SONOMA STATE ENTERPRISES, INC.
Minutes
May 2, 2014

MEMBERS PRESENT:
Mr. Yale Abrams
Dr. Ruben Armiñana
Dr. Michael Cohen
Mr. Matthew Dougherty
Dr. Stephanie Dyer
Mr. Mac Hart
Ms. Nicole Hendry
Mr. Neil Markley
Mr. Michael Ogg
Dr. Andrew Rogerson
Mr. Luke Tesluk
Dr. John Urbanksi
Ms. Amanda Visser

MEMBERS ABSENT:
None – All Members present

OTHERS PRESENT:
Mr. Laurence Furukawa-Schlereth
Ms. Lisa Andresen
Mr. Ian Hannah
Mr. Steve Higginbotham
Mr. Tyson Hill
Ms. Kelley Kaslar
Mr. Zarin Mehta
Mr. Dan O’Brien
Ms. Anna Reynolds-Smith
Mr. Adam Rosenkranz

13.27 Call to Order
The meeting was brought to order at 9:33am by Dr. Armiñana.

13.28 Approval of the March 14, 2014 Minutes
The minutes were approved as submitted.

13.29 President’s Report
Dr. Armiñana remarked that there are only eight days until Commencement and he is hoping for dry weather. He noted that there will be about 2,000 students who will be graduating, with 1,000 +/- anticipated at each ceremony.
Dr. Armínana announced the newly appointed Chief Financial Officer, Amanda Visser. He welcomed her to her new role and expressed appreciation for her taking on this position.

Dr. Armínana reported that, overall, this was another good year. He indicated that enrollment looks healthy for the 2014/2015 and anticipates that the Freshmen target of 1800 will be met, if not exceeded.

Dr. Armínana discussed the state budget and is expecting the governor’s May Revise will be released in the next week or two, however, he is not anticipating any significant changes or surprises from the current budget proposal.

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

Mr. Schlereth shared with the Board a new task force that is being developed to look at how auxiliary organizations operate within the University. He invited members of the Board to participate on this task force and encouraged them to let Neil Markley know if they were interested. He noted that currently Auxiliaries generally follow the University Policies and processes with some exceptions. This task force would look to see if there could be increased flexibility for areas such as:

- Procurement/Financial Reporting
- HR
- Or other areas where there could possibly be increased flexibility

Mr. Schlereth has talked with various individuals thus far and doesn’t sense that there is currently a need to provide increased flexibility, but this task force would look into this in more detail and provide a formal recommendation.

Members of the committee include: Executive Directors for current Auxiliary organizations, Mr. Schlereth, Zarin Mehta, and it will be chaired by Jeff Wilson. Mr. Schlereth noted that Amanda Visser will also be involved. He, again, encouraged others who are interested to participate to let Neil Markley know.

He is anticipating that this would be a summer long process with recommendations being presented at Campus Reengineering Committee and then made to the President in early Fall.

13.31 Green Music Center Season

Mr. Zarin Mehta introduced the 2014-2015 Green Music Center Season. Brochures for the season were distributed to the Board. Mr. Mehta provided some background on the season creation and artists who will be performing. He announced that there will be a variety of shows included in this season that will be marketable to a variety of patrons.
Mr. Mehta also announced that work is currently being done on the Summer Season which starts on July 4, 2014. He noted that this season is still being finalized, however, there were currently 15 acts booked and they were waiting to hear from others. This season will be announced soon.

Mr. Mehta also informed the Board that Schroeder Hall will be opening at the end of August which will provide two days of free concerts to highlight the various types of music that will be played in the hall.

13.32 Chief Operating Officer’s Report

Mr. Markley reported to the Board that there has been a change relating to the Textbook List. As a result of legislation on textbook affordability, previously, Academic Affairs had been posting the textbook list which was provided by Barnes & Noble on the Academic Affairs website on a weekly basis. This process was cumbersome and because it was not real-time, it was not always up-to-date. Barnes & Noble is now the official home for the Textbook Listing. Barnes & Noble’s website has evolved and is fully compliant with the rules and regulations. In addition, Barnes & Noble’s website is real-time, so it is up-to-date, which is better from a student perspective. Therefore, we are in the process of transitioning from the old Academic Affairs spreadsheet to utilizing only the information that can be found on the Barnes & Noble website.

There was an issue with an off-campus vendor because they no longer had access to the posted list on the website, however, the Bookstore Manager has worked with the vendor to provide this information in list format and Barnes & Noble is provided information for books that we did not obtain previously. Overall, this was a good solution and is better for the students.

Mr. Markley noted that operations are still looking healthy. The Student Center has exceeded expectations and sales. He is anticipating a strong year in 2014/15 with the new building and current headcount projections.

Mr. Markley also indicated that the GMC Season will have a positive revenue impact on SSE because concerts are doubling from the previous year which will be good for concessions.

Finally, Mr. Markley concluded his report by thanking everyone for their hard work and involved with the transitional year and thanked the Board for their leadership.

Discussion ensured regarding the activity levels in the new building and how this facility is enhancing student life and the student experience overall.

13.33 Chief Financial Officer’s Report

Handouts were provided to the Board. Ms. Visser reported that the committee met earlier in the week and reviewed the financial statements through March 2014 and investments.
She reported that overall things are doing well, but that there haven’t been any significant changes from the report that took place one month ago.

Mr. Visser announced that preliminary projections through year-end have started. She noted that projections are typically started at the close of March. She is anticipating a net income around $1.1 million. The finance committee discussed this net income and kept in mind the increase in operating expenses as a result of increase in revenues which will result in increased reserve requirements. Therefore, projected income will be maintained within the organization to help meet the increased liquidity requirements for the reserves as per the Campus CFO.

13.34 ACTION ITEM: Approval of Amended and Restated Articles of Incorporation

Handouts were provided. Mr. Markley provided background on the action item. The previously reviewed and approved articles had not been filed with the Secretary of State and we wanted to get one concise document. Mr. Markley reviewed the document in detail with the Board and highlighted the proposed changes to the Board. There were no questions at the conclusion of the review and the Board unanimously passed the amended and restated articles of incorporation as presented.

13.35 Food Vending RFP Update

Mr. Markley reminded the Board that a group consisting of members of the Board was created to review this and is currently working with Procurement on a bid process. He noted that it is a minor contract, however, we go out to bid for the services because it is for multiple years. Due to scheduling requirements with the bid process, Mr. Markley was hopeful that the Board would be amicable to allow a recommendation be made to the Executive Committee from this sub-committee to seek approval to be able to move forward with this contract prior to July 1, 2014. There were no objections from the Board to have Executive Committee to make decision.

13.36 Other Non-Action Items

Dr. Armiñana thanked everyone for a very memorable year with the opening of the Student Center.

Amanda Visser  
Chief Financial Officer/Secretary

Amia Reynolds-Smith  
Recording Secretary