

SONOMA STATE ENTERPRISES, INC.

Minutes

Friday, March 10, 2006

MEMBERS PRESENT: Dr. Ruben Armiñana, Mr. Yale Abrams,
Ms. Sherrie Anderson, Dr. Carlos Benito,
Ms. Letitia Coate, Mr. Neil Markley,
Dr. Eduardo Ochoa, Joan R. Palmer,
Dr. Paul Porter, Mr. James Reilly, III
Mr. Keith Roberts, Mr. Floyd Ross,
Mr. Tim Tiemens, Mr. Nadir Vissanjy

MEMBERS ABSENT: All Members Present

OTHERS PRESENT: Mr. Laurence Furukawa-Schlereth,
Ms. Lisa Andresen, Mr. Ken Brown,
Ms. Jenifer Crist, Mr. Ryan Ernst,
Dr. Gerardo González, Mr. Walt Leonard,
Mr. Richard Ludmerer, Mr. Dan O'Brien,
Mr. Talmadge Savage, Ms. Patricia Sinclair

05.21 Call to Order

The meeting was called to order at 9:40 a.m.

05.22 Approval of the December 16, 2005 Minutes

Minutes approved unanimously.

05.23 President's Remarks

Dr. Armiñana introduced Dr. Gerardo González, Director of the National Latino Research Center at CSU San Marcos.

Dr. Armiñana referred to the current budget noting that the Governor is holding to the compact. The May Revise could offer additional funding in areas such as Science, Math and Nursing. Dr. Armiñana commented that this is a period of stability and growth.

Dr. Armiñana discussed the anticipated growth of the freshmen class for Fall 2006 noting that it will increase to about 1650 students. The projected enrollment growth will challenge all areas of the campus, specifically, the Housing and Food Services areas. He indicated that Beaujolais Village II will need to begin to accommodate this growth pattern.

Dr. Armiñana feels that the Faculty and Staff Housing Project is going very well. He considers this project to be an important part of SSE and believes that the project will help with recruiting issues. Dr. Armiñana thanked SSE and particularly, Neil Markley, for his efforts and assistance with this project.

Dr. Armiñana commented that the weather has limited the ability for construction to begin on the Green Music Center. He anticipates that construction will begin when the rains stop.

05.24 Report from SSU Vice President for Administration and Finance

Mr. Schlereth provided an update on the Strategic Planning efforts headed by himself and Dr. Ochoa. He informed the Board that 7 large goal areas have been identified, of which, 3 areas directly relate to SSE.

- ***Campus Infrastructure*** – Mr. Schlereth discussed 3 key projects that are part of this goal: Faculty Staff Housing Project, Beaujolais Village II, and the University Center. Mr. Schlereth reported that active teams are currently working on all of these projects. He stressed that each of these projects have large financial obligations.
- ***Quality of Student Experience*** – Mr. Schlereth explained that SSE reflects upon the student experience. He feels that each area needs to focus on how they deliver their products and services to the student body and how this will enhance the overall quality of the student experience. A student satisfaction taskforce has been created to develop strategies to assist in these areas. Mr. Schlereth thanked Mr. Vissanjy for assisting in these efforts.
- ***University Serving as a Community Resource*** – Mr. Schlereth feels that the Green Music Center is a wonderful resource and asset to the community. He reported that the hospitality restaurant center is moving along with the rest of the Green Music Center project. He thanked Joan R. Palmer for suggesting Press Restaurant located in St. Helena which is being used as a prototype for this venue. Mr. Schlereth anticipates that final designs will be ready in August.

05.25 Chief Operating Officer's Report

Mr. Markley provided updates on the following areas:

Bookstore Evaluation – Mr. Markley informed the board that the Request for Proposals (RFP) is being released today. He stated that an evaluation and a recommendation will be presented to the Board at the next meeting. Compliments were given to Anna Reynolds-Smith, Management Trainee, who has been working a great deal on this project, specifically on her efforts in writing the RFP. The committee plans to make site visits, interview employees at the stores to understand more in-depth how the operations are run, complete reference checks with other schools who have contracted out their Bookstore operation, and review the proposals to determine if it is appropriate to contract out the SSU Bookstore.

Mr. Markley recognized and thanked the Bookstore staff for the great job that they are doing especially during this process.

Reprographics Transition – Mr. Markley reported that the transition of Reprographics has been delayed. He is currently working to reschedule this transition date and he will keep the Board informed of the new date when it is established.

The purchase of new equipment in KODA has increased volume and revenue which has been very good overall. Mr. Markley is looking to do an RFP to replace the convenience copiers on campus in the near future.

Marketing and Quality Assurance – Mr. Markley has been focusing on Marketing and Quality Assurance over the past six months. He introduced Ryan Ernst, Director of Marketing and Quality Assurance, who has been doing a fantastic job and brought the operations to the next level. Mr. Markley provided examples of the changes that have been made: University Club Menus, consistent signage, new satellite radio in the venues, working with other entities on campus to reach a larger audience, doing give aways in the dining venues, and doing “Knowledge Marketing” by accumulating email addresses and advertising through these means. Overall, Mr. Markley has received positive feedback regarding these programs.

Mr. Markley discussed the efforts of trying to increase communication with staff. He referenced a news letter that goes out every two months which provides information about, news of the University, new programs that are being offered, who has left or come into the organizations, etc. Mr. Markley feels that this is a way to foster community within the organization.

Mr. Markley reviewed the implementation of a consistent comment card system throughout the venues. He stated that they are taking these comments very seriously and are trying to make a response to each suggestion. He provided an example regarding a comment that was made about the need for more Vegan and Vegetarian options. In response to this comment, the number of Vegan and Vegetarian items offered has increased and they are being marketed better.

AS has worked with SSE to solicit faculty members to get their book orders in on time in order to provide more used textbooks to students and to ultimately save them money. Mr. Markley referred to an ad run by the AS which listed the members of the faculty who got their book orders in on-time. He highlighted and thanked all the faculty on the SSE Board who got their orders in on time.

Mr. Markley announced that SSE will begin an assessment process on March 15, 2006 using the Balance Score Card model to review all venue operations. He reflected on the time commitment that the managers in each area are making to this process and he is hopeful that good things will come out of this experience. Mr. Markley noted that he will keep the Board informed of the progress throughout this process.

Faculty and Staff Housing – Mr. Markley reviewed the progress of the Faculty and Staff Housing project. He informed the Board that they are currently trying to resolve the issues of sewer and water with the City of Rohnert Park. He anticipates that this issue will be resolved in the next couple of weeks. Mr. Markley hopes to be able to transition the land to the State by the end of the year. He noted that the delay has resulted in loss of investment income. As a result, Parking and Housing funds have entered into an option to restore the lost investment for the land.

Enrollment Growth – Mr. Markley referenced a PowerPoint presentation chart that reviewed the freshman enrollment in relation to housing occupancy projections. Mr. Markley noted the dramatic increase in the Freshman class over the next five years. This year there were 200 vacant beds. Currently there are 1290 returning students who want to come back to live on campus. Unfortunately, there are only 772 beds that are held for returning students. Therefore, Housing is going to have to turn away a significant number of students next year. Mr. Markley stressed the importance of monitoring these trends because these operations impact the Dining operations and the other venues significantly.

Mr. Markley reiterated the need for new Student Housing in 2009/2010 based on these trends. He further commented that construction would need to begin in 2007/2008 and studies would, therefore, need to start in 2006/2007. Mr. Markley noted that funding will need to come from Housing to start this process.

University Center – Due to increases in freshman enrollment the Zinfandel Dining facility will be over capacity and in need of a new facility. The Bookstore has flooded and is in great need for a new facility. Therefore, the University Center needs to come as soon as possible. Mr. Markley is hopeful to have a 2009 open of this facility. He noted that in order for this to happen, construction needs to begin in 2007/2008 and funding needs to be identified now to start the initial plans and schematics for the building. Mr. Markley is working with Administration and Finance to determine a way to be able to do this in the coming year.

Mr. Markley addressed other areas that are in need of growth and construction funding: Faculty and Staff Housing, Green Music Center and One Card. Faculty and Staff Housing is anticipated to have the first phase

completed 2009/2010 with construction beginning 2007/2008 which means that funding needs to be identified now. The Green Music Center is anticipated to be completed in 2008/2009. Funding still needs to be identified for fixtures and equipment for this facility. Finally, One Card has been implemented in all the dining venues and is continuing to expand to the other venues. Mr. Markley would like to have One Card implemented in vending and all the other commercial operations in the next year. He will keep the Board informed of the progress as this initiative moves forward.

Mr. Markley recognized the work of Carol Ingerman on the Faculty and Staff Housing project.

05.26 Chief Financial Officer's Report

Ms. Coate reviewed the Sonoma State Enterprises, Inc. Unaudited Financial Statement Handout through January 31, 2006.

Overall, Ms. Coate feels that the budget is on target and there is opportunity for a modest net income.

Ms. Coate addressed questions from the Board regarding Depreciation and Vendor Commission.

05.27 Other Non-Action Items

Mr. Ernst announced Faculty Event Day which will occur on March 28, 2006.

Letitia Coate
Secretary/Chief Financial Officer

Anna Reynolds-Smith
Recording Secretary