



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS REGULAR MEETING

April 19, 2016 at 12 noon

BOARD OFFICE CONFERENCE ROOM

1370 Adams Ave., Costa Mesa, CA 92626

MINUTES

I. Call to Order

The meeting was called to order at 12:05 noon

II. Roll Call

Present:

Mr. David Cline, Mr. Raymond Roberts, Mr. Richard M. Kapko, Mr. Jim McIlwain, Trustee Mary Hornbuckle, Student Trustee Quentin Cronk, and Interim Chancellor Gene Farrell.

Absent:

None

In Attendance:

Dr. Jack Lipton, Ms. Julie Clevenger, Mr. Bill Kerwin, Ms. Rachel Snell, Ms. Kathy DeSalvo, Dr. Andy Dunn, Ms. Janet Houlihan, Dr. Rich Pagel and Ms. Julie Frazier-Mathews. Ms. Tina Henton joined the meeting via teleconference.

III. Opportunity for Public Comment

There were no requests to address the Enterprise Board. There was a moment of silence for Ms. Jane Hilgendorf.

IV. Approval of Minutes from Meeting of January 12, 2016

On a motion by Mr. Roberts, seconded by Mr. McIlwain, the Board of Directors voted 5-0 to approve the minutes of the January 12, 2016 Meeting.

Members Voting Yes:	Mr. Cline, Mr. McIlwain, Mr. Roberts, Mr. Kapko, Mr. Farrell and Mr. Cronk
Members Voting No:	None

V. Report on the Annual Shareholders Meeting

a. Board Member Selection

Dr. Pagel reported that a Shareholders Meeting had been held earlier in the day with the Shareholders of the Enterprise. The Shareholders were moving forward with appointing a new Board Director who would probably be seated at the July 2016 meeting. Trustee Hornbuckle requested to add a special meeting to be held prior to the July 2016 meeting to have a Director in place. Mr. Cline reminded everyone that this Board does not approve the Director and it was up to the Shareholders to provide a Director to bring their voice into this meeting.

VI. Review and Approval of Audit Report 2014-2015 and update on the 2015-2016 Audit Process (Vicenti, Lloyd and Stutzman, LLP)

Via teleconference, Ms. Tina Henton of Vicenti, Lloyd and Stutzman presented the final 2014-2015 audit report, which comprise the balance sheet as of June 30, 2015 and the related statements of income and retained earnings, cash flows for the fiscal year, and the related notes to the financial statements. The independent auditors rendered an unmodified opinion, which is the highest and best opinion. The financial statements conformed to all required disclosures and the amount was fairly presented.

Ms. Henton provided an update on the 2015-2016 audit process. A visit to all campuses had been completed and now the process was planning the evaluation of internal control, which included the Enterprise Corporation. A letter would be issued if there are any concerns or issues. Ms. Henton reported that nothing came to mind for the Enterprise Corporation. Ms. Henton indicated she would present the audit Position Statement, Recommendation and Timeline at the July 2016 Meeting.

On a motion by Mr. Kapko, and seconded by Mr. Roberts, the Board of Directors voted 5-0 to approve the Audit Report 2014-2015 and moved forward to District Chancellor's office.

Members Voting Yes: Mr. Cline, Mr. McIlwain, Mr. Roberts, Mr. Kapko, Mr. Farrell and Mr. Cronk

Members Voting No: None

VII. Update on Swap Meet Operations

a. Orange Coast College

Ms. Julie Clevenger reported that several vendor and employee meetings had been held. Vendor and staff recommendations included new uniforms, name tags, vendor signage, and more accessibility to security. A vendor informational booklet and an employee handbook had been implemented. Mr. Ron Mitchell, a retired West Covina Police Officer, was hired as Swap Meet Manager. Mr. Mitchell is also a part-time faculty member at Rancho and would like to see more students involved in the Swap Meet. Ms. Clevenger indicated that a review was in process for the trash contract and business processes manuals. Investigators had interviewed staff regarding the slip and fall case.

b. Golden West College

Ms. Janet Houlihan reported that a Ribbon Cutting/Grand Opening Reception of the Swap Meet and Public Safety Office was scheduled for April 20, 2016. The new restrooms dedicated for the Swap Meet vendors and shoppers had been an added bonus for Golden West College. The construction had taken a toll on the vendors and sales had declined. Space fees were being reduced to accommodate disruptions to vendors. Ms. Houlihan reported that a wireless connectivity program was being reviewed to accommodate vendors using their cell phones for sales transactions.

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

Dr. Pagel provided a brief overview of the deliverables per the Master Agreement requirements on behalf of Ms. Daniela Thompson. On a motion by Mr. McIlwain, seconded by Mr. Roberts, the Board of Directors voted 5-0 to forward a summary report to the Chancellor who would forward to the Coast Community College Board of Trustees.

Members Voting Yes: Mr. Cline, Mr. McIlwain, Mr. Roberts, Mr. Kapko, Mr. Farrell and Mr. Cronk
Members Voting No: None

IX. Reports

a. Financial Report

On behalf of Ms. Thompson, Dr. Pagel gave a brief overview of the 2nd Quarter Financial Statements, reporting that 2nd Quarter income compared to last year had slightly decreased, however, through December 31, 2015 income was 7.06% higher than current budget income. Expenses were 1.28% lower than last year and 2.01% lower than the current budget. The net profit as of December 31, 2015 was \$315,564, with a cash balance of \$2,099,727.

b. Insurance Renewal Update for the 2016-2017 Policies (Risk Services)

Mr. Kerwin provided a brief report on insurance renewal. Mr. Kerwin had spoken to the Insurance Broker about market conditions and shopping regarding Commercial, General and Professional Liability coverages. Talks are ongoing so there is not a firm cost yet. More detailed information to follow after the survey of the insurance market takes place. Unless there were unusual pricing differences, recommendation will most likely be for the same insurers and coverage limits, unless the Board felt there were additional coverages required. Mr. Kerwin indicated he would secure General Liability Insurance by June 30, 2016 and bring it back to the July Meeting for ratification.

c. Construction Update

Dr. Pagel reported that Student Housing RFQ for Orange Coast College was released last week. He indicated that OCC's Athletics Facilities would move to the west side of the stadium. The Student Housing, Athletics Facilities and Recycling Center construction would impact the Swap Meet and create new challenges. Also, the solar panels would be finishing up this summer.

X. Discussion and Action regarding the Statewide Facilities Education Bond scheduled for November 2016

Dr. Dunn presented the Statewide Facilities Education Bond which would authorize the issuance of \$9 billion in State Bonds, \$7 billion would go to K-12, and \$2 billion to the Community Colleges. Dr. Dunn requested the Board to make a contribution toward funding the campaign to help get the word out and persuade California voters to say yes to this measure. For this Board that equated to \$67,000 (\$2 per FTES) but not to exceed \$100,000 (\$3 per FTES). On a motion by Mr. Cline, seconded by Mr. Kapko, the Board of Directors voted 5-0 to authorize up to \$100,000 to be donated to support of the Kindergarten Community College Public Facilities Bond Act of 2016. The 1st increment = \$67,000 and the 2nd increment, at the discretion of the Officers of the Corporation = \$33,000. The Kindergarten Community College Public Facilities Bond Act of 2016 would be brought back to the July Meeting. The 2nd increment would be reconsidered at the July meeting.

Members Voting Yes: Mr. Cline, Mr. McIlwain, Mr. Roberts, Mr. Kapko, Mr. Farrell and Mr. Cronk
Members Voting No: None

XI. Discussion and Action regarding the CCCD Enterprise, Inc. Successor Master Agreement with Coast Community College District and Coast Community College District Foundation

Dr. Pagel presented the Master Agreement with the District, which expires on June 30, 2016. He suggested the term go from 5 years to 10 years. He indicated that not much had changed and was proposing the same Agreement for the next term.

On a motion by Mr. Cline, seconded by Mr. Kapko, the Board of Directors voted 5-0 to authorize Officers to proceed the renewal of Agreement to stay the same with an increase from 5 to 10 years term. The Agreement would include updating any legal requirements as provided by Corporate Counsel. The Agreement would be presented to District, Foundation and Enterprise for approval and signature, and brought to the Board of Trustees on June 15, 2016.

Members Voting Yes:	Mr. Cline, Mr. McIlwain, Mr. Roberts, Mr. Kapko, Mr. Farrell and Mr. Cronk
Members Voting No:	None

XII. Recess to Closed Session

The Board of Directors recessed to Closed Session at 1:37 p.m. to discuss the following:

- a. Conference with Legal Counsel: Anticipated Litigation**
(Significant exposure to litigation pursuant to *Government Code* Section 54956.9(d)(2) One case.

XIII. Reconvene to Open Session

The meeting was reconvened at 1:44 p.m.

XIV. Report of Action from Closed Session

There was no report of action from Closed Session.

XV. Future Agenda Items

a. Future Meeting Dates:

- July 14, 2016
- October 13, 2016
- January 12, 2017

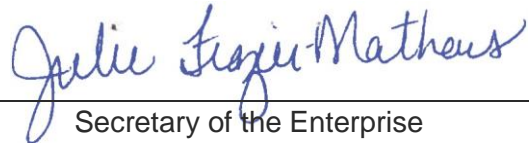
Ms. Frazier-Mathews indicated she would email all Directors the new meeting dates.

XVI. Adjourn

On a motion by Mr. Kapko, seconded by Mr. Roberts, the Board of Directors voted 5-0 to adjourn the meeting at 1:47 p.m.

Members Voting Yes: Mr. Cline, Mr. McIlwain, Mr. Roberts, Mr. Kapko, Mr. Farrell and Mr. Cronk

Members Voting No: None

A handwritten signature in blue ink, reading "Julie Frazier Mathews", is positioned above a horizontal line. Below the line, the text "Secretary of the Enterprise" is printed.

Secretary of the Enterprise