

APPROVED

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF TRUSTEES
NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT

May 24, 2003

The Board of Trustees of the North Orange County Community College District met for the Special Meeting on Saturday, May 24, 2003, at 3:00 p.m. in the Multipurpose Room at the Anaheim Campus.

Board President Leonard Lahtinen called the meeting to order at 3:03 p.m. and led the Pledge of Allegiance to the Flag.

TRUSTEE ROLL CALL - Present: Jeff Brown, Otto Lacayo, Leonard Lahtinen, Donna Miller, Manny Ontiveros, and Nancy Rice. Student Trustee Dhruvin Shah arrived at 3:18 p.m. Absent: Trustee Molly McClanahan and Student Trustee Briana Padilla.

RESOURCE PERSONNEL PRESENT: Jerome Hunter, Chancellor; Rod Fleeman, Vice Chancellor, Finance & Facilities; Steve Duncan, District Director, Human Resources; Janet Portolan, Vice President, Fullerton College; Margie Lewis, President, Cypress College; Chris Terry, Dean, School of Continuing Education; Jack Raubolt, District Director, Information Services; Chris Terry, representing the District Management Association; Andrea Sibley-Smith, representing the School of Continuing Education Academic Senate; Rolando Sanabria representing the Fullerton College Faculty Senate; Steve Gold, representing the Cypress College Academic Senate; Barbara Bennett, representing United Faculty; Vickie McPherson, representing CSEA, Chapter #167; Sam Russo, representing ADFAC; Violet Ayon, Recording Secretary.

OTHER ADMINISTRATORS AND EMPLOYEES PRESENT: Eduardo Assef, Helena DeCoro, Virginia Derakhshanian, Michael Floode, Pat Ganer, Jolene Grande, Jan Greer, Lexi Hart, Pat Humpres, Barbara Hunt, Marlene Miranda, Rose Medina, Kris Nelson, Angie Rios, Mary Rothera, Cathy San Roman, Greg Schello, Fran Wahl, and Dave Wassenaar from Cypress College; John Ayala, Lori Brault, Stephanie Cashin, Susan Clifford, Peter Fong, Glenda Fries, Patti Green, Susan Harris, Darlene Jensen, Adela Lopez, Rod Lusch, Delores Medina, Nilo Nicolai, Masumi Oberlin, Mike Rios, John San Roman, Michele Tafoya, and Olivia Wolfe from Fullerton College; Carole Bonnie, Carrie Cruz, Susan Hague, Beverly Heasley, Melda Lara, Fred Rocha, Robin San Roman, Greg Schulz, Laure Schwiebert, Helga Struckman, Peter Teipe, and Randee Vertrees from the School of Continuing Education; Carol Dumas, Hank Eggers, Wendy Goodson, Jean Guyton, Richard Oberlin, and Tom Wallace from Information Services; Adriana Flores-Church, Sandy Cotter, Bud Henderson, Ava Guerrero-Hill, Charles C. Stockwell from the District Offices.

VISITORS PRESENT: Retirees Philip Borst, Doris Covelli, Martin Hebeling, Augie Huesca, Jeanie McCoy, Marlys Hemsley, Mary Lillie, and Doris Schneider; Charles Hemsley; John Reza.

COMMENTS: MEMBERS OF THE AUDIENCE: Prior to entertaining comments from the public, Board President Leonard Lahtinen made the following statement:

I thank everybody, including staff, organizational representatives, and the audience for taking time from this holiday weekend for this special meeting. This was the one window of opportunity we had for this meeting as a whole. The meeting is being recorded since this is a special meeting of the Board of Trustees and like all meetings they are recorded. Trustee McClanahan was unable to be here but has assured me she is going to listen to the recording of this meeting to make sure she is aware of what takes place here today. The purpose of this special Board meeting as indicated on the agenda is to have a discussion on various budget strategies to reduce District costs and minimize the negative effect on personnel. We have had budget presentations and discussion during the last few regular Board meetings in the anticipation of a reduction in state revenues. The Board directed staff to inform all employees of the budget reductions under consideration, and a four-page letter from the Chancellor and I, dated May 2, 2003, did just that.

The Board of Trustees is concerned on the impact of this budget crisis on employees. We have solicited suggestions and we have listened. We have encouraged an atmosphere of open-mindedness and collegiality. We have indicated that we have prepared to use some of the District's reserves. Some of the options for budget reduction are negotiable, those that require reaching agreement with employee unions at the bargaining table.

On April 28, 2003, Vice Chancellor Horsley sent a memo, on behalf of the Board, to our five employee organizations (CSEA, United Faculty, Adjunct Faculty United, the District Management Association, and the Confidential employees) asking if they would be willing to consider various strategies that could help with these costs. His memo listed sixteen cost-savings measures, three of which apply to all employee groups and the other thirteen to individual employee groups. In response to Mr. Horsley's memo, I received a response dated April 30, 2003, from the respective Presidents of United Faculty, CSEA, and ADFAC proposing private meetings of the employee unions with up to three trustees at a time in order to comply with the Brown Act restrictions. Our District was advised by legal counsel that such private meetings on the same subject would violate the serial meetings restrictions of the Brown Act. So, to make a long story short, that is why we are here for this special meeting. Please be advised that this is a meeting for discussion; no decisions will be made today. We are not engaging in collective bargaining; we are not at the bargaining table. In a

moment, we will begin our discussion on various budget strategies to reduce District costs and minimize the negative effect on personnel.

First, however, following the usual agenda format, this is the opportunity for public comment. I will ask anyone in the audience wishing to comment to consider two alternatives. We expect to end this meeting by 5:00 p.m. because of other commitments. If there is time today at the end of the meeting, you may comment then. The regular Board meeting next Tuesday will feature a budget workshop, which all employees were invited to attend in the May 2 letter I referred to earlier. There will be public opportunity, of course, at that time next Tuesday. So, the question is, "Are there any public comments at this time?" If anyone wishes to make a public comment at this time, please step forward to the podium facing us.

1. **John J. Reza**, volunteer and business member of the community, addressed the Board with his concerns regarding the elimination of the Cypress College Wrestling Program. He read a statement from a Cypress College student in the Wrestling Program and he outlined the successes of participants in the Cypress College Wrestling Program. He identified highlights of the proposal submitted to Cypress College in an effort to support the Wrestling Program. He concluded his remarks to the Board with a plea for consideration and execution of said proposal, which he believes would allow the Wrestling Program to become self supporting.

DISCUSSION ON VARIOUS BUDGET STRATEGIES TO REDUCE DISTRICT COSTS AND MINIMIZE THE NEGATIVE EFFECT ON PERSONNEL:

Board President Lahtinen reported having received responses from two employee groups, the District Management Association and the Confidentials Groups, to the Board's inquiry forwarded to the employee organizations by Vice Chancellor Horsley asking their consideration of various budget reduction strategies.

1. **Chris Terry**, on behalf of the District Management Association, reported the results of a survey of the management staff and reported that the District Management Association is committed, in concert with other District colleagues, to support whatever it will take to address the budget crisis with a minimal impact on programs and people.
2. **Pat Humpres**, on behalf of the Confidentials Group, reported the Confidentials Group survey results as a majority vote of yes on the options that apply to the Confidentials Group, contingent upon the other groups doing the same and that a salary freeze be on a year-to-year basis with a new vote taken by the group on an annual basis. She added that the Confidentials suggest the following cost-saving measures: 1) scrutinize all District memberships not mandated by law or needed for accreditation of programs and services; and 2) limit the dollar amount paid by the District for employee medical

benefits premiums and require that employees pay for medical benefits' premiums in excess of \$300 per month. She offered an additional suggestion on behalf of a co-worker, which is that the District close the days of December 22 and 23, 2003, as well as Friday, January 2, 2004, and allow staff to take vacation, comp time, or time without pay, thus allowing the District to save on utilities over a 12-day period instead of a 9-day period during the Christmas and New Year holidays. Ms. Humpres concluded her remarks by emphasizing the Confidentials' commitment to cost-savings measures contingent upon all other employee groups doing the same.

3. **Vickie McPherson, Barbara Bennett, and Sam Russo** presented, on behalf of the faculty and classified employee unions, the following for the Board's consideration prior to being able to engage in a discussion relating to pay cuts, increasing workloads, and layoffs. The union representatives conducted their presentation under three areas: Trust, Finances, and Comments.

Trust: A lack of trust on the part of the unions due to the following: 1) a lack of shared governance in the budget reduction process; 2) a lack of use of the interest-based bargaining process, good faith, and true representation of issues during negotiations; 3) the emphasis of board policy and procedures development to reflect the Chancellor's version of shared governance during Chancellor's Cabinet meetings; 4) a conflict with the provisions of the Memorandum of Understanding relating to the use of Retiree Benefit Fund monies for the purchase of the Anaheim Campus facility and the proposed layoff of classified employees; 5) management's direction to faculty to not write letters of support for classified employees whose positions may potentially be laid off; 6) the directive to the Fullerton College welding instructor to do welding projects on campus as part of his class; and 7) the untimely manner in which requests for the purchase of welding supplies is handled.

Finance: The following financial impact suggestions were offered: 1) develop budget cuts based on prioritized, agreed-upon criteria, not on a worse-case-scenario basis; 2) all cost savings ideas should be considered, not summarily dismissed by administration; 3) implement a freeze on: nonfaculty hiring, all travel, nonessential supplies that do not impact instruction in the classroom or the health and safety of students and employees, and all hospitality expenditures; 4) reduce nonessential expenditures on instructional equipment and capital outlay; 5) eliminate all institutional membership; 6) reduce lawyer fees; 6) reduce or eliminate BANNER consultant fees; 7) eliminate all consultant fees, use of outside temporary professional experts, temporary employment requests and temporary managers; 8) reduce utilities by going to a 4/10 summer work week and close campuses completely on Friday, Saturday, and Sunday; 9) charge all groups renting facilities an extra utility fee; 10) shorten the 2004 summer session and close campuses completely; 11) cancel winter intersession for 2003-04; 12) cut off the outside flood lights at the Anaheim Campus by 10:00 p.m.; 13) consider offering a Golden Handshake if legislation passes; 14) consider offering retirement incentives instead of layoffs; 15) spend down to a 3% reserve; 16) suspend sabbaticals for management and faculty for two years; 17) consider joining

a medical trust to reduce medical costs; 18) consider mandating that management use vacation time and not allow them to convert it to sick leave in order to prevent the District from paying extra STRS contributions for retirees; 19) eliminate the monthly mileage fee for all administrators; 20) eliminate mileage reimbursement for all other managers; 21) return academic management positions to less than 12-month employment; 22) return employees whose positions are funded by PfE funds to their original positions; 23) lay off all managers hired with PfE funding; 24) eliminate campus Researchers and Analysts positions - have only one for the District at no extra pay; 25) eliminate Campus Director of Diversity positions - have only one for the District at no extra pay; 26) eliminate Campus Director of Public Relations positions – change job duties of the District Director of Public Relations to assist the campuses; and 27) eliminate or reduce faculty reassigned time for special projects (on a temporary basis and only if management takes equal cuts in workload).

Comments: The following questions and comments were presented: 1) How much bond money and District money has been spent on the Anaheim Campus facilities? 2) With PfE monies sunsetting in 2004, why were personnel hired with such funds? 3) How did the District use the PERS dollars budgeted but not used when there was no District PERS contribution required? 4) Why are administrators saying all faculty will receive a pink slip in 2004? 5) Why won't administration share the list of academic programs to be eliminated? 6) Who are the 110 classified targeted to be laid off? 7) Who will direct management to review its own ranks and make cuts? 8) Where is management's 6% reduction in staffing? 9) What percentage reduction will the Trustee take? 10) What percentage reduction will contract administrators take? 11) Use reserves and non-personnel cuts for one year during the budget crisis; 12) Use retirements, resignations and a hiring freeze for one year until the real budgetary picture is known; 13) Do a constructive reorganization with all constituent groups having equal say in the plan; 14) Laying off personnel and privatizing puts all at the mercy of outside vendors/contractors; 15) Classified give the most classroom support to faculty and students, not management, thus management should be the first to go; 16) the District currently has 120 managers; 539 faculty; and 600 classified.

In conclusion, it was emphasized that the preceding suggestions and comments were well thought out and that the Board should recognize that morale of all employees is at an all-time low and that it is necessary to see that all sectors of the District share in the pain of bad times, as they share the good times.

Board President Lahtinen noted that the Board has been considering suggestions provided during discussion on the budget crisis at the recent regular Board meetings and will now consider the additional suggestions provided above and will look into the allegations presented today. Trustee Otto Lacayo indicated that the Board will consider staff recommendations, he is concerned with future budget reduction discussions, he will consider suggestions provided today, and he is concerned with creating a friendly atmosphere to share ideas. He emphasized the need to work together, not in an adversarial fashion, to keep reductions to programs at a minimum.

In entertaining additional discussion, the following was voiced: 1) the Fullerton College Planning & Consultative Council is very close to identifying its \$5 million budget reduction and some suggestions from the unions would impact programs at Fullerton College; 2) thanks to Brown Act guidelines for addressing these types of issues, it would be destructive to meet in small groups when budget reductions affect all staff and students; 3) the Fullerton College Planning & Consultation Council has been working on the campus budget reduction development and does not want to rush to lay off personnel until the final budget is known; 4) the Retiree Benefit Fund was established to make funds available to help pay for retiree benefits, but it is not an unfunded liability; 5) District property sale proceeds should be used for current employees, as well as for the Retiree Benefit Fund; 6) over 200 classified staff responded to the CSEA survey with an overwhelming no on the issue of a concession on salary; however, if other issues are addressed, then CSEA can resurvey classified staff; 7) United Faculty's stand is that the options offered by the Board's inquiry will be the last things considered until the issue of trust is addressed and everything else is done before considering the options offered.

Trustee Nancy Rice noted the District's commitment to retirees and current employees for lifetime medical benefits. She stated she was the District's Finance Officer at the time the Retiree Benefits Fund was established and that it was established with the intent that the interest on the fund would pay for the medical benefits of retirees; it is an unfunded liability because of the commitment to the retirees. She added that the District offers lifetime medical benefits and will be required to contribute approximately \$2,000 per current employee, per year into the Retiree Benefits Fund, which is above the annual \$4.3 million paid for current employee medical benefits. However, the increase in medical premiums will affect the amount required to be added to the Retiree Benefit Fund.

Trustee Donna Miller asked and received clarification on various points presented by the unions. First, there was clarification that employee groups have the right to help in developing the budget decision-making process; however, they do not have the right to make the final decision. Campus budget committees are recommending bodies to administration and subsequently to the Board of Trustees, who then makes the final decision. Second, it was agreed that rumors (e.g., college president stating all faculty will receive lay off notices next year, was not a factual incident) and personal attacks should not be publicized and perpetuated but rather factual information should be sought. Specific allegations would be better dealt with by administrators and investigated for factual proof. Third, the proposed hiring policy forwarded from Chancellor's Cabinet for the Board's consideration is representative of what has been past practice and continues to be, throughout the District. In response to the statement that shared governance is an area under the Faculty Senate's purview and that shared governance has not been followed in the determination of reduction in FTES and classes, Trustee Donna Miller requested she be forwarded information verifying that determining reductions in FTES and number of classes offered is subject to the shared governance process.

Vice Chancellor Rod Fleeman reported that at a recent conference discussion revolved around workload measures and how difficult it is to determine what enrollment will be for next year. He added that for the current year the District is 1,500 to 2,000 students over cap, which are funded with District resources, and he believes the cap next year will be lower than what it is this year. Thus, there is a need to do a best guess estimate on what the enrollment cap will be next year in order to identify what District and campus resources will be used.

Trustee Nancy Rice stated that throughout the state it is not uncommon for college districts to be experiencing internal turmoil because of the reduced funding level; especially for NOCCCD which gets less than the average FTES income allocated throughout the state. She emphasized the need for everyone to work together, respect and listen to one another, and she gave assurance that the Board will not arbitrarily nor frivolously make decisions. However, she recognizes that some employees/groups will not be pleased with the final decisions. She also suggested that future publication distribution not target individuals nor groups negatively and asked everyone to be trustworthy, respectful, and civil.

In response to a concern expressed regarding the prompt identification of budget reductions soon after the December airing of the state budget crisis and the lack of management cuts identified for the District, it was stated that the Cypress College President's Advisory Cabinet agreed to defer filling two management vacancies and to fill three others, in addition to identifying two management positions that will be eliminated (Child Care Center Director being one already approved by the Board). In addition, two School of Continuing Education managers were notified of the possible elimination of their positions; however, only one will actually be eliminated. Matters of personnel reduction are discussed with the Board before publicizing personnel issues. Any action taken by the Board in closed session regarding personnel matters is reported out in the Board meeting minutes; however, only the classification of the position (e.g., academic administrator) is identified, not the actual position nor the name of the affected employee for confidential reasons.

ADDITIONAL PUBLIC COMMENTS:

1. **Mary Lillie**, retiree, addressed the Board regarding the increasing cost of medical insurance for retirees and encouraged the Board to place the proceeds of property sales into the Retiree Benefits Fund in order to maintain the integrity of the fund. She also suggested that a retiree be appointed to the District's Insurance Committee.
2. **Jesse Saldana**, from Cypress College, stated his belief about the meeting and the suggestions offered by the unions as being very positive. He added that both campuses are close to identifying their respective budget reductions and suggested the Board use \$1 million of discretionary funds to eliminate the need for layoffs.

3. **Mary Rothera**, from Cypress College, stated her belief that the Board is not listening, is defending itself based on what it has decided to do, which is the Board's standing operating procedures. She suggested that Bridge Program (for K-12) students who currently attend college courses for free be required to pay enrollment fees because of the budget cuts. In addition, she expressed her mistrust of the Board because of its track record for not listening.
4. **Rod Lusch**, Districtwide Welder/Metal Fabricator, stated there is a prevailing feeling that shared governance works; however, sometimes it does not. He added that decisions and recommendations made to justify the decisions without shared governance are damaging. He stated his disagreement with Trustee Rice's interpretation of the purpose of the retiree benefit fund and indicated he would appreciate a copy of a written document that substantiates her interpretation. Regarding the Board's inquiry, which he states asks for permanent concessions, it appears that the District is actually trying to make money, not save money, nor does the inquiry indicate that agreement to the concessions would eliminate the need for layoffs. He believes the proposed hiring policy does not reflect status quo. In addition, he distributed a document on the background of events leading to the layoff of the Welder/Metal Fabricator position. On June 27 he was notified by Janet Portolan that he was being relocated to the Anaheim Campus and since then has not had any communication with or from Dr. Portolan. He added that he receives a consistent generation of work orders; however, the decrease appeared at the same approximate date of June 27. The split assignment between the two campuses has hampered his ability to do his job to the best of his ability.
5. **Phil Bystry**, from Cypress College, addressed the Board regarding his ideas for the Board's consideration of investment alternatives that would include a higher rate of return than 2%. He stated that he has provided Dr. Fleeman with a prospectus on investment possibilities and suggested the District generate more revenue by renting Anaheim Campus facilities to community organizations.
6. **Fran Wahl**, from Cypress College, thanked everyone in attendance for their participation and acknowledged the painful process that the budget reduction is for all. She encouraged everyone to work together to solve budget issues and thanked Chancellor Hunter for being open to phone calls from employees.
7. **Helena DeCoro**, from Cypress College, noted that Cypress College is a community college and as such requires decisions be made in the best interests of students. She is opposed to the elimination of the Campus Children's Center and the Job Placement Center at Cypress College and she agrees with charging high school students a fee to attend college classes. She urged the board to seek revenue-making avenues and to save the two centers mentioned.

8. **Pat Ganer**, from Cypress College, stated that it appears that the NIMBY (Not In My Back Yard) attitude is being seen in dealing with the budget reduction crisis, which is a dangerous approach to take as it creates adversarial positions. She encouraged the employee groups to reverse their orientation and focus on what they will give up to help the budget reduction issue, just as the Confidentials Group was specific in indicating what it was willing to do. It requires courage on the part of leadership by changing focus as to what it can do to help the situation.
1. **Mike Rios**, from Fullerton College, made the following statement for the record:

A faculty member promised me a letter of support that they would mail out to the Board. About a week later I spoke with him and he said it couldn't be sent because they were told by their dean not to. I do have all the documentation, date, and times. Thank you.

Board President Leonard Lahtinen thanked everyone for their attendance and participation and reminded everyone of the May 27 Board meeting, which includes a tentative budget workshop and an opportunity for public comment. He added that the Board will consider all suggestions and will deliberate on them, as well as look into the allegations presented.

ADJOURNMENT: At 5:07 p.m., Board President Leonard Lahtinen adjourned the meeting.

Otto Lacayo, Secretary
Board of Trustees