

LANSING COMMUNITY COLLEGE
BOARD OF TRUSTEES
May 18, 2009

Regular Meeting
Adopted Meeting Minutes

Call to Order

The meeting was called to order at 6:14 p.m.

Roll Call

Present: Canja, Lavery, Proctor, Woods, Smith
Absent: Hollister, Rasmusson

Trustee Hollister arrived at 6:50 p.m.

Pledge of Allegiance

Trustee Woods led the Pledge of Allegiance.

Approval of Minutes

IT WAS MOVED by Trustee Lavery and supported by Trustee Canja that the minutes of the April 20, 2009 Regular Board of Trustees meeting, May 4, 2009 Special Board of Trustees meeting, and May 11, 2009 Special Board of Trustees meeting be adopted.

Roll call vote:

Ayes: Canja, Lavery, Proctor, Woods, Smith
Nays: None
Absent: Hollister, Rasmusson

The motion carried.

Additions/Deletions to the Agenda

There were no additions and deletions to the agenda.

National Community College Month

Trustee Smith made the following comments:

As part of National Community College Month, each year LCC present a scholarship to the first in-district baby.

Since 1995, Lansing Community College has offered a scholarship to the first baby born on April 1st. The scholarship covers in-district tuition for 24 credits, equal to two full-time semesters at LCC.

The National Community College Month Scholarship was awarded to Chloe Carlson-Smith. Chloe Marie was born at 1:35 a.m. at Sparrow Hospital. Her parents are Shauna Carlson and Mark Smith of Eaton Rapids.

This year the scholarship was offered to Chloe without realizing that Eaton Rapids was not in our district. LCC called Sparrow (and Ingham Regional Medical Center) and asked for the second baby born in the LCC district on April 1st. We learned that Kailee Nostrant was born not far behind at 3:15 to Chelsey Caesar. Chelsey and Kailee cannot be at the June 15, 2009 Board meeting. We are working on arrangements to find a convenient time to honor Kailee with her certificate.

Limited Public Comment Regarding Agenda Items

Wayne Lynn – Turning Point: Thanks for being a welcomed sponsor of the Turning Point. The Turning Point is a male mentoring and development program. This program is designed to establish pride in our young men, provide motivation to achieve, provide direction on tough issues, provide a forum for discussion, establish meaningful relationships and enhance educational awareness. We cater to young men who are in 9th – 12th grade. We started in 2001, and since that date LCC has always been a sponsor. We have 200 young men that we have serviced and today we have 35 young men in our program. We meet the 2nd Sunday of every month here at LCC between September and June. We are blessed to have with us today some of our mentors and also, some of our young men. Dr. Stan Chase is one of our Board members and our great supporter is Dean Judy Berry. I would like to invite you all to our Annual Rights of Passage Ceremony, June 4th at 7:00 p.m. at the Dart Auditorium. We have eight seniors whom we are going to honor as they graduate this year. We would love for all of you to be a part of our program.

Archie Hudson, Jr.(Board Member and Mentor): LCC has truly been a blessing to our program.

Cameron Smith: I'm a senior at Everett High School and I have been at the Turning Point Program for 1 year now.

Ronald Gordon: I'm a sophomore at Sexton High School and I have been at Turning Point for 2 years now.

RJ Coleman: I attend Eastern High School and I am in the 10th grade. This is my second year at Turning Point.

Ernest Bacule (mentor): We really appreciate the efforts and all of the assistance that we receive from LCC. My mother was a school teacher and my Dad worked at Wayne County Juvenile so between the two of them they kept me in line. They also impressed upon me the value of education and making proper choices. These are the kind of values that we wish to instill in the young men here. Thank you.

Bob Clevon (mentor): Good evening I am a former employee at LCC and I am delighted to be a mentor to these young men. As Wayne has mentioned, it has been a very successful program and I am just delighted seeing their progress. Watching the young men grow and move out into the community has been truly an honor. So I want to thank you for extending the hospitality. We look forward to continuing here at LCC. Thank you.

Wayne Lynn: We will continue to bless the lives of young men in this community because of sponsors like you. So again, thank you.

Cindy Storie (President LCC-MAHE speaking on behalf of the LCC Labor Coalition): The seven member unions of the LCC Labor Coalition are providing this response to the generic layoff letters sent to each of the LCC unions dated May 5, 2009. Given the fact that the letters do not provide any specific information that would allow the union to provide a response that meets our contractual requirements, we would like to provide the following generic suggestions:

- ✓ Eliminate all unnecessary overtime.
- ✓ Discontinue all external agency, positions and staff.
- ✓ Discontinue all professional staffing contracts external to LCC.
- ✓ Cease and desist hiring external consulting firms and instead utilize the experts already within LCC to provide input and guidance.
- ✓ Revise LCC Board of Trustees approval of purchases from \$100K to \$50K.

If and when the LCC Board of Trustees makes a determination that program eliminations or programmatic changes that would possibly create layoffs become

necessary, the labor unions will be happy to comply with our various contracts in providing our official recommendations.

Sally Pierce: I am a faculty member in Language Skills. I've been reading the budget update tonight with interest. I also want to say that I support what Cindy has to say from the Labor Coalition. I am concerned with the rumors of layoffs that I have been hearing all over campus and in the community. Yesterday I was at a party for my daughter and people were asking me what's going on with buy outs and layoffs. I stated, I don't know. I just want you to remember that reductions in force are not abstractions. They are real losses of jobs and they potentially wound the institutions. So please, as you consider the budget and make recommendations, be very careful about what you are doing. One of my colleagues tonight reminded me that Socrates taught in an olive grove, and that teachers are more important than brick and mortar. I would like to amend that to say that I think the faculty and the staff and the other people who work here are more important than many of the things we worry about spending money on. Please be very cautious as you do whatever you must do in these difficult times.

Closed Session

IT WAS MOVED by Trustee Canja and supported by Trustee Proctor that the Board go into closed session for the purpose of considering strategies in connection with collective bargaining negotiations.

Roll call vote:

Ayes: Canja, Lavery, Proctor, Woods, Smith

Nays: None

Absent: Hollister, Rasmusson

The motion carried.

IT WAS MOVED by Trustee Proctor and supported by Trustee Canja that the Board go into closed session for the purpose of discussing an attorney client litigation regarding Denise Harris.

Roll call vote:

Ayes: Canja, Lavery, Proctor, Woods, Smith

Nays: None

Absent: Hollister, Rasmusson

The motion carried.

The Board entered into closed session at 6:31 p.m.

The Board returned to open session at 9:32 p.m.

Roll call:

Present: Canja, Hollister, Lavery, Proctor, Woods, Smith

Absent: Rasmusson

IT WAS MOVED by Trustee Hollister and supported by Trustee Canja that it be resolved that the Board of Trustees recognizes the pressing need to achieve monetary savings and improve organizational efficiency, and directs President Knight to proceed with such steps as he considers appropriate and necessary to balance the budget. This resolution includes authorization to implement, as a last resort, personnel reductions; beginning with non-teaching personnel at all levels, including the Vice President level. The President is also authorized to proceed with negotiations of one or more separation pay plans for employees affected by involuntary layoffs, subject to the parameters the Board has discussed with the President.

Trustee Lavery stated that the Board had been given a list of ideas from the Union and the Consultants on non-personnel cost saving ideas. He stated that he supports this motion and that it is contingent upon every effort being made to take into account the other cost savings measures that have been presented to the Board. He further stated that he does not feel that laying people off from the college or anywhere else is going to help our economy. He stated that he would like to emphasize that this would be at a last resort and that LCC has a lot of work to do and there are a lot of opportunities in other areas that LCC needs to be working hard on.

Trustee Canja stated that she supports what Trustee Lavery stated and that the Board is going to do all that they can to find the cuts that don't affect people. She stated that the Board has a fiduciary responsibility to the college, the employees and the community. She further stated that the Board wants to take every reduction they can that does not affect people. Trustee Canja stated that she wants to direct the President to do that, but to also give him the ability and the Board's support as a last resort so that he can do what he has to do to balance the budget.

Chairperson Smith stated that the Board has taken a considerable amount of time to deliberate on the course that the Board believes that the College needs to pursue. The first things that the Board looked at were non-personnel matters. She thanked Marble Leadership for the expenditure reductions that were presented to the Board. She further thanked the staff and the community for the ideas that they submitted. She stated that this is a community college and

this has been a community effort in gathering this information to make the challenging decisions that the Board has to make at this time.

Trustee Hollister thanked the Labor Coalition for their input and support that they have given in suggesting cost savings ideas.

Trustee Woods stated that he wanted to thank the Labor Coalition as well as the Administration. He stated that it was a better process for him this year going through the budget. He further stated that it was more inclusive in terms of getting feedback from all different sectors of the college. Trustee Woods stated that the Board has a great cost savings list to work from and really appreciates it. He further stated that in addition to being concerned about the layoff of staff, the Board also wants to make sure that the college is affordable for the students who are coming. He thanked the faculty, staff and administration for making sure that the Board received an inclusive list as possible and for having an open and transparent process for everyone to submit ideas for reductions of cost.

Roll call vote:

Ayes: Canja, Hollister, Lavery, Proctor, Woods, Smith

Nays: None

Absent: Rasmusson

The motion carried.

PRESIDENT'S REPORT

Strategic Update Report

President Knight gave the following Strategic Updates:

- **Parking:** In light of the City Council's rejection of LCC's offer to purchase the North Capitol Ramp, the college is moving forward immediately with plans to expand its parking supply so that LCC can meet the needs of students and staff. To that end, the land adjacent to the University Center site will be developed this spring and summer into a surface parking lot. The goal is to have the lot ready for use by the start of Fall Semester on August 20th. The design process for a new parking ramp will begin this summer. A capital project budget will be submitted to the Board of Trustees.
- **LCC to Receive New WIA Funding:** LCC has been designated a recipient of \$190,000 in Workforce Investment Act (WIA) funding to implement a program that will transition military trained medics to civilian paramedic certification and to enroll medics into one-year Fast Track nursing

programs to produce licensed and certified Registered Nurses.

- Summer Enrollment Update: Summer enrollment continues to look positive. LCC added 49 sections for the summer term.
- Softball Team in National Tournament: From May 14 - May 16, LCC's Women's Softball team competed against the top junior college softball teams in the nation at the NJCAA Division II National Softball Tournament in Bloomington-Normal, Illinois. Going into the tournament, LCC's team was ranked second in the nation with a 51-3 record. The team took third place in the tournament and finished the season with 54 wins, a school record.

Strategic Update Report – Update on Child Development Center

Mr. Jason Mayland, Executive Director, of Institutional Effectiveness, Research and Planning, gave a presentation on the Child Development Center.

This presentation is on file with the official Board meeting materials.

Strategic Update Report – Budget Update

Ms. Catherine Fisher presented a budget update which is on file with the official Board meeting materials.

This presentation reviewed the baseline budget for FY 2010 with the budget gap before the applications of any cost savings opportunities:

- FY 2010 Projected
 - ✓ Non-Discretionary Costs
 - ✓ Projected Budget FY 2010 – No Tuition Rate Increase
 - ✓ General Fund Revenue

Ms. Fisher stated that this is not the final budget proposal, but an update to provide the current projections before applying the improvement opportunities.

Mr. David Hilquist presented the following cost saving ideas to reduce the budget gap:

- Revenue enhancement through improved collections of tuition income and the return on invested cash
- Cutting costs that do not reduce staff positions
 1. Freezing the pay of Administrators who are not in the collective bargaining union
 2. Minimizing through management and control processes the use of overtime and outside contracting.

3. Minimizing travel, meals and membership campus wide.
- A freeze in hiring and offer of a voluntary retirement separation incentive plan
 - After all of the above have been completed, and if necessary, the remaining gap will be addressed by eliminating non-teaching positions and functions through a reduction in force.

Mr. Hilquist stated that none of the opportunities that have been presented this evening have been implemented at this time.

Dr. Knight stated that LCC anticipates that for the next fiscal year beginning July 1st, revenue from the State of Michigan will be flat. He stated that there is a discussion that is ongoing about just when the government of the State of Michigan will burn through the stimulus money. When they do, all of higher education will be subject to a reduction. LCC is making its recommendation in the face of future uncertainties.

Ms. Leslie Marquard, of Marble Leadership, presented the Board with a list of potential savings opportunities:

- Migrate printing/mailing to electronic formats
- Reduce travel and transportation expenses via budget, policy, and better travel services
- Continue detailed analysis of space utilization to reduce facilities cost
- Reduce external publication costs and internal print and copy costs
- Freeze pay increases for non-bargaining unit executives for next two years
- Reduce postage costs
- Refocus Wellness program
- Reduce catering expenses at college events including internal meetings
- Reduce legal expenses through closer monitoring of outside counsel
- Evaluate all property and casualty insurance policies to look for lower costs, including evaluation of deductibles
- Implement managed print services
- Cancel exclusivity agreement for personal computer purchases and rebid for lower cost
- Conduct audit to ensure that dependants claimed on employee insurance are valid
- Reduce number of cell phones issued to staff
- Outsource mail presorting to State of Michigan
- Eliminate select subscriptions to IT information services
- Convert paper-intensive filing processes to electronic scanning
- Eliminate manual collection of insurance premiums for PT employees
- Clarify and enforce existing policies regarding non-instructional expenditures
- Leverage existing city/state contracts for purchasing services and supplies

- Increase profitability of on-campus dining and vending supplier
- Investigate higher-value alternatives to StarCard
- Reduce color copying print volume
- Improve investment yields on college restricted and on-deposit general funds
- Freeze all open positions and enforce strict analysis for position requests
- Increase employee access and responsibility for personal HR information
- Automate HR workflows and manual processes
- Automate process for employee benefits enrollment
- Rationalize and reduce use of outside contractors and temp agencies via budget and policy
- Rationalize and reduce overtime via budget and policy
- Reduce energy expenses by conducting energy audit sponsored by LCC's Alternative Energy program
- Participate with State of Michigan in regular sales of excess and used assets
- Reevaluate all blanket purchase orders
- Reduce charging limits on P-cards
- Reduce institutional membership, charitable, and civic expenditures
- Reduce marketing and public relations expenditures
- Focus quality efforts on AQIP
- Improve collections of delinquent tuition
- Cancel LCC's membership in country club
- Implement campus-wide collaborative review process to add, upgrade, and modify academic offerings to meet community needs
- Develop one-stop ability for all student administrative services
- Eliminate contribution to fund Board of Water & Light *Go Green* initiative
- Review grants to confirm full payment and determine opportunities for indirect cost recovery

Ms. Marquard stated that the range of estimated savings when fully realized is \$3 - \$4 million. She further stated that some of the estimated savings will not be fully realized in fiscal year 2009/2010.

This list is on file with the official Board meeting materials.

Discussion followed.

Strategic Update Report –Monthly Financial Statements

The following Financial Statements were presented for information and are detailed in the Board Packet:

1. Statement & Summary as of March 31, 2009 includes:

- a. Operating and Capital Budgets
 - b. Operating Detail Budgets
 - c. Statement of Revenue, Expenses and Changes in Net Assets
 - d. Balance Sheet
 - e. Resources and Allocations Plant Funds
 - f. Capital Projects Monthly Reporting
2. Purchasing Report(s) including:
 - a. Sole Source Purchases for April, 2009
 - b. After-the-Fact Requisitions Purchasing Policy Violations
 - c. LCC Card Purchasing Card Policy Violations – Deactivated LCC Cards
 3. Miscellaneous
 - a. Vendor Payments > \$10,000 for March, 2009
 4. LCC Holdings as of March 31, 2009
 5. Report on Board of Trustees expenditures for the quarter ended March 31, 2009.

Action Items – Consent Agenda

The following items were presented under the consent agenda:

1. Child Care Development Center
2. Database Management Tool Suite
3. Request for proposals
 - a. Digital Imaging Equipment in the amount of \$1,047,563 for five years with an option to extend for 2 (1) year periods for a total of seven years. The recommendation was to award the bid to Konica Minolta Albin.
 - b. Aviation and Foreign Travel Insurance that is currently for FY08/09 \$1,000,000 coverage for \$3,000 for Foreign Travel and \$15,000,000 coverage for \$136,959 for Aviation. The recommendation is to award Hylant Group for July 1, 2009 – June 30, 2009 with two (1) year options to extend.

IT WAS MOVED by Trustee Lavery and supported by Trustee Canja to approve the President's consent agenda.

Roll call vote:

Ayes: Canja, Hollister, Lavery, Proctor, Woods, Smith

Nays: None
Absent: Rasmusson

The motion carried.

Chairman, Committee and Board Member Reports

Chairperson's Report – Information and Announcements

Chairperson Smith made the following announcements:

- Trustee Smith congratulated LCC having a spectacular graduation.
- She commended LCC's participation in the Sesquicentennial Celebration for Lansing. She thanked the staff and Dr. Knight for their participation.
- She acknowledged that Trustee Laverty drove a 72' Olds Cutlass Supreme convertible in the parade.
- She acknowledged the Everett High School band that participated in the parade.

Committee Reports – Audit Committee

Trustee Laverty presented seven amended policies approved by the Audit Committee. He presented them to the Board to review and stated that he will be forwarding them for approval at the June Board meeting.

1. Capital Project Budgeting
2. College Investment Policy
3. Conflict of Interests with Vendors
4. Financial Oversight and Monitoring
5. Policy Purchasing
6. Purchasing Card Policy
7. Travel and Business Related Expense Policy

Committee Reports – Workforce Development Board

Trustee Proctor gave the following Workforce Development Board Report:

- There is going to be a 50% cut in the No Worker Left Behind funding.
- Funding for the film industry initiative is gone.

Board Member Reports – Board Reorganization

Trustee Proctor presented a memorandum that expressed his concerns with a fellow Board member and stated his reasons for requesting suspension of the Board Bylaws for the purpose of having a Board Reorganization.

Trustee Laverty clarified that the Board is required to suspend the Board Bylaws by vote and then the Board would have to vote for reorganization.

IT WAS MOVED by Trustee Proctor and supported by Trustee Laverty for the suspension of the Board Bylaws for the purpose of having a Board Reorganization.

Trustee Woods asked about providing due process. He asked that the individual Board member be given an opportunity to provide a written response which would be presented to the Board at the next Board meeting. The Board would take a vote at that time.

Trustee Proctor agreed that the Board member should have the opportunity to provide a written response.

A Roll call vote was taken on the motion:

Ayes: Laverty, Proctor

Nays: Canja, Hollister, Woods, Smith

Absent: Rasmusson

The motion failed.

IT WAS MOVED by Trustee Woods and supported by Trustee Canja that at the next Board meeting, scheduled for June 4, 2009, the Board member provide a written response to the reorganization memorandum dated May 8, 2009 from Trustee Proctor to the Board of Trustees.

Roll call vote:

Ayes: Canja, Hollister, Laverty, Proctor, Woods, Smith

Nays: None

Absent: Rasmusson

The motion carried.

Public Comment

There was no public comment.

Board Evaluation

Trustee Laverty reminded the Board that in October and November, the Board is suppose to evaluate the President. He stated that although the Board has a lot on its plate, the Board needs to look at this and get some help to put this process in place.

Chairperson Smith stated that she has contacted one facilitator and is waiting to hear back from them regarding dates.

Trustee Woods commended Dr. Stan Chase for the phenomenal job he did with the faith-based event held at the West Campus. He stated that it was a great event and great partnership.

Adjournment

IT WAS MOVED by Trustee Woods and supported by Trustee Canja that the meeting adjourn.

Ayes: Canja, Hollister, Lavery, Proctor, Woods, Smith

Nays: None

Absent: Rasmusson

The motion carried.

The meeting adjourned at 10:56 p.m.