



BOARD OF TRUSTEES
Community College District No. 522
Special Meeting
Erlinger Conference Room
Schmidt Art Center
Belleville Campus
February 25, 2017

CALL TO ORDER

A special meeting of the Board of Trustees of Community College District #522 was held Saturday, February 25, 2017 in the Erlinger Conference Room of the Schmidt Art Center at the Belleville Campus, 2500 Carlyle Avenue, Belleville, Illinois. Chairman Nick Mance called the meeting to order at 8:00 a.m. and stated the purpose of the special meeting was to discuss personnel matters and collective bargaining.

ROLL CALL

Trustees present:

Harry Briggs, Ph.D.
Kenneth R. Joseph
Nick J. Mance
Samuel Hart Morgan, Student Trustee
Robert G. Morton
Richard Roehrkasse
Eugene Verdu

Trustee absent:

Philip L. Smith

Administrators present:

Georgia Costello, Ph.D.
Bernie Ysursa

Anna Moyer
Missy Roche

Attorney present:

Garrett Hoerner

PUBLIC COMMENTS

There were no public comments.

OPENING STATEMENT

Chairman Mance provided an opening statement concerning the need and purpose of the special meeting. The statement appears at the conclusion of these minutes and is a part of the public record.

MEETING

Chairman Mance stressed the institution needs to push forward with a reduction in workforce and identify which positions can be eliminated. This is not an adversarial process; this is business and not personal. It is necessary to make these personnel cuts for the viability of the institution.

Mr. Mance stated Instruction is, always has been and always will be the revenue generator. Administrative Services is also obviously necessary. Community Services provides a secondary service, followed by IT and Marketing, in that order.

Enrollment is down across the country. When the economy goes south, the enrollment will pick up. Chairman Mance stressed the reductions in workforce must be actual reductions, not budget reductions. Those are two separate items. Positions, not employee names, must be closely examined when downsizing.

Chairman Mance stated the institution is \$6M short now and could be \$13M short next year, as long as the state of Illinois is what it is.

Mr. Mance reported he and Vice Chair Roehrkassee have been meeting for a little over a year with administration as a part of the Strategic Planning Group. Mr. Mance produced a large stack of material that was previously provided to him and Trustee Roehrkassee. Trustee Mance reviewed the material and prepared a handout entitled "SWIC-Review Staffing for These Departments". Mr. Mance stated he pulled employee names and positions from the website and then requested salary information from Vice President Ysursa and Controller Roche. He noticed the part-time administrators had benefits but no salary. Mr. Mance then began to question the accuracy of the provided information. He called attention to the Board of Trustee's report and the administration's report.

Trustee Briggs stated he has been through downsizing and it negatively impacts people; however it is necessary to protect SWIC. He questioned if this downsizing process was going to be a multi-year process or is the Board looking at just this year. Dr. Briggs stressed a framework must be established. Chairman Mance replied he would defer to Vice President Ysursa and Controller Roche. They receive information from the state of Illinois; however Mr. Mance stated the information he receives concerning funding higher education is not good and will not be in the next few years.

Trustee Roehrkassee reported the ICCTA keeps talking about the state's lack of funding; when you think the legislators will act, they do not. He replied to Dr. Briggs this downsizing is a multi-year process and we will be having this meeting again next year. What is the best way to make these cuts?

Chairman Mance stated in 2008 education funding was going to get hit. The state was running out of money; the stock market went down, then the public sector. This had a ripple effect, then the real estate market went down. The state is short money, is broke and is getting deeper in debt every year. This will take us years to get out of; we have to plug the hole and stop the bleeding and hope the state will come through. Whatever money the state gives us we have to monitor. If the state shorts us \$5M, then we need to cut expenses by \$5M and maybe raise tuition.

Dr. Briggs stated the cuts must be prioritized and then staff must reorganize. Chairman Mance replied the first round of cuts will be personnel, then programs. The SWGCC, PSOP, the RBC, and the extension centers will then be examined. Mr. Mance offered he did not think this situation will go on forever but he does think it will go on for five to eight years. Our immediate problem is personnel.

Trustee Roehrkaske stated it appears there are three to four areas from which to downsize now. He questioned what the first priority timeline is and what happens after that. Is the Board of Trustees going to make these cuts?

Chairman Mance replied we need to rely on Finance and Human Resources right now. The first tier of cuts or reductions is the vacant positions, which is no cut. There is no savings in that you have not expended any money. The second tier of cuts is what is termed soft cuts and is comprised of overtime and temporary help. The third tier of cuts is the hard cuts, which are positions. Mr. Mance added if you hold open positions and keep your overtime down, then that is a bonus.

Chairman Mance gave direction to administration. The Strategic Planning Group (SPG) should be changed to set up a committee, i.e. Human Resources, Administrative Services, and one Board member. This must be done as soon as possible and suggested April 1, 2017 as the completion date.

Board Attorney Hoerner reported the SWIC EE contract requires a 30-day advance notice of reduction in force (RIF). The part-time SWIC EE contract requires a 15-day advance notice of RIF. He stated impact bargaining and bumping rights would be discussed with the union before taking final action on these employees. The 90-day advance notice of contract renewal for administrators was removed when the Personnel Procedures for Administrators document was reviewed and revised last year.

President Costello stated staff has contributed an additional \$1.3M in cuts, bringing the total of cuts to \$5.3M. This is the beginning of the college's Strategic Plan. She added a few variables that occur in a span of time include grant numbers, mandates, part-time employees, reorganization and community education. Dr. Costello stated this has been a very painful process but it is a start and staff has done a very methodical review of department by department.

Mr. Hoerner recommended moving into Executive Session to discuss personnel and collective bargaining.

EXECUTIVE SESSION

Mr. Morton moved, seconded by Dr. Briggs, to move into Executive Session at 9:10 a.m. to discuss personnel and collective bargaining. Upon a roll call vote those trustees voting aye were Mr. Morgan

(opinion), Dr. Briggs, Mr. Joseph, Mr. Morton, Mr. Roehrkassee, Mr. Verdu and Mr. Mance. Nays: None. Absent: Mr. Smith. **PASSED**

Mr. Morton moved, seconded by Dr. Briggs, to return to regular session at 11:30 a.m. Following a voice vote the motion carried.

ACTION/S TAKEN AS A RESULT OF EXECUTIVE SESSION

The Board of Trustees directed administration to provide clarification/additional information in the following areas:

Re-examine cuts in Marketing, Information Technology (IT), Custodial and Instruction, in that order.

Examine cost shifts from SWIC to the Foundation, i.e. arts, theatre, and athletics.

Review GED testing, i.e. have only two locations.

Examine grant funding and the costs involved to the college.

Explain non-personnel cuts.

Provide accounting of donations received from the 70th Gala and Peabody.

The trustees also requested an electronic version of the report entitled "FY 16 Position Report by VP" that was provided by Director of Human Resources Anna Moyer.

Administration was directed to examine overtime and the cost reduction if abolished.

Administration was directed to eliminate 100 positions across the board as long as it has an importance; aim for \$5M in cuts including non-personnel for FY 18; final discretion will be by the Board of Trustees. (Note: Director Moyer stated staff would really have to find \$5.5-6.0M in FY 17 to get to the \$5M for FY 18. Staff needs to examine hard dollars, i.e. salary and benefits.)

Eliminate one or two vice president positions who would no longer be employed by the college.

The trustees directed President Costello to work through Board Chair Mance concerning the above directives.

Trustee Roehrkassee stated he would like to see a draft of what the trustees are requesting of President Costello to make certain everyone is on the same page. The Board Secretary was directed to provide a draft of the meeting minutes to the Board Chair and Vice Chair within 48 hours. Dr. Briggs directed staff to come up with a number of scenarios but to recommend the best scenario that would have the least impact on our students.

MEETING DATE CHANGES

Mr. Roehrkaske moved, seconded by Mr. Morton, to move the March committee meetings to Wednesday, March 22, 2017 beginning at 5:00 p.m. in the Seibert Conference Room and to move the Board of Trustees meeting to Wednesday, March 29, 2017 beginning at 6:00 p.m. in the Marsh Conference Room. Upon a voice vote the motion **PASSED**.

Chairman Mance added tuition will be discussed at the committee meetings on March 22, 2017 once the trustees receive the proposed cuts from administration.

Vice Chair Roehrkaske requested tuition rate changes be posted on www.swic.edu instead of printed in the college catalog. The catalog currently contains the following statement concerning tuition:

"Tuition and fees are subject to change at any time. For the current tuition rate, visit swic.edu/business-office, or call 618-235-2700, ext. 5367."

Controller Roche stated it takes a minimum of two weeks to coordinate the information on the college website.

Staff expressed they had a number of questions to pose to Mr. Hoerner which will be discussed with him Monday, February 27. All information is to be provided to Board Chair Mance.

ADJOURNMENT

Mr. Verdu moved, seconded by Mr. Morton, to adjourn the meeting at 11:55 a.m. The motion carried.

Approved: **03.29.17**

Respectfully submitted,

Nick J. Mance
Chairman of the Board of Trustees

Beverly J. Fiss
Secretary to the Board of Trustees

SWIC General Comments for Meeting 2/25/17:

From: Board of Trustees

Normally, in a reduction-in-force scenario, the Administration is tasked with convincing the governing board to make significant cuts, while the governing board often resists deep cuts due to natural public pressure from students/users - however, it is disappointing that here (SWIC) the Board is seemingly forced to insist on deeper cuts over the resistance by the Administration;

After over a year of consideration of needed cuts, the institution is now behind the curve relative to its peers and controlling the financial stability of the institution, the institution has been forced to deplete significant cash reserves as a result of deficit-spending while cuts are still being contemplated;

This is not easy and no one enjoys making these decisions, but now is the time to make these tough decisions - this is not an adversarial process between the Board and the Administration because the legacy of both the Board and the President hangs in the balance;

As always, a RIF starts with prioritizing needs in order to ensure that the institution can still provide services consistent with its mission with diminished workforce - in other words, which positions/areas can be eliminated without significantly affecting the delivery of mission-critical services?;

- First, the primary focus of the institution is instruction, which is also its main revenue generator and core purpose of the organization;

- Second, administrative services is obviously necessary, from finance to human resources to public safety to physical plant, the last of which is critical to attracting students and the functioning of the use of campuses;
- Third, community services provides a secondary service to the community, albeit not as important as instruction for purposes of transfer and really just involves desirable but not absolutely necessary programs;
- Fourth, IT, while important support to employee and student uses, appears to have grown significantly over the last decade, along with IT installation and maintenance provided by independent contractors;
- Finally, marketing is obviously the most unnecessary and least effective facet of the institution, having not impacted the downward trend of enrollment and not supplementing employee and student services (with the possible exception of the print shop, which may be suitable for outsourcing).

Cuts must achieve reductions in actual expenditures rather than budgetary estimates in order to truly diminish deficit spending;

RIFs involve the elimination of positions and are not reflective of employee performance (ie. "honorable dismissals") - simply put, it's about positions, not people;

All cuts must consider the impact on the students and other users as paramount – in other words, if 2 contemplated cuts involve equal savings but one impacts student services more than another, the least detrimental to student services must be implemented first.

As difficult as this process is, it is absolutely necessary to ensure the viability of this institution for our residents - and it's not a one-time thing, but rather it will be ongoing, so we must continue to work together.

In our experience, it can be done, as I oversaw the resurrection of a school district from deficit spending and depletion of its reserves, all the way back to a large fund balance.