



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS REGULAR MEETING

February 3, 2022 (Zoom Meeting)

MINUTES

1. Call to Order and Roll Call

The meeting was called to order at 2:00 p.m.

Present:

Richard Armendariz, Regina Blankenhorn, Arlis Reynolds, Richard Kapko, Student Trustee Roy Sahachaisere

Absent:

David Cline and Chancellor Weispfenning

In Attendance:

Trustee Jerry Patterson, Janet Houlihan, Julia Clevenger, Dr. Jack Lipton, Dr. Andrew Dunn, Dr. Rich Pagel, Ruben Barriga, Rachel Kubik, Paul Wisner, Rachell Snell, Erik Fallis, Mary Grady

2. Opportunity for Public Comment

There were no requests to address the Enterprise Board.

3. Authorization under Brown Act, Government Code § 54953(e), for Conducting Board Meetings Remotely Due to the COVID-19 Emergency Because Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees

On a motion by Ms. Blankenhorn, seconded by Mr. Armendariz, the Board of Directors voted to extend the authorization for conducting board meetings remotely due to the Covid-19 emergency because meeting in person would present imminent risks to the health and safety of attendees.

Motion passed unanimously with the following vote:

Ayes:	Mr. Armendariz, Ms. Blankenhorn, Mr. Kapko, Ms. Reynolds and Student Trustee Sahachaisere
Nos:	None
Abstain:	None
Absent:	Mr. Cline, Chancellor Weispfenning

4. Welcome to Board Liaison for 2022 Trustee Jerry Patterson

The Board welcomed Trustee Patterson, and Trustee Patterson expressed his pleasure to be back as the Board Liaison.

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

On a motion by Mr. Armendariz, seconded by Ms. Reynolds, the Board of Directors voted for Mr. Kapko and Ms. Blankenhorn to continue in their current roles as Chair and Vice Chair of the Enterprise for another year.

Motion passed unanimously with the following vote:

Ayes:	Mr. Armendariz, Ms. Blankenhorn, Mr. Kapko, Ms. Reynolds and Student Trustee Sahachaisere
Nos:	None
Abstain:	None
Absent:	Mr. Cline, Chancellor Weispfenning

6. Approval of Minutes from Regular Meeting of October 21, 2021

On a motion by Mr. Armendariz, seconded by Ms. Blankenhorn, the Board of Directors voted to approve the minutes of October 21, 2021 as presented.

Motion passed unanimously with the following vote:

Ayes:	Mr. Armendariz, Ms. Blankenhorn, Mr. Kapko, Ms. Reynolds and Student Trustee Sahachaisere
Nos:	None
Abstain:	None
Absent:	Mr. Cline, Chancellor Weispfenning

7. Swap Meet Operational Update

a) Golden West College

Ms. Houlihan was very pleased to report a “sold out” status had been achieved at various times since the re-opening of the swap meet in July 2021. Patrons and vendors had been respectful to mask usage, and maintaining social distancing while at the swap meets.

Construction at Golden West College continued, however, posed no problems for the swap meet.

Golden West hosted a craft fair on campus in December 2021. This was conducted as a facility rental and could become a monthly event.

Ms. Rachel Snell from the Internal Audit Department provided a status update regarding the recent surveys conducted by her department for vendors and employees. The

surveys covered several topics including operations, special concerns, and recommendations. The goal of the surveys was to improve operations and the swap meet experience for all concerned.

b) Orange Coast College

Dr. Pagel introduced Mr. Ruben Barriga, Director of Community & College Support, and expressed appreciation to Mr. Barriga for his work bringing the OCC swap meet back successfully. Mr. Barriga expressed his thanks for the team effort.

It was reported that the crowds at the swap meet were very large on Saturdays, and improving each Sunday. Construction had continued with a new parking lot and wider stalls and solar panels had been installed.

c) Waste Reduction and Sustainability Measures

Ms. Houlihan updated the Board regarding current and continuous waste reduction and sustainability measures being taken at the swap meets:

- Paper communication was at a minimum for invoices, contracts and correspondence.
- Cardboard recycling was in place after each weekend.
- Vendors had been asked to dispose of their own trash and food items (one produce vendor was paying an additional fee to the swap meet for disposal of large amounts of waste products).
- Clothes and books left behind were being donated to shelters.
- Carts were now battery operated.

Ms. Reynolds suggested contacting the cities and sanitation districts for information regarding composting programs.

Further suggestions to improve waste reduction and sustainability measures were requested from staff and vendors, and would be considered for the future.

8. 2021-2022 Budget, Financial Reports, and Report and Ratification of Staff Board Deliverables per Master Agreement Requirements, Sections 8, 10, 11, 13, 20 and 28

Mr. Wisner shared the budget, financial information, and deliverables with the Board.

- The proposed 2021-2022 budget for both OCC and GWC swap meets was \$5,145,500 total (OCC at \$2,335,000 and GWC at \$2,810,500).
- Master Agreement Expenses \$4,642,017 combined total for both colleges (OCC at \$2,081,925 and GWC at \$2,560,092).
- Other direct expenses \$5,144,505 combined total for both colleges (OCC at \$2,334,508 and GWC at \$2,809,997).

- Net revenue \$995 combined total (OCC at \$492 and GWC at \$503).

Ms. Kubik and Mr. Wisner clarified some of the line item expenses and discrepancies of costs for each the swap meets, as some were categorized differently.

- Net assets quarter ending December 31, 2021 \$808,896 combined for both colleges (OCC at \$304,711 and GWC at \$504,185).
- Total liabilities and equity \$808,896 combined total (OCC at \$304,711 and GWC at \$504,185).
- Total revenue \$2,524,823 combined total (OCC at \$1,170,920 and GWC at \$1,353,903).
- Total expenses \$2,476,884 combined total (OCC at \$1,140,626 and GWC at \$1,336,258).
- Net revenue (loss) \$47,939 combined total (OCC at 30,294 and GWC at \$17,645).
- Deliverables - total Enterprise expenses \$2,476,884.

On a motion by Mr. Kapko, seconded by Mr. Armendariz, the Board of Directors voted to adopt the budget for 2021-22, approve the Statement of Deliverables for the quarters ending September 30, 2021 and December 31, 2021 as presented, and ratify the purchase order and checks.

Motion passed unanimously with the following vote:

Ayes:	Mr. Armendariz, Ms. Blankenhorn, Mr. Kapko, Ms. Reynolds and Student Trustee Sahachaisere
Nos:	None
Abstain:	None
Absent:	Mr. Cline, Chancellor Weispfenning

9. Review, Discussion and Possible Action regarding the 2020-21 External Financial

Mr. Jeff Jensen, Partner with Crowe LLP, presented the External Audit Report for 2020-2021 period ending June 30, 2021 for the Enterprise Corporation.

The audit was completed on time and was ready for presentation to the full Board of Trustees as scheduled. Internal control reviews and processes were discussed, and there were no deficiencies or material weaknesses found with the audit.

On a motion by Mr. Kapko seconded by Ms. Blankenhorn, the Board of Directors voted to receive and accept the external financial audit.

Motion passed unanimously with the following vote:

Ayes: Mr. Armendariz, Ms. Blankenhorn, Mr. Kapko, Ms. Reynolds and Student
Trustee Sahachaisere
Nos: None
Abstain: None
Absent: Mr. Cline, Chancellor Weispfenning

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

Ms. Houlihan discussed the Code of Ethics/Conflict of Interest procedures for the Enterprise Board, to be reviewed annually as a group by the Board, with each member to acknowledge they understood, agreed and would continue to abide by the stipulations of the code of ethics and values of the Enterprise Corporation.

On a motion by Mr. Kapko, seconded by Mr. Armendariz, the Board of Directors voted to affirm that the Directors had not engaged in a conflict of interest (in compliance with Section 34 of the Master Agreement) during the past year, and would continue to abide by the requirement not to have any conflict of interest in the future. The motion required supportive email or correspondence from Directors Cline and Weispfenning, not present to vote.

Motion passed unanimously with the following vote:

Ayes: Mr. Armendariz, Ms. Blankenhorn, Mr. Kapko, Ms. Reynolds and Student
Trustee Sahachaisere
Nos: None
Abstain: None
Absent: Mr. Cline, Chancellor Weispfenning

11. Review, Discussion and Possible Action regarding Compensation for Officers of the Enterprise

Mr. Kapko provided some background on this item and explained it had previously been put on hold due to the Covid-19 pandemic and subsequent events. He noted that the Enterprise Board had previously formed a sub-committee to review the topic of compensation for the officers of the Enterprise and had presented recommendations for the Directors and Enterprise Officers to receive additional compensation.

Ms. Blankenhorn provided additional background, noting that the Enterprise Board had inquired if the functions related to the swap-meets could be added to the job descriptions of those Officers involved, with additional compensation for extra workloads during regular hours and on weekends. As this was not deemed possible by HR, the Board of Directors had moved forward with their recommendations for compensation.

Vice Chancellor Dunn provided comments on behalf of Chancellor Weispfenning. He noted two areas of concern:

- How would it be decided who should receive additional compensation, as various individuals from the classified union at both colleges worked and supported Enterprise projects.
- The Enterprise was still recovering financially after the pandemic.

Trustee Patterson indicated that he agreed and shared his opinion that citizens appointed to work for the Enterprise could receive compensation, however, probably not Coast District employees who were already being compensated. Trustee Patterson encouraged more discussions take place prior to action being taken by the Enterprise Board.

Further reports were requested by Trustee Patterson: (1) How many Districts in the state received revenue from swap meets; (2) How many were managed internally and how many were contracted out; (3) If handled internally, what was the breakdown. He requested this information be provided to the Enterprise Board of Directors, and then moved forward to the Board of Trustees.

Mr. Kapko requested Ms. Houlihan and Dr. Pagel prepare a report on this topic to come back to the Enterprise Board at a later date. Ms. Reynolds also requested a staff report that outlined the basis for the Board's incremental allocations for compensation proposals, with a background of how the allocation amounts were decided.

Dr. Lipton reminded the Board that this agenda item was specifically regarding Compensation for Officers of the Enterprise and if Directors' compensation was to be discussed, it would need to be agendized separately. Also, he stated that any classified employee compensation changes would be a negotiated item through the classified union, noting that in a community college environment, all employees were considered classified employees except for administration and faculty.

Student Trustee Sahachaisere suggested the Board consider encouraging business students to get involved with running the Enterprise Corporation, and Ms. Blankenhorn agreed that any student was welcome to apply when a vacancy came up on the Board of Directors.

12.Future Agenda Items

- a. Compensation of Officers and Directors of the Enterprise
- b. Term ending June 30, 2022 for Mr. Wisner, and possibly Dr. Pagel

13.Future Meeting Date

A future meeting date was set for Thursday, April 14, 2022 at noon.

14.Recess to Closed Session

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

Conference with Legal Counsel – Anticipated Litigation.
Significant exposure to litigation pursuant to sub-sections “d-2” and “e-1” of
Government Code Section 54956.9.

15. Reconvene to Open Session

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

No report from closed session.

17. Adjournment

The meeting adjourned at 1:53 p.m.



Jane Burton, Secretary of the Enterprise

Under the Brown Act, the public has the right to receive copies of any non-exempt public documents relating to an agenda item that are distributed to the Board of Directors. Please contact the Office of the Board of Trustees at jbarton@cccd.edu prior to the meeting to facilitate the distribution of these documents.