



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS REGULAR MEETING

April 13, 2017 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 12:00 p.m.

II. Roll Call

Present:

David Cline, Jim McIlwain, Richard Armendariz, Richard Kapko, Sharon Donoff, Trustee Jerry Patterson, and Chancellor John Weispfenning

Absent:

Student Trustee Stephanie Eichman

In Attendance:

Dr. Rich Pagel, Dr. Andy Dunn, Janet Houlihan, Julia Clevenger, Dana Swart, Rachel Snell, Fahad Kazi, Dr. Jack Lipton, Tina Henton, and Jane Burton

III. Opportunity for Public Comment

There were no requests to address the Enterprise Board.

IV. Approval of Minutes from Meeting of Regular Meeting of January 12, 2017

On a motion by Mr. McIlwain, seconded by Mr. Kapko, the Board of Directors voted 6-0-1 to approve the minutes of the Regular Meeting January 12, 2017.

Members Voting Yes:	Mr. Cline, Mr. McIlwain, Mr. Armendariz, Mr. Kapko, Ms. Donoff, and Chancellor Weispfenning
Members Voting No:	None
Members Absent:	Student Trustee Eichman

- V. **Review and Approval of Audit Report (Vicenti, Lloyd and Stutzman, LLP)** was moved to later in the agenda.

VI. **Swap Meet Operations/Construction Update**

a. **Orange Coast College**

Ms. Clevenger reported that there were some projects starting up in the future but at the present time construction was not affecting the OCC Swap Meet. Currently they were down one manager, had lost some students, and were losing a long-time supervisor, but were working on filling the positions. Apart from that, all was going well. She reported that they had held a vendor meeting that produced good suggestions regarding signage, traffic control etc.

Dr. Pagel reported that all around the campus they were in the planning stages for construction – student housing, aquatics center etc. – but nothing would be starting until summer 2018. Should be completed by 2021. Solar savings were \$350,000 for summer. For the swap meet, it provides nice shade structure and desirable spots. Most of the vendors in that location are monthly vendors. Mr. Pagel indicated that they now have an anonymous hot line number for vendors if they observe any unusual activity.

b. **Golden West College**

Ms. Houlihan indicated they had done some tracking of attendance and were running at 12-15,000 through the main gates any given weekend, with an additional estimate of 30% total. Very high traffic. There were currently three very large projects underway at Golden West. The Math/Science building construction was about to begin and they would be working closely with the Swap Meet team because of road closures and parking lot work. On the Criminal Justice project there was an access road that would need to be closed for 4-6 weeks, so they would be looking for another path of travel for swap meet vendors. Currently recruiting for a Public Safety Supervisor to work with Swap Meet crew and provide emergency response on the weekend. The comment was made that it would be interesting to know if the Saddleback College swap-meet affected the attendance at this swap-meet and Ms. Houlihan indicated she would check her records on attendance.

V. **Review and Approval of Audit Report (Vicenti, Lloyd and Stutzman, LLP)**

Tina Henton from VLS gave an overview of the results of their audit. There were no findings, therefore, no management letter was issued. Ms. Henton briefly reviewed the Audited Financial Statements, comprising the balance sheet as of June 30, 2016 and the related statements of income and retained earnings and cash flows for the fiscal year then ended, and related notes to the financial statements. She reported that revenues had been very stable with little change compared to June 30, 2015, expenses had gone down slightly. Mr. Cline acknowledged Dr. Pagel and Ms. Houlihan for the smooth running of the swap-meets and the clean audit. Ms. Houlihan indicated she would confirm with Daniela Thompson that the audit report would be presented to the Board of Trustees and also sent to the State Chancellor's Office.

On a motion by Mr. Kapko, seconded by Ms. Donoff, the Board of Directors voted 6-0-1 to accept and approve the audit report as presented with no recommendations for further discussion.

Members Voting Yes:	Mr. Cline, Mr. McIlwain, Mr. Armendariz, Mr. Kapko, Ms. Donoff, and Chancellor Weispfenning
Members Voting No:	None
Members Absent:	Student Trustee Eichman

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

Mr. Swart, Controller, provided a comprehensive overview of the Staff Board Deliverables for 2nd Quarter per the Master Agreement requirements. He noted current year revenues had decreased 5.75% from prior year but were still 2.5% higher than budgeted for current year due to anticipated construction decrease in revenue. Expenses were currently 7% higher than last year and approximately 6% higher than current budget with a current net loss of \$114,000. He explained that during the second part of the year expenses should go down and revenue remain the same. The cash balance as of 12/31 was \$1.48 million. Mr. Swart clarified that this report was actually for the full 6 months, ending the 2nd Quarter. It was also clarified that Contributions for College Support was the donation made to Prop 51; OCC paid this and GWC would be reimbursing their portion of the donation.

Ms. Houlihan indicated that at the next meeting as an informational item they would bring back the process for handling stale-dated checks. Also, on future agendas it was agreed that the Financial Reports would be combined with the Staff Board Deliverables, and it was noted that on the Statement of Deliverables, the Trademark Licenses annual fees would now be paid to District Foundation, not the District. On future reports it was requested that the Statement of Net Assets would read "For the 6 Months or Period Ending (date)"

On a motion by Mr. Kapko, seconded by Mr. McIlwain, the Board of Directors voted 6-0-1 to ratify the Schedule of Deliverables as presented, with the recommendation that the header be revised and Item 11 Trademark Licenses be revised to show annual fees would be paid to District Foundation.

Members Voting Yes:	Mr. Cline, Mr. McIlwain, Mr. Armendariz, Mr. Kapko, Ms. Donoff, and Chancellor Weispfenning
Members Voting No:	None
Members Absent:	Student Trustee Eichman

VIII. Reports

i. Financial Reports (Combined for GWC and OCC)

This was covered in Item VII.

On a motion by Ms. Donoff, seconded by Mr. McIlwain, the Board of Directors voted 6-0-1 to combine the Financial Reports with the Report and Ratification of Board Deliverables on subsequent agendas.

Members Voting Yes:	Mr. Cline, Mr. McIlwain, Mr. Armendariz, Mr. Kapko, Ms. Donoff, and Chancellor Weispfenning
Members Voting No:	None
Members Absent:	Student Trustee Eichman

ii. Proposition 51 Update

Vice Chancellor Dunn gave an update on Proposition 51, noting that in the Governor's January budget proposal only five of the community college projects were included but this did not include Coast's. A more recent update to the Governor's budget suggested we were half way there; Orange Coast College project was being included for consideration. Dr. Dunn felt we could make a strong case for both projects and was hopeful that both would be included and we could begin work later in the year. Also, he added that there was a possibility if we did not get both OCC and

GWC projects funded this year, there could be an opportunity for funding in the subsequent budget year.

IX. Review, Discuss and Possible Action on Proposed Price Increase and Timeline

Ms. Clevenger indicated that they had started warning vendors in February that the rate increase would come on April 1; there had not been a lot of negative feedback. The increase was \$5 for daily vendors (approximately 60-65% of vendors).

X. Review, Discuss and Possible Action on Conflict of Interest Disclosures for Directors of the Enterprise Corporation

Discussion took place regarding whether the Directors of the Enterprise Corporation needed to complete Conflict of Interest Disclosures as a result of a question that was raised by a Trustee at a Board Meeting. It was determined that legally, since the Enterprise is a for-profit organization, this was not required. However, it was agreed that it would be best practice on an annual basis for the Board to adopt a document listing Education Code 72677 through 72680.

On a motion by Mr. Armendariz, seconded by Ms. Donoff, the Board of Directors voted 6-0-1 that in order to remove any appearance of impropriety, they acknowledged that they are governed by Education Code 72677 through 72680, as well as Paragraph 34 of the Enterprise Master Agreement and Provision 4.9 of the By-Laws, and the Board would provide this information to new members and on an annual basis to its Board of Directors.

Members Voting Yes: Mr. Cline, Mr. McIlwain, Mr. Armendariz, Mr. Kapko, Ms. Donoff, and
Chancellor Weispfenning

Members Voting No: None

Members Absent: Student Trustee Eichman

XI. Review, Discuss and Possible Action on Revised Master Agreement

On a motion by Mr. Kapko, seconded by Mr. McIlwain, the Board of Directors voted 6-0-1 to date the Amended Master Agreement, and to include a record of the amendments in the minutes so that they can be referred to if necessary.

Members Voting Yes: Mr. Cline, Mr. McIlwain, Mr. Armendariz, Mr. Kapko, Ms. Donoff, and
Chancellor Weispfenning

Members Voting No: None

Members Absent: Student Trustee Eichman

XII. Future Agenda Items

- a. Stale dated check process

XIII. Future Meeting Dates

- a. July 13, 2017
- b. October 12, 2017
- c. January 11, 2018

XIV. Adjourn

On a motion by Mr. McIlwain, seconded by Ms. Donoff, the Board of Directors voted 6-0-1 to adjourn the meeting at 1:30 p.m.

Members Voting Yes: Mr. Cline, Mr. McIlwain, Mr. Armendariz, Mr. Kapko, Ms. Donoff, and
Chancellor Weispfenning

Members Voting No: None

Members Absent: Student Trustee Eichman


Secretary of the Enterprise