

SONOMA STATE ENTERPRISES, INC.

Minutes

Friday, May 4, 2007

MEMBERS PRESENT: Dr. Ruben Armiñana, Ms. Sherri Anderson,
Dr. William Barnier, Dr. Carlos Benito,
Ms. Letitia Coate, Ms. Whitney Diver,
Mr. Neil Markley, Ms. Whiney McClure,
Dr. Eduardo Ochoa, Mr. Floyd Ross,
Mr. Tim Tiemens

MEMBERS ABSENT: Mr. Yale Abrams, Joan R. Palmer,
Mr. Nadir Vissanjy

OTHERS PRESENT: Mr. Laurence Furukawa-Schlereth,
Ms. Lisa Andresen, Ms. Jenifer Crist,
Mr. Ryan Ernst, Mr. Eric Malvestiti,
Ms. Kathy Mitchell, Mr. Jim Morgan,
Mr. Talmadge Savage, Ms. Jessica Way

06.26 Call to Order

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

06.27 Approval of the March 23, 2007 Minutes

Minutes approved unanimously.

06.28 President's Remarks

Dr. Armiñana announced the members of the Board whose appointments were ending and thanked them for their participation and dedication: Ms. Sherri Anderson, Ms. Whitney Diver, Ms. Whitney McClure, and Mr. Nadir Vissanjy.

Dr. Armiñana informed the Board of the upcoming Commencement ceremonies indicating that educating students is what the University and SSE are all about. It is a time to celebrate and recognize the accomplishments of the graduating students.

Dr. Armiñana discussed the continuing challenges in the area of new housing for both students and faculty and staff noting sewage continues to be one of the main obstacles to construct.

06.29 Report from SSU Vice President for Administration and Finance

Mr. Schlereth indicated that the Strategic Plan is still being finalized. He is hopeful that this plan will be able to go forward for comment by the campus community in the Fall semester. He noted that the Draft Strategic Plan currently includes ten goal areas which were established by ongoing discussions. SSE will focus on three primary goal areas: Infrastructure of the campus to prepare for growth of the student population, Quality of Student Experience, and improve issues of Faculty and Staff Development.

06.30 Chief Operating Officer's Report

Mr. Markley presented a PowerPoint presentation discussing initiatives related to the Strategic Plan and the operations of the venues.

- **Operations** – Mr. Markley feels that operations are running smoothly and doing very well. He indicated that each area is busy preparing for Commencement and he does not anticipate changes from last year's program. He announced the summer hours for the Dining venues: Toast 7-11am, Summer Grill 11am-2pm, and Charlie Brown's 7am-5pm.
- **Midnight Breakfast** – Mr. Markley informed the Board that the annual Midnight Breakfast occurred the previous night and it was very successful. He showed some pictures of the night before. He indicated that this helps the Staff to interact with the students and remember why we are all here.
- **Bookstore** – The Bookstore launched a new website recently. Although it is not ATI compliant at this point, he anticipates that it will be by July 2007. With this new website, he is hopeful to have registration integration integrated in the Fall. Therefore, Mr. Markley anticipates that students should be able to register for the Spring 2008 semester and view their books at that time.
- **Housing** – Mr. Markley reported that Housing deposits were due on May 1. The number of deposits received by this date is a good indicator of the enrollment number for the upcoming year. He noted that enrollment is looking very good this year. There is a large demand for transfer students. Approximately 400 returning students are on the waiting list as students who would like to return to on-campus housing.

Mr. Markley updated the Board on the progress of Tuscan, the next phase of student housing. The sewer issues are still being resolved with the city of Rohnert Park. As discussed by the President in the previous meeting, the possibility of sewage tanks is being seriously considered. Mr. Markley would like to be able to present this information at the upcoming Trustee meeting; however, there is no resolution at this point. He is expecting documentation to follow today and will move as quickly as possible.

- **ATI** – Textbook Accessibility is scheduled to be implemented in the Spring 2008 adoption season. A plan is expected to be brought forward from the Academic Affairs area for this. There are some deadlines that require us to meet these time frames. Fullerton has established a model in which other CSU campuses are adopting which requires textbooks to be put into a database. The Bookstore is working to make the database process: cheaper, easier and more efficient. Barnes & Noble is willing to do anything to help Sonoma State meet its goals in this initiative. Mr. Markley thanked Jim Morgan, Store Manager and Russell Markman, Regional Manager for their help on this important matter.
- **Seawolf Card** – There are several projects in relation to the Strategic Plan which relate to this initiative: Vending, Laundry, and the Bookstore. Mr. Markley reported that card testing took place in the Bookstore earlier this week. Further testing will take place in Vending, Laundry and the Bookstore over the summer months to ensure that everything is ready to go when the Fall semester begins.

He also announced that the Housing Access Control Request for Proposals is out and 25 vendors attended the bid conference last week. It is anticipated that two phases of this project will be completed prior to the students returning for the Fall semester which include: Zinfandel, Cabernet, Verdot and Sauvignon housing complexes. He hopes that they will be on target in all of these areas.

- **GMC** – Mr. Markley anticipates that the Hospitality Center Designer will be selected by the end of the month. He plans to bring plans forward to the Board for review once the designs are confirmed. In addition, a Marketing Plan is being developed by Conferences, Events and Catering for the Hospitality Center.
- **UC** – Mr. Markley notified the Board of a web survey (flyer handout distributed to Board members) which is currently being administered by the Dining Consultants hired to review the square footage needs for the dining venues in the University Center. Mr. Markley is hopeful the Dining Consultants will have a report available by the end of May. Mr. Markley feels that once this report is finalized, we will be able to move forward with the University Center design with the architects. Mr. Markley noted that this is one of the largest Strategic Plan initiatives for SSE because it has a large impact on SSE and the Student Experience initiative.
- **Strategic Plan** – Mr. Markley indicated that the goals are currently in the process of being finalized. He highlighted key initiatives for SSE: University Center, GMC, Student Housing, and One Card. Mr. Markley plans to report on these at the next meeting, once the Strategic Plan is finalized.
- **Friday's at Four** – Mr. Markley announced the last Friday's at Four of the semester: Friday, May 11 from 4pm-6pm at the University Club.

Mr. Markley welcomed questions from the Board regarding his report.

06.31 Chief Financial Officer's Report

Ms. Coate began her presentation by thanking Lisa Andresen and Talmadge Savage for putting together such wonderful gift baskets for a conference that she was helping to host.

Ms. Coate provided and reviewed with the Board the Unaudited Financial Reports and the Unaudited Statement of Activity for the first nine months of the fiscal year. Overall, Ms. Coate reported that SSE looks good financially and feels that the budget is on target.

06.32 ACTION ITEM: Laundry Vendor Selection

Mr. Markley presented a powerpoint presentation reviewing the recent laundry vendor RFP. The contract for laundry with F&B for the residential laundry has expired. The previous contract was for a 5-year term with two 1-year extensions. It included 64 washers and 79 dryers. A commission was paid based on sales. This contract had a number of service requirements, such as preventative maintenance and response time. University is responsible for setting the prices on laundry services.

Mr. Markley informed the Board that in addition to the requirements mentioned above, several changes will be incorporated into this new contract. The new laundry program and contract will include items that were also part of the RRP: energy efficient, front loading washing machines; tier 2 (energy efficiency is mandatory)-most energy efficient machines possible; water use is cut in half; reduced electrical and gas use due to larger capacity machines; gentler on clothes; needed to ensure that new machines would take card technology; and requested vendors to include quotes on the "Laundry Alert System" to explore this system in relation to cost and value for students.

The new contract is a 7-year contract with three 1-year extensions. Mr. Markley informed the Board that the RFP was sent to local and national vendors. The state contract procurement processes were followed including posting the RFP on the State Contracts Register.

Ultimately, three bids were received by: Web Laundry, ASI Laundry and F&B of Santa Rosa.

Mr. Markley announced the results of this bid process indicating that all requirements were accepted by the bidders. All vendors submitted bids with and without "Laundry Alert Systems." The Laundry Alert System would increase the cost of doing laundry by approximately 15% to students. It was determined that this feature would add minimal value to students. Therefore, "Laundry Alert System" bids were not included. Mr. Markley will monitor the trend in this market, and this may be included in the future.

Mr. Markley notified the Board that a number of criteria were used to rank the vendors in the following order: (1) F&B Laundry, (2) ASI Laundry, and (3) Web Laundry. Contracting with F&B Laundry will result in the same commission percentage levels as received previously in addition to receiving new machines that are energy efficient, larger capacity and accept the Seawolf Card.

Mr. Markley made a motion to approve a 7-year contract with three 1-year options with F&B Laundry to provide laundry services. There was no discussion.

MOTION: The Board unanimously approved the laundry contract with F&B Laundry.

06.33 Update from Audit Committee

Ms. Anderson reported on two items from the Audit Committee: (1) CSU Auxiliary Audit and (2) Review of the bid for the current financial audit.

Ms. Anderson was pleased to report that there were no major findings on the CSU Auxiliary Audit which was conducted in Fall 2006. She felt that these findings were informational items only. The remainder of the Audit Committee agreed that these findings were very minor. Formal responses will be made by June 4. Ms. Anderson informed the Board that Mr. Markley would be able to bring forward the responses to these findings at a future meeting.

Ms. Anderson reviewed the bid for the current financial audit. She reported that costs for Stonefield Josephson were slightly higher than last year, but were well within the range previously approved by the Audit Committee and the Board. The Audit Committee voted to retain Stonefield Josephson to conduct this year's financial.

06.34 Other Non-Action Items

None

Letitia Coate
Secretary/Chief Financial Officer

Anna Reynolds-Smith
Recording Secretary