SONOMA STATE ENTERPRISES, INC.
Minutes
December 6, 2013

MEMBERS PRESENT:
Mr. Yale Abrams
Dr. Ruben Armíñana
Ms. Letitia Coate
Dr. Michael Cohen
Mr. Matthew Dougherty
Mr. Mac Hart
Ms. Nicole Hendry
Mr. Neil Markley
Mr. Michael Ogg
Dr. Andrew Rogerson
Mr. Luke Tesluk
Dr. John Urbanksi

MEMBERS ABSENT:
Dr. Stephanie Dyer

OTHERS PRESENT:
Mr. Laurence Furukawa-Schlereth
Mr. Ryan Ernst
Mr. Ian Hannah
Mr. Steve Higginbotham
Ms. Alicia Hodenfield
Ms. Kelley Kaslar
Ms. Kindra Kautz
Mr. Josef Keller
Mr. Peter Neville
Ms. Anna Reynolds-Smith
Mr. Dan O’Brien
Ms. Amanda Visser
Ms. Jessica Way

13.12 Call to Order
The meeting was brought to order at 9:34am by Dr. Armíñana.

13.13 Approval of the September 13, 2013 Minutes
The minutes were approved as submitted.
13.14 President’s Report
Dr. Armiñana welcomed everyone to the Alexander Valley room at the new Student Center. He extended thanks to all who have been a part of this project and working on it for many years. He noted that there are still some venues that will open and some processes to be ironed out as with any new facility. Overall, he feels that it is being well used and a great success.

Dr. Armiñana discussed future uses for buildings that are being vacated as a result of the Student Center facility opening:

Commons – the building will turn over to the Wine Business program. There will be 3-4 classrooms and it will house the Wine Business Program and related programs. In addition, there will be a Wine Learning Center. He announced that a donation is anticipated for this space which will provide a naming opportunity for the new facility.

Student Union – the building will be converted to an academic building creating new classroom spaces and will house Extended Education, the Chief Student Affairs Officer and will be known as International Hall.

Dr. Armiñana reported that the big issues facing SSU and the CSU are the questions of deferred maintenance and renovations. The CSU as a whole has $1.5 billion in deferred maintenance – about half are serious, including electrical infrastructure. He explained that the CSU has not received capital funding for the past 6-7 years creating a backlog in deferred maintenance. The current budget proposal is to include $15 million each year for the next three years, allowing entry into the debt market. He shared that some campuses have serious issues that need to be addressed, and although the SSU campus does have some challenges, these are not quite serious as other CSUs.

Dr. Armiñana continued his report by stating that all reports show that California is in good economic condition. The state revenues will be greater than expected and there is a high demand for those funds. The Board of Trustees has requested $250 million, which is twice as much as the Governor’s plan. In addition, the demand for enrollment is much higher than has been allowed. SSE and other areas of the campus that are reliant on headcount for revenues will do well, however, this poses challenges for other parts of the University. Overall, Dr. Armiñana anticipates a better budget year with headcount similar to the current year.

13.15 Report from SSU Vice President for Administration and Finance/Chief Financial Officer
Mr. Schlereth had no formal report. He extended his congratulations and thanks for the successful Student Center opening and all those involved. Mr. Schlereth reflected on the initial idea of the Student Center, 23 years ago, and the progress it has taken from the initial inception. He commented that this is an extraordinary accomplishment.
13.16 Chief Operating Officer’s Report

Mr. Markley opened his report by thanking the Board for its commitment and all those who have worked on and been a part of the Student Center project. He shared some of the details from the Grand Opening ceremonies and reported there were over 1,000 people in the plaza for the Grand Opening festivities on Nov. 13th. President Arminana and AS President Mac Hart cut the ribbon and received keys. It was a great day!

Mr. Markley shared that the student body has been receptive to the new facility and is actively utilizing the space. He explained that the dining facilities are being phased in and he shared this plan with the Board while sharing some of the offerings and current challenges being worked through in these new spaces:

- **Kitchens** – is open and opened the night of the Grand Opening. Hours are: 7am-11pm, Monday – Friday and 9am-11pm, Saturday – Sunday.
- **Lobos** – just opened. Hours are: 11am-11pm, everyday.
- **Weyden & Brewster (W & B)** - will open at the beginning of the Spring semester. Hours are anticipated to be: 7am-2pm, Monday – Friday.
- **Overlook** – will also open at the start of the Spring semester. Hours are anticipated to be: 11am-2pm, Monday – Friday.

Mr. Markley shared that the operations are getting up to speed in the new venues, working out some of the issues that come along with opening a new facility. He shared that there was a gas line issue on opening day which restricted gas flow into the facility, however, this has since been fixed. He also reported that he is hearing feedback regarding the menu variety at Lobos, however, with the opening of W & B in the Spring, more options will be available. Finally, he commented that the pizza ovens are new and very different from the conveyor belt style that was utilized at Ameci’s.

Mr. Markley continued by noting some other accomplishments at the Student Center: The Ballroom held 900 people at the Piper Kerman event in November, the Housing Directors hosted their annual meeting at the Student Center, and the President will be hosting his Annual Christmas party this very afternoon in the Ballroom. In January, there will be a dance for over 350 people.

Mr. Markley discussed the spaces that are being vacated as a result of the move to the new facility:

- **Ameci’s** is closed and will be open as a lounge in the near future
- **Zinfandel Marketplace** is being converted into a game room/lounge
- **Commons and the University Club** will be closing
- **Charlie Brown’s** will be open from 7am-7pm this spring. The hours will be evaluated at the end of the spring semester.
- **Toast** will remain open

Mr. Markley reported there is a fully executed contract for Barnes & Noble. It has been a lengthy process. Following the rush period at the beginning of the semester, the bookstore will move to its new location at the Student Center and the old space will be demolished. Mr. Markley shared that eReaders (digital books) haven’t been widely
adopted, however, the Textbook Rental program has replaced that and been quite successful. He noted an increase has been seen in this program from the previous year. He also shared that over half of the books available are provided in alternative formats, which is good for SSU Students.

13.17 Chief Financial Officer’s Report
Handouts were provided to the Board. Ms. Coate reviewed the Statement of Activity and Schedule of Net assets, both through October 31, 2013. She reminded the board that the figures today will change throughout the year and because there was a delay in the opening of the Student Center, some of the expenses expected to have been in by now, will post in the future. She stated the organization is in solid financial position due to the work of Mr. Markley and those who report to him.

Ms. Coate also reported that the Finance Committee met on December 5, 2013, reviewed the financials and the reserves, which is a responsibility of the SSE Finance to do on an annual basis. She explained that although SSE is slightly short in meeting the liquidity requirement for Working Capital, all reserve requirements have been met.

Dr. Armiñana added that a great deal of why the organization is where it is today is due to the work of Ms. Coate. He explained that today’s meeting is her last meeting because she will be retiring in January. Dr. Armiñana extended extreme appreciation for her strong stewardship. Ms. Coate remarked that it had been her pleasure and honor to serve on the SSE Board for so many years. Mr. Markley also extended his appreciation and gratitude. A champagne toast and cake were presented to the board in her honor, as was a gift presented to Ms. Coate for her accomplishments and well wishes on a happy retirement.

13.18 Other Non-Action Items
There were none.
The meeting was adjourned at 10:25am

[Signatures]
Neil Markley
Chief Operating Officer

[Signature]
Anna Reynolds-Smith
Recording Secretary