



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS REGULAR MEETING

January 28, 2021 (Zoom Meeting)

MINUTES

1. Call to Order and Roll Call

The meeting was called to order at 12:00 p.m.

Present:

Richard Armendariz, Regina Blankenhorn, David Cline, Richard Kapko, Arlis Reynolds and Dr. John Weispfenning

Absent:

Student Trustee Finkley

In Attendance:

Trustee Mary Hornbuckle, Dr. Rich Pagel, Janet Houlihan, Jane Burton, Julia Clevenger, Dr. Jack Lipton, Ruben Barriga, Rachel Snell, Rachel Kubik, Paul Wisner, Mr. Cary Quan, Jeffrey Jensen, Crowe LLP

2. Opportunity for Public Comment

There were no requests to address the Enterprise Board.

3. Welcome to Newly Appointed Director Arlis Reynolds, and Board Liaison for 2021 Trustee Mary Hornbuckle

On behalf of the Enterprise Board of Directors, Mr. Armendariz welcomed Ms. Reynolds and Trustee Hornbuckle.

4. Approval of Minutes from Regular Meeting of October 22, 2020

On a motion by Mr. Cline, seconded by Ms. Blankenhorn, the Board of Directors voted to approve the minutes of the Regular Meeting of October 22, 2020.

Motion carried with the following vote:

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| Ayes: | Mr. Armendariz, Ms. Blankenhorn, Mr. Cline, Mr. Kapko and Dr. Weispfenning |
| Nos: | None |
| Abstain: | Ms. Reynolds |
| Absent: | Ms. Finkley |

5. Election of Chair and Vice Chair of the Enterprise Board of Directors

The Board acknowledged the rotation of Vice Chair, Mr. Kapko, to Chair of the Enterprise Board of Directors for a two-year term.

On a motion by Mr. Armandariz, seconded by Dr. Weispfenning, the Board of Directors voted to elect Regina Blankenhorn as Vice Chair of the Enterprise Board of Directors.

Motion carried with the following vote:

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| Ayes: | Mr. Armendariz, Ms. Blankenhorn, Mr. Cline, Mr. Kapko, Ms. Reynolds and Dr. Weispfenning |
| Nos: | None |
| Abstain: | None |
| Absent: | Ms. Finkley |

6. Review, Discussion and Possible Action regarding the 2019-20 External Financial Audit

Mr. Jensen from Crowe LLP updated the Board with the progress of the external audit. Despite an unusual year, unique due to suspended operations, the auditor's financial opinion expressed financial viability was expected for a least the following twelve-month period, alleviating a growing concern. The audit report would be presented at the next meeting.

7. Swap Meet Operations Report and COVID 19 update

Ms. Houlihan updated the Board regarding swap meet operations and the various requirements for re-opening. It was determined it was currently not feasible re-open. Meetings and discussions at the District continued on the topics below:

- a. Swap Meet Closure March 14, 2020**
 - i. Current Orange County Health Mandates/Recommendations** – to be determined.
 - ii. Continuing Communications with Vendors/Community** – An option would be explored for vendors to provide food outside the swap meet boundaries.
 - iii. Update on Vendor Refunds, Credits and other COVID-19 Assistance**
- b. Re-Opening Efforts** – We were currently in the purple tier, with no time-line determined for orange tier
- c. Construction Update** – Dr. Pagel provided OCC parking lot improvement details and resident updates

Ms. Houlihan indicated she and Dr. Pagel would continue to talk to Dr. Chau to get more clarification on re-opening requirements, and report back to the Board.

8. Financial Reports, and Report and Ratification of Staff Board Deliverables per Master Agreement Requirements, Sections 8, 10, 11, 13, 20 and 28

Mr. Wisner detailed the financial reports as provided to the Board, and responded to questions. Topics covered included the following:

- *Financials Quarterly Report*
- *Deliverables per Master Agreement/COVID-19*
- *Cash flow update*

Mr. Wisner provided an overview of the Financials and Deliverables for the Quarter ending September 30, 2020. He noted that for the Quarter ending September 30, 2020 there was almost \$800,000 in the bank, with total assets of a little over \$1 million; total liabilities were just under \$837,000. Master Agreement expenses were \$41,664 for trademark, license and salaries, with total expenses to \$43,562, with a net loss of \$43,556.

On a motion by Ms. Blankenhorn, seconded by Mr. Cline, the Board of Directors voted to approve the financial reports and submit the reports to the Board of Trustees.

Motion carried with the following vote:

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| Ayes: | Mr. Armendariz, Ms. Blankenhorn, Ms. Reynolds, Mr. Cline, Mr. Kapko and Dr. Weispfenning |
| Nos: | None |
| Abstain: | None |
| Absent: | Ms. Finkley |

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

Motion carried with the following vote:

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| Ayes: | Mr. Armendariz, Ms. Blankenhorn, Ms. Reynolds, Mr. Cline, Mr. Kapko and Dr. Weispfenning |
| Nos: | None |
| Abstain: | None |
| Absent: | Ms. Finkley |

9. Review, Discussion and Possible Action regarding Memorandum of Understanding regarding Payment of Trademark Licensing Fee

After review of the MOU between The Enterprise, District Foundation and the Coast District that would authorize trademark licensing fee payment deferrals, on a motion by Mr. Kapko, seconded by Ms. Blankenhorn, the Board of Directors voted to approve the MOU and authorized the Chair of The Enterprise Board of Directors to sign the MOU on behalf of The Enterprise Corporation.

Motion carried with the following vote:

Ayes: Mr. Armendariz, Ms. Blankenhorn, Ms. Reynolds, Mr. Cline, Mr. Kapko and Dr. Weispfenning
Nos: None
Abstain: None
Absent: Ms. Finkley

10. Review, Discussion and Action regarding Code of Ethics/Conflict of Interest for the Enterprise Board of Directors

On a motion by Mr. Cline, seconded by Mr. Kapko, the Board moved to acknowledge the receipt and annual review of the Code of Ethics and the Conflict of Interest documents by the Enterprise Board of Directors, and affirmed they would abide by the requirement not to have a conflict of interest.

Motion carried with the following vote:

Ayes: Mr. Armendariz, Ms. Blankenhorn, Ms. Reynolds, Mr. Cline, Mr. Kapko and Dr. Weispfenning
Nos: None
Abstain: None
Absent: Ms. Finkley

11. Review, Discussion and Possible Action regarding the April 2019 Clifton Larson Allen Audit Report

Ms. Rachel Snell, District Internal Auditor, reported on the Clifton Larson Allen Audit Report. Ms. Snell recommended changes to the Bylaws to improve processes and clarification for future audits. Ms. Houlihan commented that she would be working with Ms. Snell, and that the Enterprise would present their annual report and Report of Good Standing to the Board of Trustees in March.

On a motion by Mr. Kapko, seconded by Mr. Cline, the Board of Directors voted to acknowledge receipt of the April 2019 Clifton Larson Allen Audit Report and directed staff to respond accordingly.

Motion carried with the following vote:

Ayes: Mr. Armendariz, Ms. Blankenhorn, Ms. Reynolds, Mr. Cline, Mr. Kapko and Dr. Weispfenning
Nos: None
Abstain: None
Absent: Ms. Finkley

12. Review, Discussion and Possible Action regarding Bylaws

Ms. Houlihan and Dr. Lipton responded to questions from the Board and clarified some minor changes to the Bylaws, in order to comply with law.

On a motion by Mr. Kapko, seconded by Ms. Reynolds, the Board of Directors voted to approve the amended Bylaws. The Bylaws would be submitted to the Board of Trustees and State Chancellor's Office.

Motion carried with the following vote:

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| Ayes: | Mr. Armendariz, Ms. Blankenhorn, Ms. Reynolds, Mr. Cline, Mr. Kapko and Dr. Weispfenning |
| Nos: | None |
| Abstain: | None |
| Absent: | Ms. Finkley |

13. Future Agenda Items

A suggestion was made to include a recommended action statement for each agenda item.

Future Agenda Items:

- The Master Agreement
- Update – Operations and Reopening, Swap Meets
- Conversations with Dr. Chau

14. Future Meeting Date

The next meeting was scheduled for April 29, 2021 at 12:00 noon.

15. 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 Closed Session to discuss the following:

Conference with Legal Counsel: Existing Litigation

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

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

16. Reconvene to Open Session

The Board reconvened to Open Session.

17. Report of Action in Closed Session (if any)

General Counsel, Dr. Jack Lipton, reported that the Board had voted unanimously to ratify the settlement agreement in the Robertson vs. Vargas case.

Motion carried with the following vote:

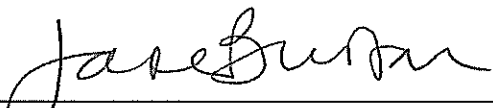
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| Ayes: | Mr. Armendariz, Ms. Blankenhorn, Ms. Reynolds, Mr. Cline, Mr. Kapko, Dr. Weispfenning |
| Nos: | None |
| Abstain: | None |
| Absent: | Ms. Finkley |

18. Adjournment

On a motion by Ms. Blankenhorn, seconded by Mr. Kapko, the Board of Directors voted to adjourn the meeting at 1:16 p.m.

Motion carried with the following vote:

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| Ayes: | Mr. Armendariz, Ms. Blankenhorn, Ms. Reynolds, Mr. Cline, Mr. Kapko, Dr. Weispfenning |
| Nos: | None |
| Abstain: | None |
| Absent: | Ms. Finkley |



Jane Burton, Secretary of the Enterprise