



INTELECOM
BOARD OF DIRECTORS MEETING

November 5, 2015
1:00 P.M. - 3:00 P.M.

- CONFERENCE CALL FORMAT -

To join the Zoom meeting:
PC, Mac, iOS, Android: <https://cccconfernow.zoom.us/j/3894769063>
Phone: (415) 762-9988 or 646 568 7788
Meeting ID: 389 476 9063

AGENDA

- I. CALL TO ORDER
- II. ROLL CALL
- III. MINUTES

ACTION

A. INTELECOM Board of Directors Meeting: August 7, 2015 Attachment A
Recommended Action: Approve August 7, 2015 meeting minutes.

ACTION

- IV. 2014-15 Audit Report Attachment B
Recommended Action: Approve the 2014-15 audit as presented by Guzman & Gray, Certified Public Accountants.

- V. EXECUTIVE SESSION (Audit)

VI. REPORTS

A. CEO

- 1. Updates
 - a. Grant Proposals
 - b. Advisory Groups: Community Services, Student Veterans
 - c. CCCDECO
- 2. Upcoming Changes to Executive Committee/Board Composition

B. Marketing

C. Production

D. Administration and Finance

- 1. Financial Reports: September 30, 2015 Attachment C
- 2. Information Item: Letter to Retirees re: Medical Benefits Attachment D

VII. GENERAL BUSINESS

VIII. OTHER

IX. PUBLIC COMMENT

X. ADJOURNMENT

**2015/16 Meeting Schedule
(Fridays at 9:00am)**

November 13, 2015
January 22, 2016
March 25, 2016
June 3, 2016

**MEETING OF THE BOARD OF DIRECTORS OF
INTELECOM Intelligent Telecommunications**

November 5, 2015
1:00 p.m. - 3:00 p.m.
- Conference call format -

MINUTES

I. **Call to Order**

Interim Chair Tom Fallo called the meeting to order at 1:06 p.m.

II. **Roll Call**

<u>Board</u>	<u>Staff</u>
Lori Bennett (joined 1:15pm)	Cameron Cox
Erika Endrijonas (joined 1:15pm)	Meg Cundiff
Tom Fallo	Allen Dooley
Cherylee Kushida	Peter Grant
John Makevich	Sydnee Risk

Board members Erica LeBlanc and Joe Moreau were absent. Patrick Guzman of Guzman and Gray, Certified Public Accountants attended the meeting.

III. **Minutes**

A. **INTELECOM Board of Directors Meeting Minutes: August 7, 2015**

M/S/P Makevich/Fallo to accept and approve the August 7, 2015 meeting minutes as submitted.

IV. **2014-15 Audit Report**

Patrick Guzman of Guzman and Gray introduced the 2014-15 audit report. In reviewing the Statements of Financial Position, he commented that INTELECOM's working capital ratio is strong at better than 5 to 1. Eight months of working capital is very good; most organizations have two months. Current liabilities didn't change much from last year, though long term liabilities increased due to the pension obligation entry resulting from a change in accounting rules. Net assets are still positive at about \$92,000 and the long-term liability doesn't affect current operations. Tom Fallo inquired as to how financial institutions view this factor; Patrick stated that banks are more interested in cash flow and working capital. Regarding the Statements of Activities, Patrick commented that expenses didn't really increase this year, but they didn't convert to assets since no new product was released. He added that revenue has declined since 2007; he will supply a separate schedule reflecting historical revenue and expense from 2007 to present. Expenses exceeded revenue for only the second time in the last eight years. Patrick reviewed the Notes To Financial Statements pages, and closed by saying no material weaknesses nor internal control issues were found, and that INTELECOM staff was helpful and timely in his audit preparation. **M/S/P Endrijonas/Makevich to receive the 2014-15 audit as presented.**

V. **Executive Session (Audit)**

Tom Fallo reported that no action was taken in the Executive Session. He complimented Patrick on his good work, and thanked INTELECOM management.

VI. **Reports**

A. **CEO**

Allen stated he has been researching potential funders; INTELECOM will pursue a number of grants in 2016. In January and February, grants for medical billing and coding will be sought with Annenberg, Walmart, and Kaiser in the amount of \$250,000-400,000; their grant cycles range from three to nine months. Although medical billing and coding product pricing hasn't yet been finalized, it is anticipated that resulting product revenues will reach the amount of funding received. Cameron added that, with this product, we aim to raise the content quality bar and remove cost barriers for student access; we will look at three and five year revenue projections moving forward. Peter commented that pre-funding preserves cash and relieves the organization from amortization.

Allen reviewed that we have established two advisory groups, for community services (CSAG) and veterans' services (SVAG). CSAG is providing valuable input on medical billing and coding product development, and SVAG is helping to identify needs within student veterans' services. Two of the SVAG committee members are at campuses with model veterans programs (Citrus and PCC); we aim to work closely with them.

Allen added that he and Cameron participated in a Board meeting of the newly established CCCDECO (CA CC Distance Education Coordinators Organization) in October, and that their president Larry Lambert/Southwestern College will speak at the Consortium's annual meeting next week.

Lastly, Allen mentioned two upcoming changes to the Executive Committee/Board, namely Tom Fallo's resignation effective December 2015 upon his retirement from El Camino, and Erica LeBlanc's notice of resignation effective June 30, 2016. Tom has nominated Jean Shankweiler, Vice President of Academic Affairs for El Camino, for candidacy in the Annual Meeting election of Executive Committee members. The Board will need to consider another individual for Erica LeBlanc's seat mid-2016; Allen suggested Dr. Chito Cajayon, Vice Chancellor for Economic and Workforce Development with the LACCD. Erika Endrijonas will speak to Dr. Cajayon.

B. Marketing

Cameron provided updates, including year-to-date sales of \$632,000 (up from \$603,000 last year). Of this figure, repository revenue represents \$164,000 which is double last year at this time, due to a number of three-year renewals. Additionally, revenue saw a boost from a new video licensing agreement with Cengage Learning for its database subscription division. Cameron also reported that we are moving forward on rebranding INTELECOM as Intelcom Learning; we have secured word and design trademarks and anticipate a February 1, 2016 official announcement and launch of a new corporate website.

C. Production

Sydney reported that the pilot for medical billing and coding is nearly complete, specifically two chapters on medical terminology that will be hosted on Canvas, with Jo Moore (El Camino) as the on-camera instructor. The pilot will be shown at the Annual Meeting. Tom Fallo asked for a written statement of project costs and projections for the next Board meeting. Production is also preparing career exploration videos, available at no cost from the Department of Labor, for addition to the repository in early 2016.

D. Administration and Finance

Peter reviewed September and October financials, noting the unrealized loss in September due to market events; most of the loss was recovered in October. Revenue has been good; September ended with a \$90,000 revenue gain and October with \$72,000.

As requested, a letter was sent to retirees explaining the structure of their medical benefits through CalPERS. It was explained that the liability for post-employment benefits has been fully funded, though INTELECOM is not drawing on it and continues to pay retirees' medical benefit costs from current revenue.

VII. General Business

None.

VIII. Other

Allen summarized that INTELECOM has been making great efforts to re-establish old connections - and

make new ones - across the state, from ACCE to CCCDECO to the Chancellor's Office. Cameron added that we are also reaching out to the California Corporate College as regards the contract education side of campuses.

IX. **Public Comment**

None.

X. **Adjournment**

The meeting adjourned at 2:21 p.m.

Approved by: _____
Secretary to the Board of Directors