



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS REGULAR MEETING

June 10, 2014 at 12:00 p.m.

Board Office Conference Room

1370 Adams Avenue, Costa Mesa, CA 92626

MINUTES

I. Call to Order

The meeting was called to order at 12:02 p.m.

II. Roll Call

Present:

Mr. David Cline, Ms. Jane Hilgendorf, Mr. Richard Kapko, Mr. Susumu Yokoyama, and Mr. Alex Parkin

Absent:

Mr. Ray Roberts and Dr. Andrew Jones

In Attendance:

Dr. Jack P. Lipton, Dr. Rich Pagel, Ms. Janet Houlihan, Trustee David Grant, Ms. Daniela Thompson, Ms. Julie Frazier-Mathews, Mr. Andy Dunn, Mr. Bill Kerwin, Mr. Doug Bennett, Ms. Rachel Kubik,

III. Opportunity for Public Comment:

There were no requests to address the Enterprise Board.

IV. Approval of Minutes from Meeting of December 10, 2013

On a motion by Ms. Hilgendorf, seconded by Mr. Kapko, the Board of Directors voted 4-0-2 to approve the minutes of the meeting of March 11, 2014 as amended.

Members Voting Yes: Ms. Hilgendorf, Mr. Cline, Mr. Kapko, and Mr. Yokoyama

Members Voting No: None

Members Absent: Mr. Roberts and Dr. Jones

V. Provisional Oath of Office for Student Trustee – Dependent upon Coast Community College District Board of Trustee Approval

Student Trustee Elect, Alex Parkin, was sworn in by Chairman Cline.

VIII. Report on and Ratification of Enterprise Director and Officer Liability Insurance Umbrella Coverage for FY 2013-2014 was moved forward at this time.

Director of Risk Services, Mr. Bill Kerwin, provided an update on his research for additional Director and Officer Liability Coverage. He indicated that Axis had agreed to increase the \$2 million primary coverage to \$5 million, and a second layer of coverage had been secured with Chubb, an A++ rated carrier. The premium for the first \$5 million of coverage with Axis would cost \$14,047 (with a \$10,000 deductible) and the second \$5 million through Chubb would cost \$9,800 (with no deductible), for a total annual premium of \$23,847 effective July 1, 2014. He added that the coverage provided to the Enterprise would extend to any subsidiaries where the Enterprise had a controlling interest.

On a motion by Mr. Cline, seconded by Mr. Kapko, the Board of Directors voted 5-0-2 to ratify the expenditure up to \$30,000 for described coverage with Axis and Chubb, and directed the officers to provide the required documentation to secure primary and excess D & O coverage.

Members Voting Yes: Ms. Hilgendorf, Mr. Cline, Mr. Kapko, Mr. Yokoyama and Mr. Parkin

Members Voting No: None

Members Absent: Mr. Roberts and Dr. Jones

VI. Update on Swap Meet Operations

a. Orange Coast College

Dr. Pagel shared the Orange Coast College Master Plan Proposed Land Use and how the construction projects would affect swap meet operations over the next ten years. He also reported that the swap meet restroom project was being re-evaluated because of the high cost, and indicated that modular restrooms were being considered as an alternative with a lower cost of approximately \$250,000.

The Conditional Use Permit issued by the City was discussed. This permit does not expire, however, would need to be modified as changes are made to the campus that affect swap meet traffic patterns. Dr. Pagel indicated that he would provide information on seasonal occupancy at the next meeting.

Dr. Pagel also gave an update on CEQA, indicating that the document would be released by the college at the end of the week which would start the 45 day window, and would go to the full Board in August/September with the recommendation to proceed with strategic re-use alternatives.

b. Golden West College

Ms. Houlihan gave an update on the Golden West swap meet and shared a rendering of upcoming changes to the campus, to include a building to house Public Safety, and a storage facility and restrooms for the swap meet. She indicated they were allowing six months for approval with construction starting in spring. Ms. Houlihan commented that the crews and teams would work diligently with the swap meet vendors to minimize the impact of the construction and changes.

She also reported that the skate park had been completed and there was an impact to the Gothard parking lot, however, they were continuing to work with the skate park owners to resolve parking issues.

VII. Report and Ratification of Staff Board Deliverables per Master Agreement Requirements Sections 8, 10, 11, 13, 20, 22 and 28

Ms. Daniela Thompson provided the Board with a Third Quarter Financial Statement ending March 31, 2014. This included a Statement of Net Assets, a Statement of Revenue, Ratification/Approval of PO's, and Ratification/Approval of Checks. The Board of Directors thanked Ms. Thompson for the report and it was requested that in the future, this report be attached to the meeting agenda to allow more time in advance of the meeting for review. It was noted that Ms. Rachel Snell, District Internal Auditor, was working with Mr. Bill Kerwin, District Director of Risk Services, to review minutes from the past three years to compile the necessary information to maintain the Enterprise's status in good standing, and that this information would be provided to the Coast Board of Trustees at an upcoming Board of Trustees' Meeting.

On a motion by Mr. Yokoyama, seconded by Ms. Hilgendorf, the Board of Directors voted 5-0-2 to approve the report as presented and to ratify the expenditures.

Members Voting Yes: Ms. Hilgendorf, Mr. Cline, Mr. Kapko, Mr. Yokoyama and Mr. Parkin

Members Voting No: None

Members Absent: Mr. Roberts and Dr. Jones

IX. Reports

a. Financial Statement

Ms. Houlihan reported that a conference call had taken place with VLS to discuss the reporting process and determine what needed to be done to bring the two swap meet operations into alignment. She indicated that they would be discussing the recommendations in June and July, to have the new financials in place by the second quarter of next year.

After discussion, on a motion by Mr. Yokoyama, seconded by Ms. Hilgendorf, the Board of Directors voted 5-0-2 to create a budget, operate to that budget, and bring it back to the Board for ratification at the September Board Meeting.

Members Voting Yes: Ms. Hilgendorf, Mr. Cline, Mr. Kapko, Mr. Yokoyama and Mr. Parkin

Members Voting No: None

Members Absent: Mr. Roberts and Dr. Jones

b. Staff Report on Changing to Enterprise Employees from District Employees

c. Short Term Hourly Employees

Ms. Houlihan reported that the District HR as a whole had concerns about the Affordable Health Care Act and compliance, relating to the definition of short term employees. She indicated they had done a full review and the Enterprise was currently in compliance (with Enterprise employees working an average of 16 hours a week.) As part of their review, the question arose of making these Enterprise employees instead of District employees. It was suggested by Chair Cline that the Master Agreement be reviewed to see if a change could be made to allow non-District employees in addition to District employees to allow more flexibility.

d. Revenue Enhancement Strategies

Mr. Cline asked if the swap meet vendors were being charged appropriately. Ms. Houlihan and Dr. Pagel responded that they both felt it was not a good time to make changes, considering all the modifications going on at the campuses. Looking to the future, they indicated there could be justification to raise the rates.

X. Recommendation and Possible Action on Alternate Management Strategies for the Enterprise Corporation

Dr. Pagel indicated that he had been to the Cypress Swap Meet, run by Newport Diversified. He indicated that the swap meet takes over the entire campus, with probably three times the vendors. Dr. Pagel's recommendation was that it would be best to keep our swap meets managed internally, considering the challenges of construction that would be taking place over the next ten years. Ms. Houlihan also commented that Golden West does not have a Conditional Use Permit at this time and that would also be something to be addressed. Dr. Pagel indicated that over the next 30-60 days he would be reviewing the swap meet manager job description to make sure it is in line with comparable positions. Mr. Cline suggested that Board Members take time to visit the Cypress Swap Meet to see how it is being run.

XI. Appointment of Officers of Enterprise

- a. President – Dr. Rich Pagel**
- b. Vice President – Ms. Janet Houlihan**

On a motion by Mr. Yokoyama, seconded by Mr. Kapko, the Board of Directors voted 5-0-2 to appoint Dr. Rich Pagel as President and Ms. Janet Houlihan as Vice President.

Members Voting Yes: Ms. Hilgendorf, Mr. Cline, Mr. Kapko, Mr. Yokoyama and Mr. Parkin
Members Voting No: None
Members Absent: Mr. Roberts and Dr. Jones

XII. Future Agenda Items

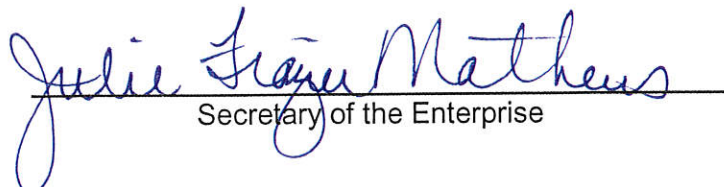
Suggested future agenda items were:

1. Review Master Agreement to allow non-district employees to be employed by Enterprise.
2. Review job description for Swap Meet General Manager.

XIII. Adjourn

There being no further business to discuss, on a motion by Ms. Hilgendorf, seconded by Mr. Yokoyama, the Board of Directors voted 5-0-2 to adjourn the meeting at 1:14 p.m.

Members Voting Yes: Ms. Hilgendorf, Mr. Cline, Mr. Kapko, Mr. Yokoyama and Mr. Parkin
Members Voting No: None
Members Absent: Mr. Roberts and Dr. Jones


Secretary of the Enterprise