



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS REGULAR MEETING

April 25, 2019 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 12:03 p.m.

II. Roll Call

Present:

David Cline, Richard Armendariz, Regina Blankenhorn, Richard Kapko, Amber Gil, and Dr. John Weispfenning

Absent:

Laura Reichelt

In Attendance:

Trustee David Grant, Janet Houlihan, Julia Clevenger, Dana Swart, Judy Neal, Rachel Snell, Dr. Rich Pagel, Jane Burton, Candy Lundell, and Dr. Jack Lipton.

III. Opportunity for Public Comment

There were no requests to address the Enterprise Board.

IV. Approval of Minutes from Regular Meeting of January 10, 2019

On a motion by Ms. Blankenhorn, seconded by Chancellor Weispfenning, the Board of Directors voted to approve the minutes of the Regular Meeting of January 10, 2019.

Members Voting Yes: Mr. Armendariz, Ms. Blankenhorn, Mr. Cline, Mr. Kapko, Dr. Weispfenning and Ms. Gil

Members Voting No: None

Members Abstaining: None

Members Absent: Ms. Reichelt

V. Recognition of David J. Cline – Board Chairman 2011 through 2019

Mr. Cline was recognized for serving eight years as Chairman of the Board. Mr. Cline expressed his gratitude to Directors and staff for their work and contributions toward the success of the Enterprise Corporation.

VI. Swap Meet Operations/Construction Update

a. Orange Coast College (Julia Clevenger)

Construction continued to impact operations. The Aquatics Complex would be taking an additional five parking spaces per row for approximately four months. Measures were in place to accommodate shoppers, vendors and minimize disruption.

b. Golden West College (Janet Houlihan)

The Math & Science Building project was scheduled for completion during the summer. Parking lot repairs were nearing completion. A summer trial was scheduled for Friday evenings from 5pm-9pm on June 21, July 19 and August 16. 120 vendors were confirmed to participate.

Dr. Pagel responded to Directors' questions regarding operations. He offered to bring a full report and site maps to the Board at the next meeting. A videographer would document logistics and operations at each site for inclusion in the report.

VII. Review of the Annual Report to the Coast Community College District per Board Policy 3600

Dr. Pagel summarized the report that had been presented to the Coast District Board of Trustees at their March 6, 2019 meeting in accordance with Board Policy 3600. Topics addressed in the report included: program description; Director, Officer and Management positions; financial statements; associated programs and budgets; accomplishments; proposed improvement and future challenges; and the assessment of good standing. The next report would be provided in February 2020.

VIII. 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. Dana Swart provided an overview of the financial statements for the six months ending December 31, 2018. He noted a combined cash balance of \$2 million with total assets of \$2.2 million and total liabilities of \$1.4 million. First quarter total revenue was \$3.1 million. Master Agreement expenses were expenses paid to the District for management oversight, parking space rent, trademark license, salaries, benefits and facility rental for a total of \$2.7 million. Other expenses paid directly to vendors were \$312,236, for total expenses of \$3,012,928. Net revenue was \$172,368. Purchase Orders and Checks were reviewed. As of July 1, 2019 the accounting systems would be fully harmonized between the two colleges.

On a motion by Mr. Kapko, seconded by Mr. Cline, the Board voted to ratify the financials as presented.

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

IX. Review, Discussion and Possible Action Regarding Bylaws, Master Agreement and Articles of Incorporation

Dr. Pagel provided a report following the review of the Bylaws, Master Agreement, and Articles of Incorporation that had been conducted by Officers and General Counsel. He noted the proposed revisions reflected items that would enhance operations, clarify Officer roles, clarify expenditures and ensure reporting compliance. Chancellor Weispfenning noted that all District Auxiliary Organizations were undergoing a similar process.

Based on Directors' input, the review team would bring the drafts back to the Enterprise Board for a second reading at the July 25, 2019 meeting. The Master Agreement would be reviewed by both the Coast District Board of Trustees and Coast District Foundation in July and August, then presented for acceptance at the September Enterprise Shareholders Meeting. The current Master Agreement remains valid through 2021. The Bylaws would be reviewed and approved by the Board of Directors concurrently. The Master Agreement was last amended in January 2017, and the Bylaws were last reviewed in 2016.

X. Coast Community College District Short Term Hourly Discussion

Vice Chancellor of Human Resources Dr. Marco Baeza reported on the status of efforts to remain within the constructs of Education Code in providing compliant temporary employment support services for the District. Next steps were to audit current use and determine future needs in order to implement an appropriate service model for the upcoming fiscal year. The Enterprise Corporation was utilizing approximately 80 short term hourly employees.

XI. Review, Discussion and Possible Action regarding Compensation for Officers of Enterprise, Inc.

Vice Chancellor of Human Resources Dr. Marco Baeza shared the memorandum prepared for the Chancellor that outlined the proposal of compensation in addition to salary for managers who served as Officers of the Enterprise Board. Chancellor Weispfenning elaborated that if a stipend was awarded for both the responsibility of the role and the added duties, it could create an equity consideration for other District employees in a similar capacity. General Counsel Dr. Jack Lipton provided clarification of Management's exempt employment status relative to work schedule and overtime. Separate job descriptions for Officers of the Board existed without compensation in addition to their District job descriptions. Formalizing the inclusion of Enterprise duties in management job descriptions would ensure succession.

On a motion by Mr. Kapko, seconded by Ms. Blankenhorn, the Board of Directors voted to direct District staff to review the duties of the Enterprise Officers for inclusion in the Officers' job descriptions. Compensation would be reviewed to ensure it was commensurate with the amended job descriptions.

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

XII. Insurance Issues regarding Enterprise, Inc.

Interim District Director of Risk Services Judy Neal reported she had been involved in a renewal planning meeting with the District's insurance brokers Marsh Risk and Insurance Services and provided a summary of current coverages, market conditions and a renewal strategy. Modest increases in premiums were anticipated. Officers would be invited to attend the forthcoming renewal meeting with the brokers.

On a motion by Mr. Cline, seconded by Ms. Blankenhorn, the Board of Directors voted to maintain the current insurance coverages as set forth for renewal.

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

XIII. Recess to Closed Session

Conducted in accordance with applicable sections of California law. Closed Sessions are not open to the public.

The Board recessed to discuss the following:

Conference with Legal Counsel: Existing Litigation

Pursuant to sub-section "d-1" of *Government Code* Section 54956.9

Ofilia Llamas vs. Laura Adrade et al., Orange County Superior Court Case No. 30-2018-01009138

XIV. Report of Action in Closed Session

There was no report of action from Closed Session.

XV. Future Agenda Items

- a. Report on site operations and logistics
- b. Short-term hourly employees
- c. Job descriptions
- d. Insurance ratification
- e. 2-year term limit for Chair's position in the Bylaws

On a motion by Ms. Blankenhorn, seconded by Mr. Kapko, the Board of Directors voted to amend the Bylaws to indicate that the Chair's term would be 2-years.

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

XVI. Meeting Dates

- a. July 25, 2019
- b. September 2019 (Shareholders Meeting)
- c. November 2019
- d. January 2020
- e. April 2020

XVII. Adjournment

On a motion by Mr. Cline, seconded by Mr. Kapko, the Board of Directors voted to adjourn the meeting at 1:35 p.m.

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



Jane Burton, Secretary of the Enterprise