



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS REGULAR MEETING

May 20, 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, David Cline, Richard Kapko, Arlis Reynolds, Chancellor John Weispfenning, Student Trustee Roy Sahachaisere

Absent: None

In Attendance:

Trustee Jerry Patterson, Janet Houlihan, Dr. Rich Pagel, Dr. Andy Dunn, Paul Wisner, Jane Burton, Julia Clevenger, Dr. Jack Lipton, Ruben Barriga, Rachel Kubik, Rachell Snell, Erik Fallis, and Craig Morris of Marsh Risk and Insurance Services

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

4. Approval of Minutes from Regular Meeting of February 3, 2022

On a motion by Mr. Armendariz, seconded by Mr. Kapko, the Board of Directors voted to approve the minutes of the February 3, 2022 meeting as submitted.

Motion passed with the following vote:

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

5. Review, Discussion and Possible Action Regarding Annual Insurance Policies

Craig Morris, Senior Vice President, Client Executive from Marsh Risk and Insurance Services, provided a detailed presentation for the Board. The Liability and D&O coverage and potential risks and exposure for the Enterprise, and the Directors and Officers, was discussed. The Directors expressed a desire to increase the D&O policy to \$10M coverage, however, Mr. Morris stated this would not be easily attainable. He suggested trying to obtain \$5M which would probably cost approximately \$35,000. His recommended strategy would be to approach AIG and Chubb for renewal terms and, if necessary, do additional selective marketing.

On a motion by Richard Kapko, seconded by David Cline, the Board of Directors voted to authorize the officers of the Board to approve the insurance premium for Liability of \$2 million with a “not to exceed” premium of \$52,000, and coverage for D&O for \$5 million with a “not to exceed” premium of \$35,000 annual premium. Furthermore, if either the Liability or D&O coverage could not be obtained for these amounts, a Special Meeting of the Board of Directors would be scheduled for further review and approval.

Motion passed unanimously with the following vote:

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

6. Update on the Enterprise Annual Report and Report of Good Standing Presented to the Board of Trustees at the March 16, 2022 Board Meeting

Janet Houlihan gave a brief overview of District Board Policy BP 3600 and the requirement for all auxiliary operations to obtain approvals from the Board of Trustees on an annual basis. She noted that the annual report and the Enterprise Corporation’s Report of Good Standing had been approved by the presented to the Board of Trustees on March 16, 2022.

7. Swap Meet Operational Update

- a) **Golden West College Update from Janet Houlihan:** The GWC swap meet had continued to operate smoothly, and spaces were repeatedly selling out. The Language Arts Building Project was currently under construction, and construction crews were clearing the swap meet areas for the weekends. Rachel Snell, Director of Internal Audit, had provided a survey for swap meet employees and vendors at both Golden West and Orange Coast swap-meets. The survey had been sent out and results were pending. The results of the survey would be used to improve operations.
- b) **Orange Coast College Update from Dr. Rich Pagel:** The OCC swap meet was continuing to grow, with Sundays selling out. There was a problem with vehicle theft at the swap meet, and they were working with the City of Costa Mesa Police Department and the Orange County Vehicle Task Force. A vendor meeting was held to reinforce the rules and regulations. The swap meet survey was highlighted at the vendor meeting to encourage feedback.

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

- **Financials Quarterly Reports**
- **Deliverables Per Master Agreement/COVID-19**
- **Cash flow update**

Paul Wisner provided the Board with the financials and deliverables for the quarter ending March 31, 2022.

Cash in bank:	OCC \$304,498 and GWC \$365,146: Total \$669,644
Total Assets:	OCC \$373,060 and GWC \$549,447: Total \$922,507
Total Liabilities:	OCC \$209,845 and GWC \$563,179: Total \$773,024
Total Equity & Liabilities:	OCC \$373,060 and GWC \$549,447: Total \$922,506

Master Agreement Expenses \$3.4M

Total Expenses:	OCC \$1,717,261 and GWC \$2,001,968: Total \$3,719,229
Net Revenue:	OCC \$62,404 and GWC \$50,007: Total \$112,411

Mr. Wisner noted that the year-to-date budget amount shown was slightly inaccurate as it was only through the 2nd Quarter instead of 3rd Quarter, so the numbers presented were a little lower. However, he calculated that Total Revenue was \$3.8M which matched the YTD Budget, noting we were still on track for total year of \$5.1M.

On a motion by Mr. Kapko, seconded by Mr. Armendariz, the Board voted to approve the Statement of Deliverables for Quarter Ending March 31, 2022 as presented, and to ratify the purchase orders and checks.

Motion passed unanimously with the following vote:

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

9. Review, Discussion and Possible Action regarding Compensation for Directors of Enterprise

Chancellor Weispfenning spoke to this item, clarifying the District Board of Trustees' and his position regarding this topic. He noted that the current by-laws of the organization did not allow for compensation for the Directors, and the Master Agreement for the Enterprise Corporation called for expenditures to be made in the best interest of the District, under the Chancellor's authority. Chancellor Weispfenning relayed the Board's desire that the Enterprise Board not move forward with Director compensation as this could produce inequities among other District auxiliary boards. He also thanked the Enterprise Board of Directors, assuring them that their support was greatly valued and appreciated.

Compensation for the Officers would be discussed in Closed Session.

10. Future Agenda Items

- a. Covid-19, mask mandates and discussion regarding future in-person meetings.
- b. Presentation regarding possibility of raising the vendor rates.

11. Future Meeting Date

A future meeting date was set for Wednesday, August 24, 2022 at noon.

12. Recess to Closed Session

Conducted in accordance with applicable sections of California law. Closed Sessions are not open to the public. Trustee Patterson was invited to join Closed Session.

- a. **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. One case.
- b. **Conference with Legal Counsel – Anticipated Litigation.**
Potential litigation under sub-sections “d-2” and “e-3” of Government Code Section 54956.9: Crispina Barrita
- c. **Conference with Labor Negotiator**
Enterprise Negotiator: Chancellor
Employees: Corporate Officers

13.Reconvene to Open Session

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

There was no report from closed session.

15.Adjournment

On a motion by Mr. Kapko, seconded by Mr. Armendariz, the Board voted to adjourn the meeting at 1:50 p.m.

Motion passed unanimously with the following vote:

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


Jane Burton, Secretary of the Enterprise

