

**SONOMA STATE ENTERPRISES, INC.**

**Minutes**

**Friday, March 23, 2007**

**MEMBERS PRESENT:** Dr. Ruben Armiñana, Mr. Yale Abrams,  
Ms. Sherri Anderson, Dr. William Barnier,  
Ms. Whitney Diver, Mr. Neil Markley,  
Ms. Whiney McClure, Dr. Eduardo Ochoa,  
Joan R. Palmer, Mr. Floyd Ross,  
Mr. Tim Tiemens, Mr. Nadir Vissanjy

**MEMBERS ABSENT:** Dr. Carlos Benito, Ms. Letitia Coate

**OTHERS PRESENT:** Mr. Laurence Furukawa-Schlereth,  
Ms. Lisa Andresen, Mr. Ryan Ernst,  
Mr. Ryan Ernst, Mr. Eric Malvestiti,  
Mr. Jim Morgan, Mr. Dan O'Brien,  
Mr. Talmadge Savage, Ms. Jessica Way

**06.19 Call to Order**

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

**06.20 Approval of the December 15, 2006 Minutes**

Minutes approved unanimously.

**06.21 President's Remarks**

Dr. Armiñana informed the Board of the status of the possible CFA concerted activities. He indicated that the CSU and union are currently in a 10 day quiet period and the results of the Fact Finder report will be announced on Sunday. He noted that the campus will remain open and all services provided to students will continue as usual should a strike take place. Dr. Armiñana hopes that a settlement will be reached so that a strike doesn't occur.

**06.22 Report from SSU Vice President for Administration and Finance**

Mr. Schlereth reported on the progress of the University Strategic Plan and several initiatives that are connected with Sonoma State Enterprises. He indicated that SSE has a very exciting and full set of initiatives:

- ***One Card*** – This is an important part of the second area of the Strategic Plan and expansion of these services is vital.
- ***Tuscany*** – The second phase of Beaujolais Village is crucial to helping the University meet targeted enrollment projections of the University. Mr. Schlereth hopes that this project will move forward to the Board of Trustees in May 2007.

- **University Center** – This is a cooperative project between the Associated Students, Student Union, Sonoma State Enterprises and Housing. Currently, it is moving through the programming phase and soon to move into the schematic design stage of the project. This is a key item to keep moving as it provides a centralized place for students to go on campus.
- **Green Music Center** – Construction is moving along on this project. Currently, the restaurant/hospitality center is about one year away from opening. Once this venue is ready, it will begin operating. Once again, this is a key issue to be considered.
- **Faculty and Staff Housing** – This initiative will stay on the agenda for 07/08. An environmental report needs to be completed, but once it is, the hope is to proceed with this project.
- **Common Management System** – This is part of the initiative to improve the student experience. Currently, the Bookstore is working on establishing a link through PeopleSoft to the Bookstore to allow students to look at and order textbooks when they register for classes.

Mr. Schlereth also discussed the CSU compensation packages that are available to its employees. He noted that the growing costs of healthcare benefits are a concern. This presents a particular challenge for SSE as the organization doesn't get state support to help cover these costs. Although these are very expensive benefit packages, they are very valuable to the employees.

#### **06.23 Chief Operating Officer's Report**

Mr. Markley presented a PowerPoint presentation highlighting specific areas. Overall he felt that operations were doing well. He noted that record sales have been set in several of the dining venues and he expects to meet budget targets.

- **Dining Services** – Mr. Markley introduced the Board to the new Executive Chef, Eric Malvestiti, who was recently hired to work in Dining Services overseeing Catering and the University Club. He indicated that the University Club will begin to introduce some of Mr. Malvestiti's new creations.

Mr. Markley also announced that Dining Services received a 5 Star rating from the Sonoma County Health Department in all venues. This demonstrates the Dining Staff's commitment to food safety and the great job that they continually do. Mr. Markley thanked Lisa Andresen and her staff for their never ending high quality service, dedication and hard work.

Finally, Mr. Markley encouraged all Board members to attend Fridays at 4.

Discussion ensued about the campus food and the recent action by the Sonoma County Health Department to not allow food sales/giveaways of any kind unless permitted. This will have an impact on club bake sales and other organizations. Currently, University Risk Management and Environmental Health and Safety are working with the Health Department to address this issue.

- **Meal Plan** – Mr. Markley anticipates 1,500 students to be on a meal plan next academic year. The programs are looking to increase dining dollar amounts on certain programs to allow students more flexibility with their plans. In addition, Dining is looking to introduce grab-and-go options to compliment the existing meals-to-go plan in the Zinfandel Dining hall. Dining is also looking to do a regularly scheduled late night breakfast which will allow a fourth meal time option for students.

Suggestions of extending the operating hours and reintroducing Grill Night were made by Whitney McClure and Nadir Vissanjy. Talmadge Savage announced that a late night event took place the evening prior to the Board meeting which had approximately 225 students turnout for the additional meal period. This type of event could probably be offered once a week, but these would be hard to do more frequently due to staffing concerns.

Mr. Markley hopes that these additional meal plan options and events will provide expanded options to students.

- **Bookstore** – Sales are strong. Mr. Markley informed the Board that he and his staff complete periodic check-ins on the services being provided by B&N. Specifically, he noted that textbook prices are analyzed on a semi-annual basis to ensure that contractual agreements are being followed. Mystery shops are also completed semi-annually to evaluate customer service standards. Both reports done this semester came back with positive feedback.

Mr. Markley notified the Board that there was one issue which occurred in the Spring semester in regards to the Return Policy. Specifically, there was confusion about how this policy was being communicated. He noted that the issue has been addressed and the Bookstore clarified this policy.

- **ATI** – Mr. Markley provided an update as to the status of SSE in relation to the new Accessible Technology Initiative (ATI). As announced in the December Board meeting, all instructional materials must be available to students with disabilities on the first day of classes. Mr. Markley noted that all SSE websites are accessible and he is working with B&N on the Bookstore's website. This website should be accessible by the end of the Spring semester. He is a part of the ATI committee which is working to establish a Textbook Adoption Policy to be sure that books are accessible to students on the first day of classes. A draft of this policy was presented at EPC recently and will go back for a second reading soon. The ATI committee is spearheaded by Carol Blackshire-Belay, Brett Christi and Disabled Student Services.
- **Seawolf Card** – Mr. Markley specified that this is a high priority for SSE and it is part of the campus strategic plan. Laundry, Vending, Bookstore and the first phase of Housing Locks will be completed this summer. This will provide more benefit and portability for students encouraging further use of the card.
- **Green Music Center** – As discussed in previous meetings, construction is underway for this project. SSE is currently in the process of interviewing designers for the Hospitality Center. Mr. Markley hopes to have the designer selected and onboard in early April. Two designers

were interviewed. Both are presenting offers that are similarly priced and would be able to create a world class restaurant to accompany the world class concert hall.

Mr. Schlereth noted that SSE debt payments will begin Fall 2008 and, therefore, it is the intent to open the Hospitality Center at that point to make payments. Mr. Markley stated that purchasing of equipment will take place in the coming months. CEC and Dining are working together to develop plans to sell products and services available in the center. More information on this will be available in the Fall.

- ***Student Housing*** – Tuscany is scheduled to open in 2009 and is a very important project for the University and its growing population. Sauvignon will be consumed by the freshmen population with the exception of one building. Unfortunately, the limited housing availability is causing the Housing office to turn away more and more returning students. There have been a number of calls from parents/students who are upset about the lack of available space. To help alleviate the transition anxiety, Housing offers a program to assist with off-campus housing and provides transition assistance to students moving to off-campus locations.

Tim Tiemens discussed the Housing Policy for returning students and provided details on the wait list and off-campus housing partnerships that have been established. It is clear that the housing demand is very high which solidifies the need to build Tuscany as quickly as possible.

For those students who are returning residents, a new feature has been added which allows them to make online room reservations. This feature allows students to pick their rooms and roommates online.

- ***University Center*** – The architects and stakeholders are currently in the programming phase. Dining Consultants are assisting with this process and working to ensure that proper square footage is being allocated for these dining areas in the new center. The project is moving quickly and more information will be presented at the May Board meeting in relation to this topic.
- ***Assessment*** – Pappas Consulting will be conducting an assessment of all the Entrepreneurial Activities areas. Results and recommendations will be brought forward to the Board for approval if needed.
- ***CSU Auxiliary Audit*** – The Auxiliary Audit was completed and an exit interview was done this week. There were no major findings on the report for SSE which is very good for the organization overall. Results will be brought to the Audit Committee for review and discussion at the next meeting.
- ***Strategic Planning*** – Mr. Markley informed the Board that SSE will have a lot of important and very exciting projects that are a part of the University Strategic Plan. He will provide the Board with the initiatives for next year at the May meeting.

**06.24 Chief Financial Officer's Report**

Mr. Schlereth presented the financial report in Ms. Coate's absence as she was occupied by other important University business and was, therefore, unable to attend this meeting. Mr. Schlereth informed the Board that the budget is projected at approximately \$9 million. Expenses are at about 51% of the budget as a result of expenses related to the equipment for the Hospitality Center in the GMC. Overall, this has been a very good year.

Mr. Schlereth announced that the loan with the Foundation for Salazar improvements was renegotiated at 7%. A lower interest rate could be offered through the System-wide Revenue Bond (SRB), but remaining with the Foundation benefits all. He indicated that SSE may want to look into the SRB option for future Bond issues.

Mr. Schlereth informed the Board that Wells Fargo is the financial company for the CSU and SSU's Student Fees in Trust. He noted that SSE currently uses Exchange Bank and the corporation may want to consider moving to the CSU bank for potential lower fees and higher interest earnings. He suggested that SSE Finance Committee Review this matter.

Finally, Mr. Schlereth reiterated the need for Entrepreneurial Activities to find \$3.2 million to complete the Hospitality Center. Funds being provided from SSE, Housing and CEC have been identified and these areas are on track to making their fare share contributions. Mr. Schlereth thanked Mr. Markley, Mr. Ross, and Joan Palmer for their never ending commitment to the GMC committee and this project overall.

**06.25 Other Non-Action Items**

None

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Neil Markley  
Chief Operating Officer  
for  
Letitia Coate  
Secretary/Chief Financial Officer

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Anna Reynolds-Smith  
Recording Secretary