



SAUK VALLEY COLLEGE

R. R. 5, Dixon, Illinois 61021 — Phone 815-288-5511

Office of the Secretary
to the Board of Trustees

March 4, 1985

PUBLIC NOTICE

OF

MEETING

This is to provide public notice of the following meeting associated with the Sauk Valley College Board of Trustees:

Who: *Sauk Valley College Board of Trustees*

When: *March 11, 1985*

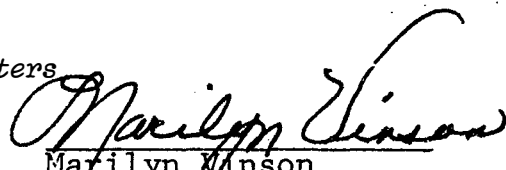
Time: *7:30 p.m.*

Where: *Room 2K2 - Second Floor*

ype: *Open and Executive Sessions*

Purpose: *Special Meeting for:*

- Agenda:
1. *Computer Deliberations*
 2. *Collective Negotiating Matters*
 3. *Other*


Marilyn Vinson
Secretary to the Board
of Trustees, District #506

SAUK VALLEY COLLEGE BOARD OF TRUSTEES
SPECIAL MEETING

March 11, 1985

7:30 p.m.

- A. Call to Order
- B. Roll Call
- C. Announcements
- D. Computer Deliberations
- E. Other
- F. Executive Session
- G. Adjournment

SAUK VALLEY COLLEGE BOARD OF TRUSTEES SPECIAL MEETING

March 11, 1985

The Board of Trustees of Sauk Valley College met in special meeting at 7:30 p.m. in Room 2K2 of Sauk Valley College, Rural Route #5, Dixon, Illinois.

Due to the absence of Chair Fisher, Vice-chair Groharing convened the meeting.

Call to Order: Vice-chair Groharing called the meeting to order and the following members answered roll call:

| | |
|-----------------|-------------------|
| Edward Andersen | Richard Groharing |
| David Mandrgoc | William Simpson |
| Robert Wolf | Russ Paulsen |

Absent: Kay Fisher Oscar Koenig

Computer Purchase: Dr. Garner gave the Board background information on the proposed computer purchase and possible acquisition plans.

In regard to a question raised on the legality of using funds from the restricted purpose funds, Ole Pace, Board Attorney, presented the attached legal opinion on the use of Site and Construction and Bond and Interest #1 funds.

Arrival: Member Oscar Koenig arrived at 7:45 p.m.

Committee Report: Member Simpson reported to the Board on the findings of the computer committee that Chair Fisher had appointed at the last meeting.

Arrival: Member Fisher arrived at 8:05 p.m.

Options: The Board then discussed the options of buying used equipment, paying cash for the CAD and putting the main frame on a lease-purchase agreement, etc.

It was moved by Member Mandrgoc and seconded by Member Simpson that the Board investigate the following options:

1. Buying a new IBM system outright.
2. Buying used IBM equipment outright.
3. Work out a lease-purchase agreement with IBM on new equipment.
4. Work out a lease-purchase agreement with IBM on used equipment.

Further, the administration is to proceed to get firm figures on the options listed and the committee members are requested to meet with the college auditor on the proper financing methods involved. In a roll call vote, all voted aye. Motion carried.

ICCTA: Member Groharing reported on the recent ICCTA meeting held at Itasca, IL.

Chair Fisher reminded the Board of the important dinner meeting to be held at the college with the North Central Accreditation Team on Monday, March 18th at 6:30 p.m.

Executive Session: At 8:40 p.m. it was moved by Member Groharing and seconded by Member Koenig that the Board adjourn to executive session to discuss collective negotiating matters and the appointment, employment or dismissal of an employee. In a roll call vote, all voted aye. Motion carried.

Regular Session: At 10:09 p.m. the Board returned to regular session.

Adjournment: Since the scheduled business was completed, it was moved by Member Groharing and seconded by Member Mandrgoc that the Board adjourn. In a roll call vote, all voted aye. Motion carried. The next meeting will be 6:30 p.m. on March 15, 1985 in Room 2K2 of the college.

The Board adjourned at 10:10 p.m.

Respectfully submitted:


David W. Mandrgoc, Secretary

SAUK VALLEY COLLEGE

R. R. 5, DIXON, ILLINOIS 61021

DATE March 8, 1985

MEMORANDUM

TO: Dr. Garner

FROM: Don Foster *DGF*

RE: Major Reasons Why the IBM 4361 Computer System is the Preferred Choice

Pursuant to your request, I conferred with Gene Wagner, Karen Shapton, Walt Clevenger and Alan Pfeifer on Friday morning and prepared the enclosed list of reasons why the college should give preferential consideration to the IBM 4361 (Option C) Computer System.

1. The IBM 4361 System will provide the high quality training needed by our students to become immediately employable upon graduation.

This is especially important for our data processing majors who are placed at a disadvantage because they do not have IBM mainframe experience and training. When they are employed by a large company with IBM equipment a significant learning period is required before they become proficient on IBM equipment. This makes them less attractive on the job market. More businesses use IBM computers than any other brand. A look at classified ads for computer related jobs reveals "IBM Experience" as a qualification in most. We need to provide our students with this advantage in the job market.

2. We are training students not only for the local job market but for employment in other areas in the state and nation. IBM experience and training is preferred for programmers and analysts over training on other systems nation wide. We have a responsibility to provide this type of training just as we do for ADN Nurses, Medical Lab Technologists, Radiologic Technologists, business students and transfer students who seek employment in other areas of the state and nation.

3. There is significantly more IBM mainframe compatible software available for a wide range of academic disciplines than is the case for NCR and the multitude of other brand computer systems. Thus, the IBM 4361 System offers much more flexibility and potential for future growth as far as instruction in all disciplines is concerned. This is a significant factor that relates to the future of the college.
4. The IBM 4361 System would provide a superior CAD system that would offer a three-dimensional design capability as opposed to the two-dimensional capability of a microcomputer CAD system. This is significant in terms of the quality of instruction that can be provided to our students in the mechanical design, machine tool and engineering programs. There are also important employment considerations for our graduates that relate to this aspect of the IBM 4361 mainframe driven CAD system. Students trained on this system will have an advantage in the job market upon graduation. Also, we can be assured with IBM that the CAD system will continually be enhanced and upgraded as the technology advances. We cannot be nearly as certain with other brands.
5. The acquisition of the IBM 4361 System will provide the college with an important advantage in terms of its image to students, potential students, area businesses, and potential donors as a center for high quality/high technology training that will have a significant carryover effect for a number of academic areas as well as for the overall image of the college. Specifically, the academic areas that will benefit from this are--the natural sciences, engineering, data processing, business, electronics, mechanical design and machine tool. Also, the entire academic program will eventually benefit in terms of greater Computer Assisted Instruction opportunities. CAI is expected to extend to the social sciences, humanities, academic skills and other areas in the years ahead.
6. Enrollment prospects and student retention will be enhanced with the adoption of Option C and the installation of the IBM 4361 System. The college can expect to attract additional students and do a better job of retaining existing students with advanced state-of-the-art training equipment and opportunities.

DF/js

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PHILIP H. WARD

(1891-1977)

HENRY M. WARD

(1908-1982)

March 11, 1985

Dr. W. Harold Garner, President
Sauk Valley College
Rural Route 1
Dixon, IL 61021

Re: Use of Site and Construction Funds and
Bond and Interest Fund No. 1

Dear Hal:

I have reviewed the law relative to use of Site and Construction Fund and the Bond and Interest Fund No. 1. This inquiry arises because the College is concerned with possible sources of funds for the possible acquisition of a new main frame computer involving significant student and administrative uses not presently available to the College.

The Bond and Interest Fund was established for the payment of the bonds used to initially build and equip the College. All outstanding bonds will be retired in November. The specific inquiry relates to disposition of remaining funds after retirement of the outstanding bonds.

In terms of general advice as to the Site and Construction Fund, I believe our opinion to the College dated August 20, 1982, remains appropriate guidance. There has been no statutory change or court decisions since the date of my prior opinion letter which would cause me to change my position reflected in said letter.

Of specific interest, insofar as the Bond and Interest Fund is concerned, is the provision of Ill.Rev.Stats., c.122, §103A-2, which states, in relevant part:

" . . . When bonds are issued . . . and the purposes for which such bonds have been issued have been accomplished and paid for in full and there remains funds on hand in such bond and interest account, the board by resolution may transfer such excess to the fund of the district which bears the nearest relation to the purpose for which the bonds from which such excess funds arose were issued."

Dr. W. Harold Garner, President
Sauk Valley College
Re: Use of Site and Construction Funds and
Bond and Interest Fund No. 1
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This Section provides the authority to the College to transfer any balance which may remain in the Bond and Interest Fund after all outstanding bonds have been retired and all expenses incident thereto have been paid to the fund which bears the nearest relation. The first question then is what does the statute mean by the use of the term "fund" when it refers to the "fund of the district which bears the nearest relation to the purpose . . .".

The provisions of the Code relating to community colleges specifically refer only to five funds: to-wit, the working cash fund; the educational fund; the bond and interest fund; the operations, building and maintenance fund; and refunding bond and interest sinking fund. While other funds or accounts are established by the accounting manual, there is no indication in §103A-2 that the reference to "fund" is a fund other than those specifically mentioned fund provided for specifically in the statutes.

At first blush it would appear that of the five specifically named funds, the operations and building fund would "bear the nearest relation." The operations and building fund provides, in relevant part, that its purpose is for

" . . . obligations incurred for the improvement, maintenance, repair or benefit of buildings and property, including the cost of interior decorating and the installation, improvement, repair, replacement and maintenance of building fixtures, . . ."

and these are to "be paid from the tax levied for operations, building and maintenance purposes and the purchase of school grounds." Out of this fund, the board may also provide by resolution that:

"The payment of all salaries of janitors, engineers or other custodial employees and all costs of fuel, lights, gas, water, telephone service, and custodial supplies and equipment or the cost of a professional survey of the condition of school buildings, or any one or more of the preceding items shall be paid from the tax levied for operations, building and maintenance purposes and the purchase of school grounds in which even such salaries or specified costs, or both, shall be so paid until the next fiscal year after the repeal of such resolution."

Dr. W. Harold Garner, President
Sauk Valley College
Re: Use of Site and Construction Funds and
Bond and Interest Fund No. 1
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That Section (103-20.3) also provides that "expenditures for all purposes not specified in this section shall be made from the educational fund." It would appear that the conservative approach would be to transfer the bond and interest fund residue to the operations and building fund.

The question is present whether transfer could be made to any fund other than operations and building. Even with the apparent close relation of the particular bond and interest fund to the operations and building fund, if the legislature in Section 103A-2 had meant that these two funds would always bear the nearest relation, and ipso facto, excess funds remaining for bonds issued for building and equipping properties could only go to the building and maintenance fund, it could easily have stated as much. It did not. The type of bonds to which the School Code refers in §103A-1 which which could give rise to excess in the bond and interest account includes, inter alia, bonds for

" . . . building, equipping, altering or repairing community college buildings or purchasing or improving community college sites, . . . "

Because the legislature did not specify that the operation and building fund is the closest fund, it may be possible to draw the conclusion that the legislature intended to give College trustees some discretion in determining which of the funds met the specific purposes or where the specific funds would then best meet the purposes within the purposes permitted by §103A-1. The purpose for each other fund thus should be examined. The educational fund is essentially the one which does all things not specified for other funds. If the bonds were originally taken out to permit the College to acquire new educational capital equipment which fit within the concept of "equipping" as provided in Section 103A-1 above, that type of expense could have come from the educational fund, and so presumably a transfer of residual bond and interest account funds could be made to the educational fund because that fund approximates the purpose of the bond and interest fund. If a specific education fund expense is of a type which fits one of the original purposes of the bonds, then the bond and interest account could possibly be transferred to the education fund. If no such purpose is anticipated, then the transfer would need to be to the operations and building fund. Routine education fund expenses such as supplies, salaries, travel, and the like do not constitute expenses which would bear a relationship sufficiently close to the purpose for which the bonds were issued.

Dr. W. Harold Garner, President
Sauk Valley College
Re: Use of Site and Construction Funds and
Bond and Interest Fund No. 1
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We recognize this analysis reflects the idea that a specific expenditure is anticipated, and that it is not a condition required by the statute. However, this may be reasonable because there is no other means to determine "purpose", and without this analysis, then could only be transferred to the operations and building fund. As discussed above, we do not believe that to be a specific requirement.

Therefore, it is our opinion that the bond and interest fund residue could clearly be transferred to the operations and building fund. It may be possible that a transfer could be made to the educational fund under some circumstances, however, the funds may not be used for salaries, supplies, travel, or other non-capital equipment expense. If a transfer to the education fund is seriously contemplated, we strongly recommend a joint meeting between the College's auditors and us to be sure that the treasurer is not placed in an untenable position.

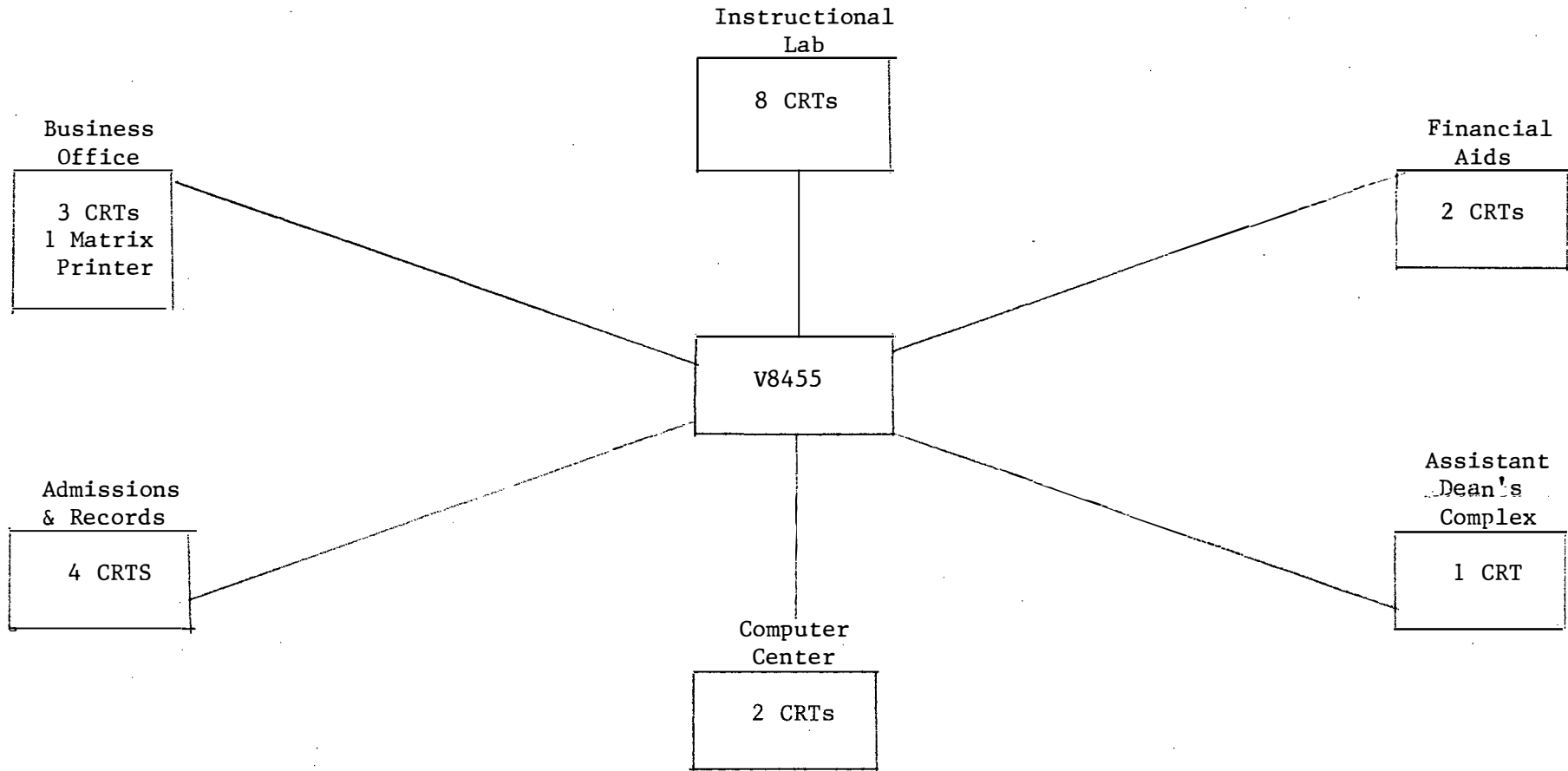
Very truly yours,

WARD, MURRAY, PACE & JOHNSON, P.C.

By


Ole Bly Pace III

SAUK VALLEY COLLEGE

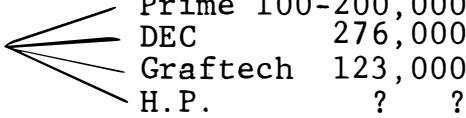


20 CRTs
1 Matrix Printer

Board Meeting
March 11, 1985

OPTIONS

A. NO BASIC CHANGE

- B.
- | | | | | | |
|----|--|---|----------|----------|-------------|
| 1. | AUTO CAD/NEC | | NCR 8455 | OR | NCR 8545 |
| 2. | AUTO CAD/IBM-PC | | NCR 8455 | OR | NCR 8545 |
| 3. | 3D CAD/OTHER MICRO | | NCR 8455 | OR | NCR 8545 |
| 4. | CAD/MINI |  | | NCR 8455 | OR NCR 8545 |
| 5. | McAUTO CAD/IBM (Mini ?) Data General (mini?) DEC (mini ?) | | NCR 8455 | OR | NCR 8545 |


C. INTEGRATED IBM SYSTEM (Inc. CAD)

Board Meeting
March 11, 1985

POTENTIAL COST CUTTERS

1. IBM reductions on new computer cost
2. Purchase IBM used mainframe
3. Negotiate less expensive NCR purchase
4. Arrange to "share time" on another N.C.R. computer in the community for the conversion period
5. Arrange for local business to loan SVC complimentary programmer time.
6. Increase lab fees for users
7. Charging for computer time used by respective grant projects.

Board Meeting
March 11, 1985
Office of the President

| | A | B | C  |
|--------------------|-----------|-------------------|--|
| NCR COMPUTER | \$ 96,000 | \$320,000 | \$ 96,000 |
| NCR MAINTENANCE | 54,200 | 54,200 | 50,200 |
| CAD | - - - - | 100 - 200,000 | - - - - |
| IBM/CAD PACKAGE | - - - - | - - - - | 531,265 |
| IBM MAINTENANCE | - - - - | - - - - | 131,704 |
| OTHER | - - - - | 117,960 | - - - - |
| <hr/> | | | |
| TOTALS | \$150,200 | \$592,260-692,260 | \$809,169 |
| LESS: | | | |
| Grant FY 85 | - - - - | 50,000-100,000 | 165,443 |
| Grant FY 86 | 30,000 | 30,000 | 30,000 |
| Regular Budget | 120,200 | 135,000 | 135,000 |
| <hr/> | | | |
| NET NEED | - - - - | \$377,260-427,260 | \$478,726 |

Board Meeting
March 11, 1985