



Coast Community College District Enterprise, Inc.

AGENDA

Special Meeting of the Board of Directors

Thursday, September 12, 2024 at 11:30 am

1370 Adams Ave., Costa Mesa, Ca. 92626, Board Conference Room

1. Roll Call

2. Opportunity for Public Comment

Members of the public have the opportunity to address the Enterprise Board of Directors on any item that has been described in this notice. and on any matter within the subject matter jurisdiction of the Enterprise Board of Directors even if the item is not on the agenda. Persons wishing to make comments for this purpose will be recognized at this point in the meeting. Individuals will have up to five minutes per Agenda item, and there is a 20-minute total limit per item. These time limitations may be extended by the Board. The Board cannot respond to these public comments but at the Board's discretion, these matters may be referred to staff or placed on a subsequent agenda for Board consideration.

It is the intention of the Enterprise Corporation to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the Enterprise Corporation will attempt to accommodate you in every reasonable manner. Please contact the Secretary of the Enterprise Corporation at jclevenger@cccd.edu as soon as possible prior to the meeting to inform us of your particular needs so that appropriate accommodations may be made.

3. Report from the Shareholder's Meeting of September 12, 2024

4. Retirement of Janet Houlihan, Vice President of Enterprise, September 3, 2024

Recommendation: *It is recommended that the Board accepts the retirement of Janet Houlihan and offers appreciation for her years of service to Enterprise.*

5. Officer Election, Vice President, to Replace Janet Houlihan

Recommendation: *It is recommended the Board elect a Vice President.*

6. Approval of Minutes from Regular Meeting of August 1, 2024 (Attachment #1)

Recommendation: *It is recommended the Board approves the minutes of August 1, 2024.*

7. Annual Insurance Policies Review to Include Premium, Funding Sources and Clarification of D&O Coverage, Craig Morris, Senior Vice President, Marsh & Associates

Recommendation: It is recommended the Board vote to approve and authorize the placement of insurance.

8. Swap Meet Operational Update

- a) Golden West College
- b) Orange Coast College

9. Financial Reports, and Report and Ratification of Staff Board Deliverables per Master Agreement Requirements, Sections 8, 10, 11, 13, 20 and 28 (Rachel Kubik)

- Financials Quarterly Reports
- Deliverables per Master Agreement

Recommendation: It is recommended the Board approves the Deliverables as presented and ratifies the purchase orders and checks.

10. The Enterprise Final Budget 2024-2025 Review and Approval

Recommendation: It is recommended the Board approves the Enterprise Final Budget 2024-2025.

11. Future Agenda Items

- a.
- b.
- c.

12. Future Meeting Date

13. Adjournment

Under the Brown Act, the public has the right to receive copies of any non-exempt public documents relating to an agenda item that are distributed to the Board of Directors. Please contact the Office of the Board of Trustees at jclevenger@cccd.edu to the meeting to facilitate the distribution of these documents.



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS REGULAR MEETING

August 1, 2024 at noon

Board Office Conference Room, Coast Colleges District Office

1370 Adams Ave., Costa Mesa, CA 92626

MINUTES

1. Call to Order and Roll Call

The meeting was called to order at 12:00 p.m.

Present:

Regina Blankenhorn, Mike Carey, Lorena Ortega, Chancellor Yamamura

Absent: Richard Armendariz, David Cline, Student Trustee Darla Nunez

In Attendance:

Julie Clevenger, Rich Pagel, Rachel Snell, Paul Wisner, Dr. Jack Lipton, Trustee Parker, Rachel Kubik, Ruben Barriga, Paul Wisner, Maira De La Torre, Marlene Drinkwine, Stephanie Martinez, Meridith Randall, Craig Morris, Marsh & Associates Insurance, Alicia Herrera and Anna Cordillion from Eide Bailey joined via Zoom

2. Opportunity for Public Comment

There were no requests to address the Enterprise Board.

3. Approval of Minutes from Regular Meeting of April 25, 2024

On a motion by Chancellor Yamamura seconded by Mr. Carey, the minutes from April 25, 2024 were approved as amended.

Motion passed unanimously with the following vote:

Ayes: Ms. Blankenhorn, Mr. Carey, Ms. Ortega and Chancellor Yamamura

Nos: None

Abstain: None

Absent: Mr. Armendariz, Mr. Cline, Student Trustee Darla Nunez

4. Swap Meet Operational Update

Dr. Rich Pagel introduced Stephanie Martinez from Golden West College, Director of Fiscal Services, filling in for Rick Hicks while he is on vacation.

Dr. Pagel also informed the Directors and meeting attendees that Janet Houlihan had submitted her retirement paperwork and would retire in September 2024. Dr. Pagel recognized the enormous efforts and time Janet Houlihan dedicated toward the Enterprise endeavors over the last 20 years and described the wonderful career Janet had with Coast Colleges and Enterprise.

- a. Golden West College – Stephanie Martinez and Rich Pagel
The swap meet was selling out on Saturdays and Sundays. A construction project was planned to add solar panels to the parking lot area for the customers. End of year books were in the process of closing out. Stephanie Martinez was brought on board to work with Enterprise in May 2024. The next VP for Enterprise would need to be elected due to Janet Houlihan's retirement. Fees were increased in July 2024.
- b. Orange Coast College – Rich Pagel
The OCC swap meet was doing very well and selling out every weekend. All sales on the weekends had increased tremendously. Internal Auditor Rachel Snell was reviewing swap meet compliance for vendors at both swap meets. Ruben Barriga was always on site every weekend to oversee operations. There was construction for a new Chemistry Building on campus that caused a few street sweeping difficulties and some replacement tires were purchased for customers. Fees increased in July 2024 and would be expected annually (or within 15 months).

The County Fair had begun and was occurring every Wednesday through Sunday. The Oakland Raiders were on site at OCC, although that was not open to the public. There were a couple of vehicle thefts of Chevy trucks.

5. Financial Reports, and Report and Ratification of Staff Board Deliverables per Master Agreement Requirements, Sections 8, 10, 11, 13, 20 and 28 (Rachel Kubik)

Rachel Kubik provided the financial update with a preliminary copy of the financials. The final documents would be available late October or early November 2024.

Total Assets: \$1,199,622
Total Liabilities: \$807,620
Total Equity: \$392,002
Total Net Profit: \$92,814
Total Liabilities & Equity: \$1,199,622
Total Revenue Actuals: \$7,267,697
Total Master Agreement Expenses Actual: \$6,285,047
Total Expenses Actual: \$7,173,833
Total Net Revenue Actual \$92,814

Dr. Rich Pagel added that the colleges will be increasing the fees charged to the Enterprise in the future. The increases will be included in the 2024-2025 Budget.

Dr. Lipton asked about the large amount of legal fees noted on the financials. Rachel Kubik explained it was related to OCC.

On a motion by Mr. Carey seconded by Ms. Ortega, the Board of Directors voted to approve the Financials, Quarterly Reports and Deliverables and Ratify the Purchase Orders and Checks for Quarter Ending June 30, 2024.

Motion passed unanimously with the following votes:

Ayes: Ms. Blankenhorn, Mr. Carey, Ms. Ortega and Chancellor Yamamura
Nos: None
Abstain: None
Absent: Mr. Armendariz, Mr. Cline, Student Trustee Darla Nunez

6. New External Auditor Introduction, Alicia Herrera, CPA, Partner, Eide Bailly LLP

Dr. Rich Pagel introduced Alicia Herrera, Partner and Anna Cordillion, Manager, from Eide Bailly LLP, the new External Auditors for both Coast District and Enterprise. The external audit was already mid-way completed and was expected to be complete by late October or early November 2024. In addition, Eide Bailly LLP CPAs would prepare the tax returns for Enterprise.

On a motion by Mr. Carey seconded by Ms. Ortega the Board of Directors voted to approve and ratify Eide Bailly LLP as the External Auditor for Enterprise.

Motion passed unanimously with the following votes:

Ayes: Ms. Blankenhorn, Mr. Carey, Ms. Ortega and Chancellor Yamamura
Nos: None
Abstain: None
Absent: Mr. Armendariz, Mr. Cline, Student Trustee Darla Nunez

7. Annual Insurance Policies review to Include Premium, Funding Sources and Clarification of D&O Coverage, Craig Morris, Senior Vice President, Marsh, a business of Marsh McLennan

Mr. Craig Morris from Marsh was introduced. Marsh is the District and Enterprise's insurance broker and risk advisor. They handle the swap meet liability and the Directors and Officers liability insurance.

A PowerPoint presentation was shared as Mr. Morris explained the current insurance program and gave a recap of accomplishments from the current year and current market conditions. The insurance renewal effective date was moved from July 1, 2024 to Sept 30, 2024. Quotes for renewal fees would be available in about 30 days. The

marketplace remained stable and either a flat renewal or a 5% rate increase would be expected.

Dr. Rich Pagel explained a renewal goal of the Enterprise is to bring the D&O insurance up to \$10 million in coverage from the current \$7.5 million.

8. The Enterprise Budget 2024-2025 Budget Review and Approval

Rachel Kubick provided an overview of the Enterprise preliminary Budget for 2024-2025. Enterprise was hoping to reach almost \$7.7 million in the next year. Most of the budget remained similar to the prior year. The final budget would be presented at a Special Board meeting in September.

On a motion by Mr. Carey, seconded by Chancellor Yamamura the Board voted to approve the preliminary Enterprise Budget for 2024-2025 as presented.

Motion passed unanimously with the following vote:

Ayes:	Ms. Blankenhorn, Mr. Carey, Ms. Ortega and Chancellor Yamamura
Nos:	None
Abstain:	None
Absent:	Mr. Armendariz, Mr. Cline, Student Trustee Darla Nunez

9. Future Agenda Items

- a. Acknowledgement and Appreciation for Janet Houlihan
- b. Elect a new Vice President for Enterprise
- c. Marsh Insurance quotes
- d. Final Enterprise Budget for 2024-2025

10. Future Meeting Date

A Special Enterprise meeting would be held on September 12, 2024 at 11:30 am. following the 2024 Shareholder's Meeting.

11. Closed Session – No Closed Session Discussion Needed

12. Adjournment

The meeting was adjourned at 12:58 pm.

Julie Clevenger, Secretary of the Enterprise