



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS REGULAR MEETING

October 12, 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 12:10 p.m.

II. Roll Call

Present:

David Cline, Richard Armendariz, Sharon Donoff, Trustee Jerry Patterson, and Student Trustee Javier Venegas

Absent:

Richard Kapko, Regina Blankenhorn and Chancellor John Weispfenning

In Attendance:

Dr. Rich Pagel, Dr. Andy Dunn, Dana Swart, Dr. Jack Lipton, Candy Lundell, Julie Clevenger, Acting Chancellor Dr. Andreea Serban, 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 August 17, 2017

On a motion by Mr. Armendariz, seconded by Ms. Donoff, the Board of Directors voted 4-0-3 to approve the minutes of the Regular Meeting of August 17, 2017.

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

V. Report on the Annual Shareholders Meeting

Ms. Houlihan reported that during the Annual Shareholders Meeting that took place earlier that day the Shareholders unanimously voted to appoint Regina Blankenhorn to the Board of Directors for a two-year term, taking the seat of Jim McIlwain who had not sought reappointment. Additionally, Richard Kapko was re-appointed to a two-year term. The term of office for both Directors was October 12, 2017 through September 30, 2019.

VI. Acceptance of Resignation of Daniela Thompson as Chief Financial Officer of the Enterprise and Appointment of Dana Swart as Chief Financial Officer of the Enterprise

On a motion by Ms. Donoff, seconded by Mr. Armendariz, the Board of Directors voted to accept the resignation of Daniela Thompson as Chief Financial Officer of the Enterprise Corporation, and appointed Dana Swart to serve as Chief Financial Officer.

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

VII. Election of Vice Chairman of the Enterprise Board of Directors

On a motion by Ms. Donoff, seconded by Mr. Venegas, the Board of Directors voted to elect Richard Armendariz as Vice Chairman of the Enterprise Board of Directors.

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

VIII. Swap Meet Operations/Construction Update

i. Orange Coast College

- It was noted that modifications would need to be made over the next three years due to construction such as the Aquatics Complex and student housing; anticipating a loss of 100-150 sales spaces and a loss of shopper parking spaces. Concern was being expressed by vendors that they would lose customers. A tentative map had been made to show what it would look like in June 2018 when the Aquatic Complex construction started, and a meeting would be scheduled for January with vendors.
- Staff training had been conducted on multiple levels and a 3-year staff development plan implemented.
- Marketplace Consultant working well; the Secret Shopper had been helpful in an effort to weed out counterfeit merchandise.
- Trying to improve the site as much as possible, additionally now all staff were wearing bright orange shirts to be easily identifiable.
- The next four years would bring some challenges. Currently looking at parking plans; may need to set up temporary transportation from the Fairgrounds. Parking may need to be shifted to the south side of the campus which would increase foot traffic across the campus. This would be shared with vendors at the January meeting.
- Campus outreach for credit courses had received a boost.

ii. Golden West College

- It was noted that there had been a decline in revenue this last year because of construction.
- A public safety supervisor had been hired to work Friday through Monday and an emergency response plan was being created. They were also compiling an employee handbook. Mr. Cline commented on the importance of staff being familiar with protocol to ensure that they were not put in harms way in emergencies.
- It had been noticed that some of the 680 vendors were moving out of their assigned areas, so the team had been working with them to get them back within their lines.
- It was felt that the Math Science building construction should not have any real impact on the swap meet.

- Pleased with the results of campus outreach.

IX. 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

Construction had an impact on some operations. \$5.9 million dollars in ticket revenue down from budgeted amount of \$6 million; not a huge impact. Salaries and benefits slightly higher than budgeted but in line; they would be increasing a little next year based on the comp and class study. Operating expenses \$2.8 million that included rent of facility, parking spaces paid to District. Overall loss of \$300,000 based on payments made to District. GWC used some of their cash reserves for parking lot improvement and purchase of some large pieces of equipment and ran in the red for the year; these were one-time expenses. Additionally, the one day the swap meet was cancelled for the 50th Anniversary football game incurred a loss of \$35,000 in revenue. (Now football games are occurring without the need to close down the swap meet).

Deliverables – management oversight fees paid to the District of \$89,232; property license fees were \$2,117,752; trademark licenses \$60,000; use of District employees (salaries and benefits) \$2,696,396; use of District facilities \$347,800, with a reimbursement to the District for other expenses \$5,267,517. The total reimbursement to the District was \$6,248,611.

Mr. Swart indicated he would clarify the expenses (other than deliverables), on the next statement. Dr. Lipton noted that on the Statement of Revenue and Expenses, Rent – Facility, and Rent – Parking Spaces, were not actually rent but lease fees. It was noted that the description of these fees as rents was part of a Board Policy on facility rental rates, and that the Board Policy may need to be revised.

On a motion by Ms. Donoff, seconded by Mr. Cline, the Board of Directors voted 4-0-3 to accept the statement dated June 30, 2017, ratify the expenditures as presented, and directed this be forwarded to the Board of Trustees.

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

X. Report and Adoption of 2017-2018 Budget

On a motion by Ms. Donoff, seconded by Mr. Armendariz, the Board of Directors voted 4-0-3 to adopt the Tentative Annual Budget as presented.

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

XI. Reports

a. Proposition 51 Update: Ms. Houlihan reported that Orange Coast College received funding for their project, but Golden West College did not. GWC working with Letitia Clark, Jerry Marchbank and Townsend Public Affairs to develop a lobbying effort to ensure they obtain funding for the Language Arts project in the 2018/2019 budget. Dr. Pagel noted that \$31 million had gone to Orange Coast College for a new Literature and Language Building/Social Behavioral Science Building, that would go up next to the Math, Business and Computing Building. Construction to probably start with the 2019/2020 budget release. Building should be operational by fall 2021.

b. Marketplace Consultant Update provided in OCC Operations Update.

XII. Future Agenda Items

- a. Proposition 51 Update
- b. Audit Report

XIII. Future Meeting Dates

On a motion by Mr. Venegas, seconded by Mr. Cline, the Board of Directors voted 4-0-3 to accept the future meeting dates:

- a. January 18, 2018
- b. April 12, 2018
- c. July 12, 2018

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

XIV. Adjourn

On a motion by Mr. Cline, seconded by Ms. Donoff, the Board of Directors voted 4-0-3 to adjourn the meeting at 1:10 p.m.

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



Secretary of the Enterprise