SONOMA STATE ENTERPRISES, INC.
Minutes
Friday, March 29, 2013

MEMBERS PRESENT:
Dr. Ruben Armiñana
Ms. Letitia Coate
Dr. Michael Cohen
Dr. Stephanie Dyer
Mr. Adam Gourley
Ms. Nicole Hendry
Mr. Neil Markley
Mr. Matthew McCann
Mr. Michael Ogg
Ms. Karen Paniagua
Dr. Andrew Rogerson

MEMBERS ABSENT:
Mr. Yale Abrams
Dr. John Kunat

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

12.18 Call to Order
The meeting was brought to order at 9:32am by Dr. Armiñana.
12.19 Approval of the December 14, 2012 Minutes
Minutes were provided to the committee via email in advance of the meeting. The minutes were approved as provided.

12.20 President’s Report
Dr. Armiñana reported that campus is moving into the final stretch for the academic year and feels as though this has been a successful year thus far. Dr. Armiñana also reminded the Board that they were invited for a tour of the Student Center following today’s meeting.

Dr. Armiñana discussed the Governor’s proposed budget for 2013/2014. He noted that the budget proposal does three things:

1) $125 million increase to CSU system to pay primarily for mandatory costs which are mostly related to increased costs for health benefits and energy increases.
2) Enrollment increases of 6% or approximately 15K students. Most students are already in the CSU system as a result of being over target previously.
3) Pay for a small amount of compensation increases.

12.21 Report from SSU Vice President for Administration and Finance/Chief Financial Officer
This report was moved to follow item 12.22.

Mr. Schlereth reported on two items:

1) 2013/2014 Mastercard Performing Arts Series has been announced. Pamphlets were provided to the Board. Mr. Schlereth informed the Board that the Summer Season will be announced soon and includes 8 concerts which will be beneficial to SSE as a result of increased concession sales.
2) Mr. Schlereth is seeking input from SSE regarding current discussions that are taking place with Whole Foods Market and growers/producers of farm products. There is an idea to create or expand an organic garden on campus. Items grown in this garden could be utilized in Dining venues. Whole Foods may want to underwrite and fund such a facility. Mr. Schlereth feels that this has a connection to both SSE and academics because it could encourage and assist in teaching the campus community how to eat healthy.

12.22 Chief Operating Officer’s Report
Mr. Markley provided a PowerPoint presentation that reported on the following areas:
• Bookstore RFP – Mr. Markley reported on the progress of the Bookstore RFP. He shared with the Board that the committee followed up directly with local vendors. He also noted that feedback was requested from various bodies on campus regarding items that should be included in the RFP. He further stated that language regarding a national vendor had been removed. Bids were due yesterday and the Bookstore Committee will be getting together to review the proposals and conduct in-person interviews with the vendors. The Bookstore Committee is anticipating to a recommendation to the full board at the May Board meeting for discussion and action.

• Student Center – Mr. Markley provided the Board with information on the Student Center Project including: a building update, Dining Services meal plan changes, Dining Services venues in the Student Center, Student Center renderings for the various dining venues in the Student Center, and a Move-In plan for Dining Services. Mr. Markley advised the Board that the move-in date is 5 days before school starts in the Fall 2013 and that various committees are working hard on preparing for the building. Mr. Markley shared the proposed hours of operation and noted that these may be adjusted once open and will be modified for events that take place in the building. The meal plan will be changing from the current program of 3 meals/day to a new plan that will offer unlimited access and seven platforms where food will be pre-plated and prepared in-front of the customer, providing a fresher product. Mr. Markley noted that the Marketing Committee has worked with students on naming the platforms concepts in the Residential Dining facility. Names include: Slice (pizza concept), Chef’s Demonstration Kitchen (cameras and screens will be in this area to do cooking demonstrations), Passport (concept will rotate throughout the day from foods around the world), Flames (burger/traditional grille concept), Sizzle (Mongolian grille where students will be able to select ingredients for the cook to prepare), Garden (salad bar) and Etcetera (everything else: fresh baked breads, pastries, coffees, and desserts.) Dining Dollars and meals-to-go will no longer be a part of the meal plan. Mr. Markley reviewed the other Dining venues in the Student Center including: Retail Dining, Coffee Shop and Lobos (pizza, sandwich and salad concept) located on the first floor, as well as, The Overlook (lunch restaurant) located on the third floor. Finally, Mr. Markley reviewed a Move-In Plan for Dining Services based on the completion date of August 15, 2013. As a result of the timing, it will be impossible for Dining Services to move into the facility and complete adequate training prior to the start of school; therefore, a phase-in approach will be taken.

12.23 Chief Financial Officer’s Report
Ms. Coate reviewed the Schedule of Net Assets and Statement of Activity, both through February 28, 2013, in detail with the Board. Handouts were provided. Ms. Coate noted that the current net revenue will be more than zero which was the budgeted amount; however, she does not anticipate it to be as high as the current net revenue indicates.
12.24 ACTION ITEM: Discretionary and Public Relations Fund Policy
Ms. Coate informed the Board that the SSE Finance Committee met to review the policy, however, it was not able to complete its review and would like to defer this item to the next meeting.

12.25 ACTION ITEM: Audit Committee Recommendation for the engagement of the selected independent auditor
In the Audit Committee Chair’s absence, Mr. Markley informed the Board that the Audit Committee met to review the engagement letter submitted by Pisenti & Brinker. He informed the Board that the Audit Committee agreed to contract with Pisenti & Brinker for its third and final term. He noted that the fees increased slightly, but were in line with the 3-year contractual agreement. Ms. Hendry made a motion to engage Pisenti & Brinker to conduct the annual financial audit and annual tax return. No second required as this was brought forward on behalf of a committee.

Dr. Armiñana disclosed and requested that it be noted in the minutes that Pisenti & Brinker is the firm that he uses for his personal accounting.

The item was brought to a vote and unanimously approved.

Mr. Markley also shared with the Board that the three year CSU Auxiliary report has been finalized and is available online. Handouts were provided to the Board. Mr. Markley pointed to pages 1-2 for items specific to SSE. He noted that these items were minor.

12.26 ACTION ITEM: Authorized Signer for Transfer of Funds
Handouts were provided to the Board. Ms. Coate introduced and provided background on the resolution. She reminded the Board that two signers are required for checks and transfers over $15,000. One of the previous authorized signers, University Controller, retired and the current Associate Vice President (AVP) for Administration & Finance assumed the role of Controller as part of her duties. Since the AVP is a current signer, it is necessary to appoint a different position as the additional signer. Therefore, the resolution proposes adding the University Deputy Controller to maintain five individuals with signature authority for transfer of funds on behalf of SSE.

Ms. Coate brought this item forward as a motion from the Finance Committee to approve the resolution. No second required as this was brought forward on behalf of a committee. The motion passed unanimously.
12.27 Student Center Tour
Time certain 11:00am at Student Center.

12.28 Other Non-Action Items
None.

There were no other non-action items.

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