



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS REGULAR MEETING

July 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 12:00 p.m.

II. Roll Call

Present:

David Cline, Richard Armendariz, Regina Blankenhorn, Richard Kapko, Spencer Finkbeiner, and Dr. John Weispfenning

Absent:

Laura Reichelt, Trustee David Grant

In Attendance:

Janet Houlihan, Dr. Rich Pagel, Dana Swart, Kevin Pegg, Erik Fallis, Rachel Snell, Jane Burton, Candy Lundell, Julia Clevenger, Dr. Marco Baeza, 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 April 25, 2019

On a motion by Ms. Blankenhorn, seconded by Mr. Kapko, the Board of Directors voted to approve the minutes of the Regular Meeting of April 25, 2019.

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

V. Review, Discussion and Possible Action regarding Insurance Coverage

Senior Vice President Craig Morris and Account Executive Jacklyn Tomaiko of Marsh Risk and Insurance Services provided a report detailing the programs and coverages for Directors & Officers Liability, Swap Meet Liability and Excess Swap Meet Liability. The Enterprise Corporation was also

an additional insured entity under the District's primary liability coverage with Keenan & Associates, which provided additional protection. All policies were in force effective July 1, 2019.

On a motion by Mr. Kapko, seconded by Mr. Cline, the Board of Directors voted to ratify the insurance policies.

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

VI. Swap Meet Operations/Construction Update

Julia Clevenger (Orange Coast College) and Candy Lundell (Golden West College) presented an extended logistics report that included the following:

- Attendance: daily vendors, monthly vendors and shoppers
- Sales parameters, space pricing and reservation procedures
- Staffing: parking attendants, customer service, public safety, compliance and maintenance
- Operational expenses: salaries, waste & disposal, equipment, advertising and other fees
- Waste and disposal procedures
- Time-lapse video documenting activity between 6am-6pm

Dr. Marco Baeza shared a staffing analysis addressing short-term hourly employees. The Swap Meets had been operating with 100% temporary employees. Legal parameters within the Education Code identified and placed restrictions on academic, classified and temporary employees. If ongoing work was a regular component of the classified service, the District was required to expand the ranks of classified staff to perform such work. The recommendation was to further assess staffing needs to identify ongoing work that could be converted to part-time classified service. A memorandum of understanding between the District and the Bargaining Unit could then be negotiated allowing non-existing classifications to be staffed with temporary employees. The use of student workers and hiring Enterprise Corporation employees would also be evaluated to assess the impact on existing terms of the Master Agreement and additional administrative costs to the Enterprise. Discussions would continue and a follow-up report would be returned to the Board at the November meeting.

The Friday evening event at Golden West College in June was well-attended, however the July event was cancelled due to lack of vendor participation. The possibility of additional dates in August was being explored.

VII. 2019-2020 Budget and 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, and 28.

Due to outstanding questions surrounding temporary employees, revenue potentials and expenditures, the budget would be refined and presented at the November meeting.

Mr. Dana Swart provided an overview of the financial statements for the nine months ending March 31, 2019. He noted a combined cash balance of \$1,463,456 with total assets of \$1,679,129 and total liabilities of \$794,127. Total revenue was \$4,716,066. 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 \$4,040,587. Other expenses paid directly to vendors were \$436,617, for total expenses of \$4,477,204. Net revenue was \$238,862. Purchase Orders and Checks were reviewed.

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

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

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

Dr. Pagel presented a summary of the 2nd Reading of the Bylaws and Master Agreement. He recommended bringing the proposed revisions to the Annual Shareholders Meeting in September as well as the next Board of Directors Meeting in November. The Master Agreement remained in effect until June 30, 2021 with the review process running ahead of schedule.

Enterprise officers and legal counsel had reviewed both documents and made clarifications with regard to roles & responsibilities the and inclusion of a 2-year limit for the Chair's position. The ongoing discussion of temporary employees would necessitate additional changes in the event the District's employment method changed.

IX. Review, Discussion and Possible Action regarding Job Descriptions and Compensation for Officers of the Enterprise, Inc.

Chancellor Weispfenning reported the results of his consultations with Dr. Baeza and Dr. Lipton regarding options for officer compensation. As a for-profit entity, the Enterprise Corporation could establish a performance bonus for officers. The recommendation was to form a Compensation Subcommittee to determine eligible officers, method of payments, amounts and the criteria for awarding bonuses. Dr. Pagel noted that work had been done in 2013 toward this topic and suggested referencing that data as a starting point for the subcommittee.

On a motion by Ms. Blankenhorn, seconded by Mr. Kapko, the Board of Directors voted to create a Compensation Subcommittee to further discuss a bonus program and bring a report back to the Board with a recommendation at a future meeting.

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

On a motion by Dr. Weispfenning, seconded by Mr. Finkbeiner, the Board of Directors voted to appoint the following members to the Compensation Subcommittee: Regina Blankenhorn, David Cline and Richard Kapko.

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

X. 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
Frida Robertson vs. Mario Vargas et al., Orange County Superior Court Case No. 30-2019-01076976

XI. Report of Action in Closed Session

There was no report of action from Closed Session.

XII. Future Agenda Items

- a. Vendor Agreement Report
- b. Temporary Employees

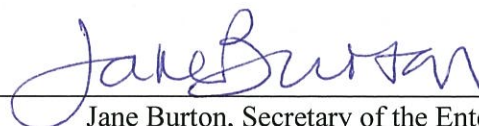
XIII. Meeting Dates

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

XIV. Adjournment

On a motion by Mr. Kapko, seconded by Ms. Blankenhorn, the Board of Directors voted to adjourn the meeting at 2:15 p.m.

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



Jane Burton, Secretary of the Enterprise