

SONOMA STATE ENTERPRISES, INC.
Minutes
May 14, 2004

MEMBERS PRESENT: Dr. Ruben Armiñana, Dr. Carlos Benito,
Ms. Letitia Coate, Dr. Victor Daniels,
Mr. Neil Markley, Mr. Alan Murray,
Dr. Eduardo Ochoa, Dr. Paul Porter,
Mr. Jason Spencer, Ms. Audrey Thorp,
Ms. Mary Wood

MEMBERS ABSENT: Mr. Yale Abrams, Mr. Floyd Ross,
Mr. Ben Newman,

OTHERS PRESENT: Mr. Laurence Furukawa-Schlereth,
Ms. Lisa Andresen, Mr. Ken Brown,
Ms. Barbara Danelia, Mr. Walt Leonard,
Mr. Donn Nisja (Youth Market Manager
from Canteen of Northern California),
Mr. Dan O'Brien, Ms. Gloria Ogg,
Mr. Talmadge Savage, Mr. Tim Tiemens

Dr. Armiñana called the meeting to order at 9:35 a.m.

03.29 President' Remarks

Dr. Armiñana highlighted the Governor's Budget compact with the CSU and the Governor's May revise, which is substantially the same as the budget proposed in January for 04/05. The CSU faces significant cuts in 2004/05. These cuts will have a direct impact on campuses through budget reductions and decreases in enrollment.

Beginning with the 2005/2006 fiscal year, the CSU compact will position the CSU for enrollment growth and gradual funding increases over several years.

Dr. Armiñana updated the Board on the Green Music Center. The bid came in over budget. This is due primarily to the inflated cost of materials and a strong building demand. The project will be redesigned and re-bid.

Dr. Armiñana thanked all the Board members for their contributions during this past year.

03.30 Approval of the Minutes

The Board unanimously approved the minutes. "Ripoff 101" will be added to Mr. Eckman's CALPIRG report (agenda item 03.24).

03.31 Chief Operation Officer's Report

Housing reservations for the 2004-05 academic year are on track.

Facility Services will be busy in the Residential Community during the summer months deep cleaning; exterior painting of some buildings; interior painting of many of the suites; steam cleaning carpeting and upholstery; replacing some carpeting; and replacing and upgrading some furnishings. All of this work is completed "between and around" the summer conference schedule.

Reprographics has won another first place award in the International Publishing Managers Associations "In Print" Design and Print competition. The piece entitled "Living on Campus" was produced for Housing.

The *Bookstore* added new graduation item available for 2004 Commencement. It is called the Stole of Appreciation. This is a navy blue stole that is worn with regalia. It is decorated with the beautiful Sonoma State Seal. The Stole of Appreciation can be used in two ways. The first idea is to write something very special on the stole, wear it in the ceremony and then present it to someone that you feel you want to thank. Another way that the stole can be used is to have all the people who made Sonoma State a special place for you sign it and then keep it as a nostalgic piece.

The Textbook order flow for Fall 2004 from faculty is 52% lower than Fall of 2003. The Bookstore staff is proactively working with the Deans, School Administrative Coordinators, departments and faculty in an effort to increase the textbook orders. This low response will have a negative impact on students as they return their books for buy-back.

The Campus Author events during April were very successful. Thanks were given to the Schulz Information center staffers; Shannon Wesley and Karen Broadsky. Marcia Harrigan was acknowledged as the Bookstore's newest employee.

The Bookstore is excited about offering Pacific Theater movie tickets. At the beginning of May the Bookstore began offering Group Activity Tickets (GAT) and Gift Books.

Zinfandel Dining hosted two special dinners. Cruise Night took place on March 24th and New York, New York took place on April 15th.

Dining Services participated in the Hunger Awareness Dinner on May 5th. The dinner uses a unique format to bring to life the first, second and third world conditions that exist in society today. 15% of the attendee's ate a formal sit-down dinner, 25% of the guests ate Beans and Rice, while the remaining 60% ate nothing but a small amount of rice with a dirty (dyed) water. The event had attendance of approximately 70 guests.

Dining Services participated in the Health and Wellness Fair on May 6th handing out over 350 portions of sliced watermelon.

Zinfandel Dining held their annual Midnight Breakfast on May 6th. Over 330 students enjoyed the breakfast service prepared and served by administrators of SSU.

On May 4th, the *Marketplace* held a "grand re-opening," offering \$.50 hot dogs, \$.49 32-oz sodas, free popcorn, as well as other goodies. During the day, a VCR/DVD player was raffled off and won by an SSU student.

The *University Club* experienced the largest sales day in history during April, hitting close to \$700.00.

Ameci's goal has been to correct the financial shortfalls experienced last year with start-up costs. With the addition of the Late Night Grill, the goal has been achieved.

Charlie Brown's Café will host 24-hour study beginning Sunday, May 16th at 9:00 am. This year all dining venues will support the program by offering products for complimentary distribution between midnight and 6:00 am.

03.32 Chief Financial Officer's Report

Ms. Coate informed the Board that Zainer, Rinehart, Clarke would be the independent auditor's for Sonoma State Enterprises for the year ending 6/30/04.

SONOMA STATE ENTERPRISES, INC.
Minutes, May 14, 2004
Page 4

The 3/31/04 internal financial statements indicate that the year-end net income could be higher than budgeted net income. The variance will not be significant.

The Finance Committee met and continues to work on a draft reserve policy.

03.33 Land Acquisition Update

Mr. Markley reported that the University is in the process of acquiring two parcels of land. The first parcel of land is in the preliminary report status, which should be complete by the end May. The second parcel will follow.

A selection committee has been appointed to select a Master Planner. The land being considered is within one mile from campus. If due diligence continue to go well, construction could begin this time next year.

03.34 Report from SSU CFO and Vice President for Administration and Finance

Mr. Schlereth deferred his report due to the time constraint of today's meeting.

03.35 ACTION ITEM: Vending Contract - Snack Food

MOTION: Ms. Coate moved, Mr. Murray seconded and the Board unanimously agreed to enter in an initial five-year contract with Canteen of Northern California with an option to extend the contract for an additional five years (10 years total).

03.36 ACTION ITEM: Vending Contract - Beverage

MOTION: Mr. Markley moved, Ms. Wood seconded and the Board unanimously approved the Pepsi Bottling Group to provide beverage vending to the campus, with the option to renew the contract on an annual basis for up to five additional years.

03.37 Other Non-Action Items

None.

Letitia Coate
Secretary/CFO

Barbara Danelia
Recording Secretary