



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS REGULAR MEETING

July 26, 2018 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:

Richard Armendariz, Regina Blankenhorn, Sharon Donoff, Richard Kapko, Dr. John Weispfenning and Amber Gil

Absent:

David Cline

In Attendance:

Trustee Jim Moreno, Joseph Buchman, Dr. Andy Dunn, Janet Houlihan, Fahad Kazi, Candy Lundell, Miles Nevin, Dr. Richard Pagel, Rachel Snell, Dana Swart, Paul Wisner 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 12, 2018

On a motion by Ms. Blankenhorn, seconded by Mr. Armendariz, the Board of Directors voted to approve the minutes of the Regular Meeting of April 12, 2018.

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

V. Appointment of Officers

On a motion by Mr. Armendariz seconded by Mr. Kapko, the Board of Directors voted to appoint Dr. Richard Pagel as President of the Enterprise Corporation for the term July 2018 through June 2020.

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

On a motion by Mr. Armendariz seconded by Dr. Weispfenning, the Board of Directors voted to appoint Janet Houlihan as Vice President of the Enterprise Corporation for the term July 2018 through June 2020.

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

VI. Swap Meet Operations/Construction Update

- a. Orange Coast College:** Report provided by Dr. Richard Pagel
 - Campus wide construction surrounding the swap meet area continued to have an impact on operations and would necessitate a future reduction in vendor spaces.
 - Louis Vuitton made a recent visit in which they identified counterfeit merchandise being sold. Responsible vendors were terminated.
 - Parking capacity and logistics were impacted by Orange County Fair attendees.
 - Ms. Blankenhorn would schedule a future visit to the site for a tour to evaluate construction activities.
- b. Golden West College:** Report provided by Janet Houlihan
 - Louis Vuitton made a recent visit in which they identified counterfeit merchandise being sold. Identified vendors were participating in the compliance investigation.
 - Construction for the Math Science Building parking lot was anticipated to impact future swap meet operations.

VII. 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, and Discussion of Accounting Methodologies

President Pagel and CFO Dana Swart provided a summary of the financial reports and addressed comments from the Directors. The 2018-2019 budget would be forthcoming based upon the new assessment model.

For the period ending March 31, 2018 there was \$1,562,975 in total assets, \$861,653 in total liabilities and \$701,322 in total equity, resulting in \$1,562,975 total liabilities and equity for both campuses. Total revenue was \$4,845,059. Total expenses were \$4,715,962. Net revenue was \$129,097.

Deliverables: management oversight fees paid to the District \$68,740; property license fees \$1,555,840; trademark licenses \$45,000; use of District employees (salaries and benefits) \$2,276,534; use of District facilities \$260,850. The total reimbursement to the District was \$4,206,965.

Purchase Orders issued totaled \$8,025.64 of encumbrances. Checks for both colleges totaled \$1,900,329.37.

On a motion by Ms. Donoff, seconded by Ms. Blankenhorn, the Board of Directors voted to ratify the financial statements as presented.

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

VIII. Ratification of Report in Good Standing

Vice President Houlihan shared the presentation that had been provided to the Board of Trustees on June 20, 2018. Key elements included Board, Officers, management and staff organizational structure, corporation background, community engagement, financial statements, audit report findings, major accomplishments, upcoming goals and general fact sheet. The supporting checklist for auxiliary organizations in good standing pursuant to Board Policy 3600 was provided.

On a motion by Mr. Kapko, seconded by Ms. Donoff, the Board of Directors voted to ratify the Report in Good Standing.

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

IX. Ratification of Engagement Letter with CliftonLarsonAllen, LLP

President Pagel reviewed the February 14, 2018 representation letter from Vice President Houlihan and noted that the engagement letter would be provided to the Directors for ratification via e-mail prior to the October 11, 2018 meeting.

X. Review, Discussion and Possible Action on AP 3600 Compliance

President Pagel summarized administrative procedure AP 3600 and noted comments provided by General Counsel as part of the revision efforts underway. Director of Internal Audit Rachel Snell clarified the timeline and changes necessary for state compliance requirements. Additional information was anticipated in spring of 2019 as the process progressed. Chancellor Weispfenning added that a primary focus was on improving documentation for conflicts of interest and financial disclosures.

XI. Report and Adoption of 2018-2019 Budget

President Pagel recapped the budget and summary memo. Previously, the two colleges implemented different practices for budgeting and reporting expenditures: direct pay versus assessment. A working group comprised of Dana Swart, Paul Wisner, Rachel Kubik, Janet Houlihan and Richard Pagel was formed to bring both colleges' accounting models in line with the assessment method.

Revenue projections for Orange Coast College were adjusted to reflect anticipated construction impact. Combined total annual revenue was projected to be \$6,149,540. Combined total annual expenses were projected to be \$6,146,746. Net revenue was budgeted to be \$2,794. Tax liability was anticipated to increase. Mr. Kapko requested to add a subtotal for the "Other Expenses" category.

On a motion by Ms. Donoff, seconded by Mr. Kapko, the Board of Directors voted to adopt the 2018-2019 Budget as presented.

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

XII. Future Agenda Items

- a. Friday evening pilot program themed for holidays and special events

XIII. Meeting Dates

- a. October 11, 2018
- b. January 10, 2019

XIV. Adjournment

On a motion by Ms. Donoff, seconded by Mr. Kapko, the Board of Directors voted to adjourn the meeting at 1:05 p.m.

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



Jane Burton, Secretary of the Enterprise