted that the Schedule of Net Assets and the Statement of Activity (both through February 29, 2012) were not reviewed with the Finance Committee prior to the Board meeting as the committee did not meet because they did not have quorum. Ms. Coate reviewed the Schedule of Net Assets followed by the Statement of Activity.

11.26 Action Item: Audit Committee recommendation for the engagement of the selected independent auditor
Mr. Abrams reported that the Audit Committee received, reviewed and approved the engagement of Pisenti & Brinker for the Audit and tax return preparation through June 30, 2012. This is subject to the approval required from the Chancellor’s Office. Approval from the Chancellor’s Office is a new requirement, but the committee was not concerned with Pisenti & Brinker’s ability to meet this requirement.

Mr. Abrams moved to approve the recommendation brought forward by the Audit Committee to submit Pisenti & Brinker to the Chancellor’s Office for approval to conduct the audit and prepare the Enterprise’s tax returns for fiscal year 2012, and with the requisite approval, to execute the engagement letters. Arminda 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 required because the motion was brought forward by a committee.

This motion was unanimously approved.

11.27 Action Item: Authorized Signer for Transfer of Funds
Ms. Coate requested striking this item as the Finance Committee did not meet. Ms. Coate will bring the item back to the next Board meeting after the committee has been able to review.

11.28 Other Non-Action Items
There were no other non-action items

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