



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS REGULAR MEETING

August 17, 2017 at 12:30 p.m.

BOARD OFFICE CONFERENCE ROOM

1370 Adams Ave., Costa Mesa, CA 92626

MINUTES

I. Call to Order

The meeting was called to order at 12:30 p.m.

II. Roll Call

Present:

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

Absent:

David Cline and Student Trustee Javier Venegas

In Attendance:

Dr. Rich Pagel, Dr. Andy Dunn, Dana Swart, Dr. Jack Lipton, Ruben Barriga, Paul Wisner, Candy Lundell, and Jane Burton

III. Opportunity for Public Comment

There were no requests to address the Enterprise Board.

IV. Approval of Minutes from Regular Meeting of April 13, 2017

On a motion by Mr. Kapko, seconded by Ms. Donoff, the Board of Directors voted 5-0-2 to approve the minutes of the Regular Meeting of April 13, 2017.

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

Members Voting No: None

Members Absent: Mr. Cline and Student Trustee Venegas

V. Swap Meet Operations/Construction Update

i. Golden West College

Ms. Lundell provided an overview on the construction that surrounded the Swap Meet lot. The access road between Edinger Avenue and Gothard Street would be opened soon. She reported that the number of shoppers had decreased from 35,000 to 17,000 in one weekend, due to construction and that vendors had complained about how the construction site had impacted their sales. The Criminal Justice Construction that extended into the Gothard parking lot was finished and the Justice Center was expected to be completed toward the beginning of the spring semester. She also reported that the CCJ and the One Stop Center were expected to be completed mid-spring semester, which would re-open the Swap Meet area for all vendors and shoppers.

Ms. Lundell spoke of the Market Place Consultant company that would inspect the Swap Meet, incognito, for counterfeit or illegal products. The consultant company would also verify that the vendors would follow GWC Swap Meet rules and would provide reports with pictures and documentation.

She noted that home football games (new to GWC) would follow the Swap Meet. They had also begun the process of updating their operations manual.

ii. Orange Coast College

Dr. Pagel introduced Ruben Barriga as the new Swap Meet manager at OCC. Mr. Barriga reported a quarter sale of about 98-100% and that summer had been great. The OC Fair and the Chargers would be gone soon, allowing for parking to increase and the Swap Meet would resume normal operations. He provided a brief update on the lack of parking spaces due to campus construction indicating vendors would need to be relocated. Mr. Barriga reported that they would need to hire four to six new employees.

Dr. Pagel reported that after the completion of the OCC housing project there would be more opportunity to add parking in different parts of the campus. Parking issues would not decrease until late 2018. He also stated that during their regular January meeting with vendors they would have an opportunity to provide an update regarding future construction and parking plans.

VI. Financial Reports (Combined for GWC and OCC), and Report and Ratification of Staff Board Deliverables per Master Agreement Requirements Sections 8, 10, 11, 13, 20, 22 and 28

Mr. Swart provided an update of the following financial reports through March 31st:

- Financial Report was better than budgeted, up 2.5% over budget.
- Expenses had been slightly higher; up 4.75% than last year and 3% higher than the current budget.
- Net loss was minimal; \$6,000.
- Cash balance was combined \$1.5 million.
- Management oversight was 1.5% of gross; \$65,094.
- Property license fee was \$1.5 million.
- Trademark license fee was \$45,000.
- Enterprise reimbursed the District \$2 million for use of District employees and \$260,000 for the use of District facilities \$260,000.
- Expenses were \$3.9 million.
- Total Enterprise Expenditures were \$4.6 million.

On a motion by Mr. Kapko, seconded by Ms. Donoff, the Board of Directors voted 5-0-2 to accept and approve the ratification of the deliverables.

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

VII. Reports

iii. Proposition 51 Update

Dr. Dunn provided an update on Proposition 51. Ultimately, 15 of the 29 proposed projects were signed into law including the Orange Coast College project, but not the Golden West College project. Dr. Dunn reported that the Systems Office had agreed to carry over the balance of the project list, so the District should expect GWC to be included in next year's cap outlay spend plan. Funding for the OCC and GWC projects would be funded next year. He also reported that the District used to get funding from the state for cap projects over a two-year window; planning and design money the first year and construction money the following year. Now, funding will be spread out over a three-year period. Dr. Dunn stated that there would be \$50-60 million to our District, just not as soon as we had hoped.

iv. Clarification of Stale Dated Check Process

Dr. Pagel reported that the auditors were currently at the campus checking books. He reported that OCC's Swap Meet had about \$5,400 (GWC had \$0) in Stale Dated Checks; checks issued to vendors that were never cashed or deposited and were put in a suspense liability account. The campus would reach out to inform a vendor that they had not cashed a check and it had deemed difficult to reach them, which left the money in that liability account until the vendor contacted the campus to reissue. Dr. Pagel explained that California has an escheat process and he would work with the auditors to determine how the campus could return these stale dated checks to the State.

v. Insurance Renewal Update for the 2017-2018 Policies

Dr. Dunn provided an update on insurance renewals; renewals had been placed, the questionnaires in May were completed and had been issued to third party brokers, which put the insurance in place. Dr. Dunn reported that the same policies were in place with a very modest increase in policy renewal cost.

VIII. Review, Discuss and Possible Action regarding Potential Contract with Marketplace Consultant

Ms. Lundell had spoken briefly on the potential contract with Marketplace Consultant earlier in the meeting. Dr. Pagel provided more details: Marketplace Consultant would wander the Swap Meet premises incognito, looking for violations such as counterfeit items, medicine, knives, etc. The consultants would provide reports with photos, and supporting documentation, which would give evidence to bring in the vendor and discuss termination. GWC and OCC had both interviewed the firm and were excited about getting started. The Swap Meet Association recommended this type of activity. This contract would be short term and would cost roughly \$2,500 total. If Marketplace Consultant reported back with issues, more budget money would need to be spent in order to resolve them.

On a motion by Dr. Weispfenning, seconded by Mr. Armendariz, the Board of Directors voted 5-0-2 to proceed with the hiring of Marketplace Consultant.

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

IX. Future Agenda Items

- a. Dana Swart to replace Daniela Thompson as CFO

X. Future Meeting Dates

- a. Shareholders meeting in September
- b. October 12, 2017 (with a new shareholder)
- c. January 11, 2018

XI. Adjourn

On a motion by Mr. Armendariz, seconded by Ms. Donoff, the Board of Directors voted 5-0-2 to adjourn the meeting at 1:30 p.m.

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


Secretary of the Enterprise