



Coast Community College District Enterprise, Inc.

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## **AGENDA**

### **Regular Meeting of the Board of Directors**

**Thursday, August 1, 2024 at 12:00 noon**

**1370 Adams Ave., Costa Mesa, Ca. 92626, Board Conference Room**

#### **1. Roll Call**

#### **2. Opportunity for Public Comment**

*Members of the public have the opportunity to address the Enterprise Board of Directors on any item that has been described in this notice. and on any matter within the subject matter jurisdiction of the Enterprise Board of Directors even if the item is not on the agenda. Persons wishing to make comments for this purpose will be recognized at this point in the meeting. Individuals will have up to five minutes per Agenda item, and there is a 20-minute total limit per item. These time limitations may be extended by the Board. The Board cannot respond to these public comments but at the Board's discretion, these matters may be referred to staff or placed on a subsequent agenda for Board consideration.*

*It is the intention of the Enterprise Corporation to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the Enterprise Corporation will attempt to accommodate you in every reasonable manner. Please contact the Secretary of the Enterprise Corporation at [jclevenger@cccd.edu](mailto:jclevenger@cccd.edu) as soon as possible prior to the meeting to inform us of your particular needs so that appropriate accommodations may be made.*

#### **3. Approval of Minutes from Regular Meeting of April 25, 2024 (attachment #1)**

*Recommendation:* *It is recommended that the Board approves the minutes of April 25, 2024.*

#### **4. Swap Meet Operational Update**

- a) **Golden West College**
- b) **Orange Coast College**

#### **5. Financial Reports, and Report and Ratification of Staff Board Deliverables per Master Agreement Requirements, Sections 8, 10, 11, 13, 20 and 28 (Rachel Kubik)**

- **Financials Quarterly Reports**
- **Deliverables per Master Agreement**

*Recommendation:* *It is recommended that the Board approves the Deliverables as presented and ratifies the purchase orders and checks.*

#### **6. New External Auditor Introduction, Alicia Herrera, CPA, Partner, Eide Bailly LLP**

- 7. Annual Insurance Policies Review to Include Premium, Funding Sources and Clarification of D&O Coverage, Craig Morris, Senior Vice President, Marsh & Associates**
- 8. The Enterprise Budget 2024-2025 Budget Review and Approval**
- 9. Future Agenda Items**
  - a. 2024 Shareholder's Meeting
  - b.
  - c.
- 10. Future Meeting Date**
- 11. Closed Session – No Closed Session Discussion Needed**
- 12. Adjournment**

*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 [jclevenger@cccd.edu](mailto:jclevenger@cccd.edu) to the meeting to facilitate the distribution of these documents.*



Coast Community College District Enterprise, Inc.

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## **BOARD OF DIRECTORS REGULAR MEETING**

**April 25, 2024 at noon**

**Board Office Conference Room, Coast Colleges District Office**

**1370 Adams Ave., Costa Mesa, CA 92626**

### **MINUTES**

#### **1. Call to Order and Roll Call**

The meeting was called to order at 12:04 p.m.

**Present:**

Regina Blankenhorn, Richard Armendariz, David Cline, Mike Carey, Lorena Ortega, Chancellor Yamamura

**Absent:** Student Trustee John Bruning

**In Attendance:**

Julie Clevenger, Rich Pagel, Rachel Snell, Paul Wisner, Dr. Jack Lipton, Rick Hicks, Trustee Parker, Rachel Kubik, Ruben Barriga, Rachel Kubik, Crystal Crane, Brandi Williams, Paul Wisner, Maira De La Torre, Meridith Randall

#### **2. Opportunity for Public Comment**

There were no requests to address the Enterprise Board.

#### **3. Approval of Minutes from Regular Meeting of February 15, 2024**

On a motion by Mr. Armendarez, seconded by Mr. Cline, the minutes from February 15, 2024 were approved.

Motion passed unanimously with the following vote:

<b>Ayes:</b>	Ms. Blankenhorn, Mr. Armendariz, Mr. Cline, Mr. Carey, Ms. Ortega and Chancellor Yamamura
<b>Nos:</b>	None
<b>Abstain:</b>	None
<b>Absent:</b>	Student Trustee John Bruning

#### **4. Swap Meet Operational Update**

- a. Golden West College – Rick Hicks  
The GWC swap meet was continuing strong and was already sold out for May.
- b. Orange Coast College – Rich Pagel
  - \* OCC was doing very well and was selling out spaces at 100%.
  - \* The City of Costa Mesa would begin intersection road improvements to be completed by November 2024.
  - \* A new street sweeper for the swap meet areas was on site to control construction nails.
  - \* Dr. Pagel recognized Ruben Barriga and his efforts working toward implementing a proposed fee increase for the swap meets.

#### **5. Financial Reports, and Report and Ratification of Staff Board Deliverables per Master Agreement Requirements, Sections 8, 10, 11, 13, 20 and 28 (Rachel Kubik)**

Rachel Kubik provided the financial update.

Total Assets: \$1,872,170  
Total Liabilities: \$1,190,323  
Total Equity: \$676,848  
Total Liabilities & Equity: \$1,872,170  
Total Revenue Actuals: \$5391,342  
Total Master Agreement Expenses Actual: \$4,382,013  
Total Expenses Actual: \$5,003,487  
Total Net Revenue Actual \$387,205

Trademark fees for the colleges was discussed.

On a motion by Mr. Armendariz, seconded by Chancellor Yamamura, the Board of Directors voted to approve the Financials, Quarterly Reports and Deliverables and Ratify the Purchase Orders and Checks for Quarter Ending March 31, 2024.

Motion passed unanimously with the following votes:

Ayes:	Ms. Blankenhorn, Mr. Armendariz, Mr. Cline, Mr. Carey, Ms. Ortega and Chancellor Yamamura
Nos:	None
Abstain:	None
Absent:	Student Trustee John Bruning

#### **6. Discuss Revenue Trends and Expenses Based on Inflation**

Rachel Kubick provided detailed information for the Board to review the revenue trends and expenses based on inflation.

The Statement of Revenue and Expenses ECPI Index percentages were discussed, and it was noted the numbers were compounding year over year. Increases in revenue

were not keeping up with increased costs. The ECPI Index calculations justified planning for future increases in fees at the swap meets and would prove the increases were needed to keep up with expenses. This information would be important for the vendors to understand.

The information was received and filed.

## **7. Discuss Trends – Compensation for Lead Employees and Other Professionals**

Dr. Rich Pagel thanked Crystal Crane from Coast District HR for providing a professional experts compensation trends report for the Board. The proposed new rates and salary schedules were reviewed and discussed. This item was received and filed.

## **8. Discuss Fee Increases at the Swap Meets**

Dr. Rich Pagel discussed swap meet competitors and their fees charged compared to the Enterprise swap meet fees charged. Fee structures were taken into consideration comparing space sizes, entrance fees, parking, monthly advances, cleaning fees and rising costs.

A fee increase was planned for June or July of 2024 for both OCC and GWC swap meets.

The proposed fee increase for each space for the vendors would rise per day from \$50 to \$55 and then \$60 in July of 2025 for 2025-2026. At the door last minute spaces would be \$60 in 2024-25 and then move up to \$65 and \$70 per day. Corner spaces would be a higher rate.

Previous rate increases were:  
OCC November 2022  
GWC March 2023

The information was received and filed.

## **9. Future Agenda Items**

- a. New External Auditor Introduction
- b. Insurance – Marsh & Associates
- c. The Enterprise Budget

## **10. Future Meeting Date**

The next Enterprise meeting will be held August 1, 2024 at noon.

## **11. 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-2” of Government Code Section 54956.9.

Three cases:

Lawsuit by Crispina Barrita against the District

Claim by Berta Gonzalez against the District

Claim by Iris Gonzalez against the District

**12.Reconvene to Open Session**

**13.Report of Acton in Closed Session (if any)**

There was no report of action from closed session.

**14.Adjournment**

The meeting was adjourned at 12:59 p.m.

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Julie Clevenger, Secretary of the Enterprise



Coast Community College District Enterprise, Inc.

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## **AGENDA**

### **Special Meeting of the Board of Directors**

**Thursday, September 12, 2024 at 11:30 am**

**1370 Adams Ave., Costa Mesa, Ca. 92626, Board Conference Room**

#### **1. Roll Call**

#### **2. Opportunity for Public Comment**

*Members of the public have the opportunity to address the Enterprise Board of Directors on any item that has been described in this notice. and on any matter within the subject matter jurisdiction of the Enterprise Board of Directors even if the item is not on the agenda. Persons wishing to make comments for this purpose will be recognized at this point in the meeting. Individuals will have up to five minutes per Agenda item, and there is a 20-minute total limit per item. These time limitations may be extended by the Board. The Board cannot respond to these public comments but at the Board's discretion, these matters may be referred to staff or placed on a subsequent agenda for Board consideration.*

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#### **3. Report from the Shareholder's Meeting of September 12, 2024**

#### **4. Retirement of Janet Houlihan, Vice President of Enterprise, September 3, 2024**

*Recommendation:* *It is recommended that the Board accepts the retirement of Janet Houlihan and offers appreciation for her years of service to Enterprise.*

#### **5. Officer Election, Vice President, to Replace Janet Houlihan**

*Recommendation:* *It is recommended the Board elect a Vice President.*

#### **6. Approval of Minutes from Regular Meeting of August 1, 2024 (Attachment #1)**

*Recommendation:* *It is recommended the Board approves the minutes of August 1, 2024.*

#### **7. Annual Insurance Policies Review to Include Premium, Funding Sources and Clarification of D&O Coverage, Craig Morris, Senior Vice President, Marsh & Associates**

Recommendation: It is recommended the Board vote to approve and authorize the placement of insurance.

## **8. Swap Meet Operational Update**

- a) Golden West College
- b) Orange Coast College

## **9. Financial Reports, and Report and Ratification of Staff Board Deliverables per Master Agreement Requirements, Sections 8, 10, 11, 13, 20 and 28 (Rachel Kubik)**

- Financials Quarterly Reports
- Deliverables per Master Agreement

Recommendation: It is recommended the Board approves the Deliverables as presented and ratifies the purchase orders and checks.

## **10. The Enterprise Final Budget 2024-2025 Review and Approval**

Recommendation: It is recommended the Board approves the Enterprise Final Budget 2024-2025.

## **11. Future Agenda Items**

- a.
- b.
- c.

## **12. Future Meeting Date**

## **13. Adjournment**

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Coast Community College District Enterprise, Inc.

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## **BOARD OF DIRECTORS REGULAR MEETING**

**August 1, 2024 at noon**

**Board Office Conference Room, Coast Colleges District Office**

**1370 Adams Ave., Costa Mesa, CA 92626**

### **MINUTES**

#### **1. Call to Order and Roll Call**

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

**Present:**

Regina Blankenhorn, Mike Carey, Lorena Ortega, Chancellor Yamamura

**Absent:** Richard Armendariz, David Cline, Student Trustee Darla Nunez

**In Attendance:**

Julie Clevenger, Rich Pagel, Rachel Snell, Paul Wisner, Dr. Jack Lipton, Trustee Parker, Rachel Kubik, Ruben Barriga, Paul Wisner, Maira De La Torre, Marlene Drinkwine, Stephanie Martinez, Meridith Randall, Craig Morris, Marsh & Associates Insurance, Alicia Herrera and Anna Cordillion from Eide Bailey joined via Zoom

#### **2. Opportunity for Public Comment**

There were no requests to address the Enterprise Board.

#### **3. Approval of Minutes from Regular Meeting of April 25, 2024**

On a motion by Chancellor Yamamura seconded by Mr. Carey, the minutes from April 25, 2024 were approved as amended.

Motion passed unanimously with the following vote:

Ayes: Ms. Blankenhorn, Mr. Carey, Ms. Ortega and Chancellor Yamamura

Nos: None

Abstain: None

Absent: Mr. Armendariz, Mr. Cline, Student Trustee Darla Nunez

#### **4. Swap Meet Operational Update**

Dr. Rich Pagel introduced Stephanie Martinez from Golden West College, Director of Fiscal Services, filling in for Rick Hicks while he is on vacation.

Dr. Pagel also informed the Directors and meeting attendees that Janet Houlihan had submitted her retirement paperwork and would retire in September 2024. Dr. Pagel recognized the enormous efforts and time Janet Houlihan dedicated toward the Enterprise endeavors over the last 20 years and described the wonderful career Janet had with Coast Colleges and Enterprise.

- a. Golden West College – Stephanie Martinez and Rich Pagel  
The swap meet was selling out on Saturdays and Sundays. A construction project was planned to add solar panels to the parking lot area for the customers. End of year books were in the process of closing out. Stephanie Martinez was brought on board to work with Enterprise in May 2024. The next VP for Enterprise would need to be elected due to Janet Houlihan's retirement. Fees were increased in July 2024.
- b. Orange Coast College – Rich Pagel  
The OCC swap meet was doing very well and selling out every weekend. All sales on the weekends had increased tremendously. Internal Auditor Rachel Snell was reviewing swap meet compliance for vendors at both swap meets. Ruben Barriga was always on site every weekend to oversee operations. There was construction for a new Chemistry Building on campus that caused a few street sweeping difficulties and some replacement tires were purchased for customers. Fees increased in July 2024 and would be expected annually (or within 15 months).

The County Fair had begun and was occurring every Wednesday through Sunday. The Oakland Raiders were on site at OCC, although that was not open to the public. There were a couple of vehicle thefts of Chevy trucks.

## **5. Financial Reports, and Report and Ratification of Staff Board Deliverables per Master Agreement Requirements, Sections 8, 10, 11, 13, 20 and 28 (Rachel Kubik)**

Rachel Kubik provided the financial update with a preliminary copy of the financials. The final documents would be available late October or early November 2024.

Total Assets: \$1,199,622  
Total Liabilities: \$807,620  
Total Equity: \$392,002  
Total Net Profit: \$92,814  
Total Liabilities & Equity: \$1,199,622  
Total Revenue Actuals: \$7,267,697  
Total Master Agreement Expenses Actual: \$6,285,047  
Total Expenses Actual: \$7,173,833  
Total Net Revenue Actual \$92,814

Dr. Rich Pagel added that the colleges will be increasing the fees charged to the Enterprise in the future. The increases will be included in the 2024-2025 Budget.

Dr. Lipton asked about the large amount of legal fees noted on the financials. Rachel Kubik explained it was related to OCC.

On a motion by Mr. Carey seconded by Ms. Ortega, the Board of Directors voted to approve the Financials, Quarterly Reports and Deliverables and Ratify the Purchase Orders and Checks for Quarter Ending June 30, 2024.

Motion passed unanimously with the following votes:

Ayes: Ms. Blankenhorn, Mr. Carey, Ms. Ortega and Chancellor Yamamura  
Nos: None  
Abstain: None  
Absent: Mr. Armendariz, Mr. Cline, Student Trustee Darla Nunez

#### **6. New External Auditor Introduction, Alicia Herrera, CPA, Partner, Eide Bailly LLP**

Dr. Rich Pagel introduced Alicia Herrera, Partner and Anna Cordillion, Manager, from Eide Bailly LLP, the new External Auditors for both Coast District and Enterprise. The external audit was already mid-way completed and was expected to be complete by late October or early November 2024. In addition, Eide Bailly LLP CPAs would prepare the tax returns for Enterprise.

On a motion by Mr. Carey seconded by Ms. Ortega the Board of Directors voted to approve and ratify Eide Bailly LLP as the External Auditor for Enterprise.

Motion passed unanimously with the following votes:

Ayes: Ms. Blankenhorn, Mr. Carey, Ms. Ortega and Chancellor Yamamura  
Nos: None  
Abstain: None  
Absent: Mr. Armendariz, Mr. Cline, Student Trustee Darla Nunez

#### **7. Annual Insurance Policies review to Include Premium, Funding Sources and Clarification of D&O Coverage, Craig Morris, Senior Vice President, Marsh, a business of Marsh McLennan**

Mr. Craig Morris from Marsh was introduced. Marsh is the District and Enterprise's insurance broker and risk advisor. They handle the swap meet liability and the Directors and Officers liability insurance.

A PowerPoint presentation was shared as Mr. Morris explained the current insurance program and gave a recap of accomplishments from the current year and current market conditions. The insurance renewal effective date was moved from July 1, 2024 to Sept 30, 2024. Quotes for renewal fees would be available in about 30 days. The

marketplace remained stable and either a flat renewal or a 5% rate increase would be expected.

Dr. Rich Pagel explained a renewal goal of the Enterprise is to bring the D&O insurance up to \$10 million in coverage from the current \$7.5 million.

## **8. The Enterprise Budget 2024-2025 Budget Review and Approval**

Rachel Kubick provided an overview of the Enterprise preliminary Budget for 2024-2025. Enterprise was hoping to reach almost \$7.7 million in the next year. Most of the budget remained similar to the prior year. The final budget would be presented at a Special Board meeting in September.

On a motion by Mr. Carey, seconded by Chancellor Yamamura the Board voted to approve the preliminary Enterprise Budget for 2024-2025 as presented.

Motion passed unanimously with the following vote:

Ayes:	Ms. Blankenhorn, Mr. Carey, Ms. Ortega and Chancellor Yamamura
Nos:	None
Abstain:	None
Absent:	Mr. Armendariz, Mr. Cline, Student Trustee Darla Nunez

## **9. Future Agenda Items**

- a. Acknowledgement and Appreciation for Janet Houlihan
- b. Elect a new Vice President for Enterprise
- c. Marsh Insurance quotes
- d. Final Enterprise Budget for 2024-2025

## **10. Future Meeting Date**

A Special Enterprise meeting would be held on September 12, 2024 at 11:30 am. following the 2024 Shareholder's Meeting.

## **11. Closed Session – No Closed Session Discussion Needed**

## **12. Adjournment**

The meeting was adjourned at 12:58 pm.

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Julie Clevenger, Secretary of the Enterprise