



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS SPECIAL MEETING

March 26, 2013

BOARD OFFICE CONFERENCE ROOM

1370 Adams Avenue, Costa Mesa, CA 92626

MINUTES

I. Call to Order

The meeting was called to order at 12:04 p.m.

II. Roll Call

Present

Mr. David Cline, Ms. Jane Hilgendorf, Mr. Susumu Yokoyama, Mr. Bao Nguyen, and Mr. Ray Roberts

Absent

Dr. Andrew Jones and Mr. Kolby Keo

In Attendance

Dr. Jack P. Lipton, Dr. Richard Pagel, Ms. Janet Houlihan, Ms. Daniela Thompson, Ms. Julie Frazier-Mathews, Ms. Elizabeth Parker, Mr. Doug Bennett, and Mr. Jim Moreno.

Mr. Cline recognized Mr. Moreno as the new Trustee Liaison.

III. Opportunity for Public Comment

None.

IV. Approval of Minutes from Meeting of December 4, 2012

On a motion by Ms. Hilgendorf and seconded by Mr. Yokoyama, the Board of Directors voted 5-0 to approve the Minutes of December 4, 2012.

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| Members Voting Yes: | Ms. Hilgendorf, Mr. Cline, Mr. Yokoyama, Mr. Nguyen, and Mr. Roberts |
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| Members Voting No: | None |
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| Members Absent: | Dr. Jones and Mr. Keo |
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On a motion by Mr. Yokoyama and seconded by Ms. Hilgendorf, the Board of Directors voted 5-0 to recognize and record the March 26, 2013 Meeting of the Enterprise Board of Directors as a Special Meeting.

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| Members Voting Yes: | Ms. Hilgendorf, Mr. Cline, Mr. Yokoyama, Mr. Nguyen, and Mr. Roberts |
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| Members Voting No: | None |
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| Members Absent: | Dr. Jones and Mr. Keo |
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XI. Update Board of Directors and Corporate Officers Binders

Mr. Cline explained that the Enterprise binders had been restructured by Ms. Frazier-Mathews and her staff and asked that the Board of Directors review the binders and submit any suggestions or corrections to Ms. Frazier-Mathews. He further informed the Directors that they could leave their binders in the Board Office to be updated by Ms. Frazier-Mathews and her staff.

Dr. Lipton advised that any attorney-client privileged and confidential materials be removed from the Enterprise binders. The Board of Directors then discussed whether documents in the binders were subject to the Brown Act. Mr. Cline advised that, to avoid any possible complications, the attorney-client privileged and confidential materials be removed from the Enterprise binders.

On a motion by Mr. Yokoyama and seconded Ms. Hilgendorf, the Board of Directors moved to approve the Enterprise binders with the removal of all attorney-client privileged and confidential materials.

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| Members Voting Yes: | Ms. Hilgendorf, Mr. Cline, Mr. Yokoyama, Mr. Nguyen, and Mr. Roberts |
| Members Voting No: | None |
| Members Absent: | Dr. Jones and Mr. Keo |

V. Report on Ratification of Staff Board Deliverables Per Master Agreement Requirements

a. Financial Report in Compliance with Sections 8, 10, 11, 13, 22, and 28 of the Master Agreement was addressed at this time.

Dr. Pagel provided a report on the activities of the Enterprise Taskforce to the Board of Directors. He reminded the Board that they had expressed interest in mirroring the financial statements with the expenditures.

Ms. Thompson walked the Board of Directors through the Statement of Revenue and Expenses, Statement of Net Assets for the period ending December 31, 2012, and Annual Budget for Fiscal Year 2012-2013.

Ms. Thompson informed the Board of Directors that the Financial Statements had been drafted such that they referenced Sections 8, 10, 11, 13, and 22 of the Master Agreement. She then explained how to read the line item for *Management Fees* (Section 8 of the Master Agreement). Ms. Thompson shared with the Directors that the campuses published their reports on *Management Fees* on a monthly basis and that the Corporation received reports on a quarterly basis. Ms. Thompson further explained that as part of the Master Agreement the Campuses must provide 1.5% of gross revenue to the District Foundation. Mr. Cline asked that for clarity, this figure be extracted from the total *Management* sum. Ms. Thompson agreed to request the separation of these figures from the campuses for future financial statements. Ms. Thompson also clarified that Orange Coast College reported their *Management Fees* as *Management Fees* and Golden West College reported a portion of their *Management Fees* as Salaries and Benefits.

Dr. Lipton advised that the accounting reports more closely follow the contractual provisions.

Ms. Thompson asked whether the Board of Directors wanted *Property License* (Section 10 of the Master Agreement) and *District Use of Facilities* (Section 28 of the Master Agreement) to also be presented separately. She shared that these items were presented as combined items under the title *Rent Expense-Spaces*. Mr. Cline confirmed that this was the wish of the Board. Ms. Thompson summarized that she would work with the campuses to make the requested distinctions.

Ms. Thompson then highlighted the *Trademark License* (Section 11 of the Master Agreement) and the amount was approved.

Ms. Thompson shared that Section 13 of the Master Agreement was combined and that she would work with the campuses to have these items split for future reports; Orange Coast College reported this section as *Accounting*

and Audit Expense and Insurance Property and Liability. Ms. Houlihan shared that Golden West College had not yet received the invoice from the District for the fiscal year and as such had not paid this expense.

Ms. Thompson then went over *Salaries and Benefits* (Master Agreement Item 22), which included *Management Fees*. Mr. Cline expressed the need to separate the *Management Fees*; the *Administrative Management/Oversight Management* and *Salaries and Benefits*.

Dr. Pagel confirmed that the Statement of Revenue and Expense would be revised to incorporate the desired changes and come back at the June 11, 2013 Meeting of the Board of Directors.

Ms. Thompson also presented the document Ratification/Approval of PO. She shared that at the time the report was developed, Orange Coast College had only one PO. For further transparency, Ms. Thompson offered to bring this document back with a six month history of purchase orders, rather than the customary quarterly reports.

Dr. Lipton advised that it was the duty of the Enterprise Board of Directors to approve all expenditures per the Master Agreement.

On a motion by Mr. Yokoyama and seconded Mr. Roberts the Board of Directors moved to suspend Agenda item # V *Report and Ratification of Staff Board Deliverables Per Master Agreement Requirements, a. Financial Report in Compliance with Sections 8, 10, 11, 13, 22, and 28 of the Master Agreement* for ratification at the June 11, 2013 Meeting of the Enterprise Board of Directors.

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| Members Voting Yes: | Ms. Hilgendorf, Mr. Cline, Mr. Yokoyama, Mr. Nguyen, and Mr. Roberts |
| Members Voting No: | None |
| Members Absent: | Dr. Jones and M |

VI. Ratification of Enterprise Job Descriptions

- a. President
- b. Vice President
- c. Chief Financial Officer
- d. Secretary
- e. Chairman of the Board

Dr. Pagel reminded the Board of Directors that draft versions of the job descriptions had been brought forth at the December Meeting of the Enterprise Board of Directors. He shared that Officers were not compensated for their work for the Enterprise Corporation. Mr. Cline indicated that compensation for Enterprise work should be explored.

On a motion by Mr. Yokoyama and seconded Mr. Roberts the Board of Directors moved to ratify the job descriptions as presented.

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| Members Voting Yes: | Ms. Hilgendorf, Mr. Cline, Mr. Yokoyama, Mr. Nguyen, and Mr. Roberts |
| Members Voting No: | None |
| Members Absent: | Dr. Jones and Mr. Keo |

Dr. Pagel indicated that he would report on compensation at the June 11, 2013 Meeting of the Enterprise Board of Directors.

IX. Update on Swap Meet Operations

Mr. Bennet provided an update on swap meet operations at Orange Coast College and Ms. Houlihan provided an update on swap meet operations at Golden West College to the Enterprise Board of Directors.

VII. Ratification of Contract: Elizabeth Parker for \$15, 000 for Strategic Planning and Market Study for Revenue Enhancement Strategies

The Enterprise Board of Directors reviewed the contract for Elizabeth Parker.

On a motion by Mr. Nguyen and seconded Ms. Hilgendorf, the Board of Directors moved to ratify the contract: Elizabeth Parker for \$15,000 for Strategic Planning and Market Study for Revenue Enhancement Strategies.

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| Members Voting Yes: | Ms. Hilgendorf, Mr. Cline, Mr. Yokoyama, Mr. Nguyen, and Mr. Roberts |
| Members Voting No: | None |
| Members Absent: | Dr. Jones and Mr. Keo |

VIII. Presentation on Strategic Planning Session to Grow Market Share and Revenue of Swap Meet

- a. Presentation
- b. Recommendations
- c. Employee Handbook
 - i. Scope
 - ii Mission Statement
 - iii Code of Ethics and Values

Ms. Parker provided the Enterprise Board of Directors with a presentation on strategic planning session to grow market share and revenue of swap meet.

As part of her presentation, Ms. Parker recommended that Friday evening from four to seven was a great opportunity for a Farmers Market and that May would be an ideal launch date.

She informed the Board of Directors that the swap meet could have extended hours, take the daily vendors and process them as full time vendors, parking, ATM/credit cards, and look at a swap meet at Coastline College.

Dr. Pagel summarized that Orange Coast would have to amend their conditional use permit with the City of Costa Mesa to extend their hours. He added that there was a need to operationalize the strategic plan, and return with a timeline and strategies at the June 11, 2013 Meeting.

Mr. Nguyen asked if the presentation was in lieu of a written report. Ms. Parker agreed to send a summary and a detailed report to the Board of Directors.

Mr. Nguyen asked if Ms. Parker could provide the number of individuals who were interviewed/pollled and the process used to assess the details of respondents.

Mr. Pagel advised that these documents go to Ms. Frazier Mathews for distribution.

The Board of Directors discussed the Draft Ethics and Operating Values and agreed to bring the document back for a second reading at the Meeting of June 11, 2013.

X. Set Future Meeting Dates through the End of Fiscal Year

On a motion by Ms. Hilgendorf and seconded by Mr. Roberts, the Board of Directors voted to set following meeting dates through end of Fiscal Year 13-14:

June 11, 2013, September 10, 2013, December 10, 2013, March 11, 2014, and June 10, 2014

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| Members Voting Yes: | Ms. Hilgendorf, Mr. Cline, Mr. Yokoyama, Mr. Nguyen, and Mr. Roberts |
| Members Voting No: | None |
| Members Absent: | Dr. Jones and Mr. Keo |

XII. Adjourn

There being no further business to discuss, it was moved by Mr. Yokoyama and seconded by Ms. Hilgendorf to adjourn the meeting at 1:38 p.m.

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| Members Voting Yes: | Ms. Hilgendorf, Mr. Cline, Mr. Yokoyama, Mr. Nguyen, and Mr. Roberts |
| Members Voting No: | None |
| Members Absent: | Dr. Jones and Mr. Keo |

Secretary of the Enterprise Corporation