

**SONOMA STATE ENTERPRISES, INC.**

**Minutes**

**Friday, March 11, 2005**

**MEMBERS PRESENT:** Dr. Ruben Armiñana, Mr. Yale Abrams,  
Dr. Carlos Benito, Ms. Letitia Coate, Mr. Chris Fadeff,  
Mr. Neil Markley, Dr. Eduardo Ochoa,  
Mr. James Reilly III, Mr. Floyd Ross

**MEMBERS ABSENT:** Ms. Sherrie Anderson, Dr. Paul Porter, Mr. Jason Spencer,  
Ms. Mary Wood

**OTHERS PRESENT:** Mr. Laurence Furukawa-Schlereth, Ms. Lisa Andresen,  
Mr. Ken Brown, Mr. Todd Garrelts, Ms. Paulette King,  
Mr. Richard Ludmerer, Ms. Kathy Mitchell,  
Mr. Talmadge Savage, Ms. Patricia Sinclair,  
Mr. Tim Tiemens

**04.21 Call to Order**

The meeting was called to order at 9:35 a.m.

**04.22 Approval of the Minutes of December 10, 2004**

The Board unanimously approved the minutes from the December 10, 2004 meeting.

**04.23 President's Remarks**

Dr. Armiñana introduced Mr. Markley as the new Chief Operating Officer and Mr. James Reilly III as new Student Board Representative.

The Board was briefed on the state budget and compact. It is a good deal for the CSU compared to other state agencies. Enrollment growth will likely vary among campuses. SSU will need to build new housing in five years if the enrollment schedule holds.

The President announced that the School of Education passed both the National and State accreditation review with outstanding results.

**04.24 Report from VP for Administration and Finance/Chief Financial Officer**

No report.

**04.25 Chief Operating Officer's Report**

*Bookstore* - Internet textbook sales continue to grow. This spring there was an increase of 33% for book orders. The Bookstore's website that allows students to sell and

exchange textbooks between themselves had 132 listings in early January. The Bookstore is working with the Associates Students on lowering book costs through outreach and education programs to the faculty.

*Reprographics* - revenue has been weak in this area, primarily in the offset printing area. We are looking at ideas for improvement.

Bids have been received for the replacement of the KODA equipment. The new equipment will generate cost savings of about \$700 per month and provide a faster service for the delivery of jobs.

*Dining Services* – is commended for the fabulous dinner event for Mr. Murray’s Retirement Celebration. The event was outstanding.

Dining Services concluded the fall 2004 semester with the bi-annual “Late Night Study” at Charlie Brown’s Café. This continues to be popular and a success with students.

*The Dining Card* has been available in Zinfandel, the Marketplace and Ameci’s. The Pub went live accepting the Dining Card early this month. The Commons and University Club will “go live” within the week and Charlie Brown’s and Toast will follow. This has been a tremendous undertaking and management and staff should be recognized.

Based upon the recommendation of Mr. Jason Spencer, Zinfandel Dining added guest passes to every first-time freshman’s card. The purpose is to establish the tradition of welcoming visiting family members or friends to Zinfandel Dining.

The *University Club* has experienced several record days thanks to the support of the Tenure Track Faculty Lunches. Our current record day occurred in February with sales of \$710.00. Plans are underway to repaint the outside fence and create an inviting outdoor patio environment to further enhance sales and attract customers. The University Club is anticipating being open during the spring break and summer months to better serve faculty, staff and students.

In our tradition of supporting students beyond their educational life, Mr. Tyson Hill (formally assigned as a student in catering) is our Catering Lead and Mr. Ian Hannah (also formally assigned as a student in catering) is supporting our Cash Office Operations. Both Mr. Hill and Mr. Hannah are great assets to Enterprises.

*Housing* - occupancy this spring is up 2% over last spring; this 2% = 40 additional residents. This increase is primarily due to the University being able to admit new students for the spring semester. Last spring, the University was not able to admit any new students. So far this fiscal year, campus housing was 97% occupied during the fall semester and 93% so far this spring.

*Off-Campus Housing* - workshops and assistance will be provided this spring. The vacancy rate in the local rental community is about as high as it has ever been, making it a good rental market for our students.

#### **04.26 Land Acquisition Update**

Mr. Markley reported to the Board that the Cooper parcel is no longer in contract due to the negative environmental studies report.

The dip netting for the Tiger Salamander continues on the remaining parcels. This contract will close in June, providing the environmental studies report is positive.

#### **04.27 Chief Financial Officer's Report**

Ms. Coate distributed the internal financial reports for the six months ending December 31, 2004. At an organizational level revenue and expenses were in line with budget.

Ms. Coate informed the Board that a request for proposal was distributed to a list of CPA firms, soliciting an auditor for the SSE June 30, 2005 independent audit.

The sales tax audit is underway and no items to report at this date.

The Finance Committee approved moving \$ 2.2 million to Met West, a money manager used by the University on December 31, 2004. SSE's money managers are Vanguard, Met West, Dodge and Cox. Total investments are \$6.5 million.

#### **04.28 System-wide Revenue Bond Financing**

Mr. Schlereth explained the SRB financing mechanics related to the Green Music Center. The \$170,000 for the long-term lease would come from new net income and in management reengineering.

**MOTION:           The Board unanimously approved to enter into a long-term lease for \$170,000 for 30 years for Retail and Dining Facilities.**

**Retail and Dining would also have exclusive rights to be providers for the two venues.**

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**0.29 GMC Schematics**

Mr. Ross updated the Board on the status of the redesign of the Green Music Center project, including the conference and hospitality component of the project that will be funded during the construction by the CSU/SRB.

**04.30 Other Non-Action Items**

None

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Letitia Coate  
Secretary/Chief Financial Officer

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Barbara Danelia  
Recording Secretary

