SONOMA STATE ENTERPRISES, INC.
Minutes
September 13, 2013

MEMBERS PRESENT:
Mr. Yale Abrams
Dr. Ruben Armiñana
Ms. Letitia Coate
Mr. Matthew Dougherty
Dr. Stephanie Dyer
Mr. Mac Hart
Ms. Nicole Hendry
Mr. Neil Markley
Mr. Michael Ogg
Dr. Andrew Rogerson
Dr. John Urbanski

MEMBERS ABSENT:
Dr. Michael Cohen

OTHERS PRESENT:
Mr. Bret Bradford, Pisenti & Brinker, LLP
Mr. Laurence Furukawa-Schlereth
Mr. Ian Hannah
Mr. Steve Higginbotham
Ms. Alicia Hodenfield
Mr. Josef Keller
Mr. Jeremy Olsan, Law Offices of Perry, Johnson, Anderson, Miller & Moskowitz, LLP
Mr. Peter Neville
Mr. Luke Tesluk
Ms. Amanda Visser

13.00 Call to Order
The meeting was brought to order at 9:38am by Dr. Armiñana.

13.01 Approval of the May 3, 2013 Minutes
This was reviewed following item 13.02 Seating of the Board. The minutes were
provided to the committee via email in advance of the meeting. There was one correction
to be made. Mr. Markley stated in section 12.33 of the minutes, page 3, the incomplete
sentence needed to be deleted. The minutes were approved with this change.
13.02 Seating of the Board
This was presented prior to the Approval of the May 3, 2013 minutes. Dr. Armiñana began by welcoming the continuing and new SSE board members for 2013/2014: Mr. Yale Abrams, Ms. Letitia Coate, Dr. Michael Cohen, Dr. Stephanie Dyer, Dr. John Urbanski, Ms. Nicole Hendry, Mr. Neil Markley, Mr. Michael Ogg, Dr. Andrew Rogerson and the new student representatives, Mr. Matthew Dougherty, AS VP for Finance, Mr. Mac Hart, AS President, and Mr. Luke Tesluk, Senator, Student Services.

13.03 Committee Appointments
Dr. Armiñana announced the appointments to the following committees:
Executive Committee – Current members Dr. Armiñana, President, Mr. Neil Markley, COO, Ms. Letitia Coate, CFO, and this year’s appointments Dr. Stephanie Dyer, Faculty, Ms. Nicole Hendry, Staff, Mr. Mac Hart, Student.
Audit Committee – Reappointing Mr. Yale Abrams, Ms. Nicole Hendry, appointing Dr. John Urbanski, Faculty, and Mr. Luke Tesluk, Student.
Finance Committee: Current members Ms. Letitia Coate, Chair and Mr. Neil Markley, COO. This year’s appointments Dr. Michael Cohen, Faculty, Mr. Michael Ogg, Staff, and Mr. Matt Dougherty, Student.

13.04 Conflict of Interest Presentation
Mr. Jeremy Olsan from Law Offices of Perry, Johnson, Anderson, Miller & Moskowitz, LLP presented the annual Conflict of Interest Presentation, reviewing for the Board members their legal and fiduciary responsibilities. Handouts were provided for review and signature.

13.05 President’s Report
Dr. Armiñana reported the 2013/2014 Academic year is underway with nearly 9,100 students. This is the largest number of students in the history of Sonoma State University. A couple of reasons for this is there are 15 applications for every open seat and there has been a pent up demand for transfer and new students. Dr. Armiñana reminded the board that applications to the CSU were closed for Spring 2013. These higher numbers are good for the parts of the institution that depend on student numbers, including housing, food services, AS, etc. The numbers will help to keep these areas economically healthy.

Dr. Armiñana stated it is not without some challenges, that we bring this many students to campus. Classroom space has been at capacity for a while. A new building for the professional schools was planned however that has been held up as bonds need to be issued to fund building projects and there are no plans in the near future to issue any. Dr. Armiñana announced that new classroom space would be created with the completion of Schroeder Hall, Summer 2014, allowing a space for 250 students, and the creation of the Student Center will allow other buildings to be turned over for classroom space, including: the Commons, the Student Union and within the Housing facilities, two
classrooms have been created at Chalk Hill. Dr. Armíñana still has hopes the Professional Schools building will happen in the future.

Dr. Armíñana stated Chancellor White has expressed the need to add one more foundation to the CSU Goals “Access, Affordability, Quality and Completion.” Sonoma State University is in second place, only San Luis Obispo is ahead of SSU in terms of completion rate. To increase completion rate, the average unit load per student must increase. There are complications with increasing average unit load per student as the University can be penalized. This will be a topic of conversation with Chancellor White when he visits on October 9th.

Dr. Armíñana expressed his excitement for the arrival of the new Student Center and how it will create a focal point for the campus.

13.06 Report from SSU Vice President for Administration and Finance/Chief Financial Officer
None

13.07 Chief Operating Officer’s Report
Mr. Markley opened his report noting that the better numbers in enrollment for freshmen. Next year it may be more challenging, to be discussed when the 2013/2014 Budget is reviewed, and we’ve been preparing for this as we focus on the Student Experience.

Barnes & Noble is in the process of finalizing the contract for the bookstore. 80% of all textbooks (some are not possible to rent, including workbooks, on-line codes, etc.) were available to rent, an increase from last year/semester. Students still prefer physical book over electronic version.

Many of the faces usually seen at the SSE Board meeting are missing today as this weekend is the 2013/2014 GMC Season opening on Sunday night. There will be a Gala dinner for 250 and cocktail reception before the vocalist Renee Fleming performs. OCP concerts include Lyle Lovett, which is selling very well. The Summer Season was quite successful for the concession operations.

Mr. Markley also announced the grand opening for the Student Center would be Nov 5th. The Board of Directors will be receiving formal invitations to the event. The December SSE meeting will be in the Student Center. Residential Dining “the Kitchens” will open Nov. 6th and Lobos, the replacement of the Pub and Ameci’s will open on Nov. 16th. All other venues will open in the Spring 2014.

13.08 Chief Financial Officer’s Report
Ms. Coate made her formal announcement to the SSE Board that she will be retiring from SSU at the end of January 2014. The CFO oversees the financial reporting and works
with Ms. Amanda Visser who prepares documents. Ms. Coate is working with VP Schlereth, to identify appropriate personnel to maintain the strong internal controls.

13.09 ACTION ITEM:

Acceptance of 2012/13 Audited Financial Statements
Mr. Abrams confirmed that the Audit Committee met with the primary auditor Bret Bradford and reviewed the draft audit. No changes were recommended or required and the board received the Final Audit at the meeting today. Mr. Abrams introduced Mr. Bret Bradford from Pisenti & Brinker who reviewed the Audit Report and Financial statements. He reported it was a clean opinion, everything has been completed by SSE in accordance with GAAP, there were no disagreements, no fraudulent acts found, and no material weaknesses in financial reporting.

Mr. Abrams reported the Audit Committee approved the draft audit and that this is the last year for the Pisenti & Brinker contract and thanked Mr. Bradford for their quick turn around and meeting the stringent deadlines imposed by the Chancellor’s Office.

The Audit committee made the motion to accept the 2012/2013 Audited Financial Statements and the Board of Directors Approved the motion.

13.10 ACTION ITEM:

Approval of the 2013/14 Budget
Ms. Coate reviewed the process of the Finance Committee and this was when the board had an opportunity ask questions about the Budget. Ms. Coate reviewed the budget with the Board of Directors noting this is a balanced budget proposal and currently there is not a projection for any net income. The Finance Committee will review later in the year and, if net income is projected, the Finance committee will review next year against the reserve policy.

The Finance committee made the motion to approve the 2013/2014 Budget and the Board of Directors Approved the motion.

13.11 Other Non-Action Items
There were none.
The meeting was adjourned at 11:15am

Letitia Coate
Chief Financial Officer/Secretary

Alicia Hodenfield
Recording Secretary