



SAUK VALLEY COLLEGE

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

Office of the Secretary
to the Board of Trustees

March 26, 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: Thursday, March 28, 1985

Time: 7:30 p.m.

Where: Third Floor Board Conference Room

Type: Special Meeting (open)

Purpose: Further consideration of computer options

Agenda: Computer Purchase
Other

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

SAUK VALLEY COLLEGE BOARD OF TRUSTEES SPECIAL MEETING

March 28, 1985

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

Call to Order: Chair Fisher called the meeting to order at 7:30 p.m. and the following members answered roll call:

Edward Andersen	Richard Groharing
Oscar Koenig	David Mandrgoc
William Simpson	Robert Wolf
Kay Fisher	Russ Paulsen

Computer Purchase: Mr. Jim Meagher, a representative from the IBM Corporation, was introduced to the Board and explained the differences between the IBM 4361 and the IBM 38 systems for educational institutions.

The Board then discussed the pros and cons of purchasing the proposed equipment, the method of purchasing (buying it outright or financing) and what funds could be used for the purchase. It was pointed out that if the equipment was financed it would cost about \$58,834 in finance charges and this would have to be paid out of the Educational Fund. If the equipment was purchased outright, it could be paid for according to the attached breakdown.

It was moved by Member Mandrgoc and seconded by Member Groharing that the Board purchase the new IBM 4361 system as per the attached Option C-1, with the administration to determine the most feasible method of purchase. In a roll call vote the following was recorded: Ayes Members Groharing, Koenig, Mandrgoc, Simpson and Paulsen. Nays Members Andersen, Wolf and Fisher. Motion carried.

Grant: It was moved by Member Groharing and seconded by Member Mandrgoc that the Board accept the Advanced Technology Equipment Matching Grant from the Illinois Community College Board in the amount of \$165,443. In a roll call vote the following was recorded: Ayes Members Andersen, Groharing, Koenig, Mandrgoc,

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Simpson, Fisher and Paulsen. Nays Member Wolf. Motion carried.

Adjournment:

Since the scheduled business was completed, it was moved by Member Mandrgoc and seconded by Member Groharing that the Board adjourn. In a roll call vote, all voted aye. Motion carried.

The next regular meeting of the Board will be held on April 29, 1985 at 7:30 p.m. as the April 22nd meeting will be cancelled.

The meeting adjourned at 9:15 p.m.

Respectfully submitted:

David W. Mandrgoc
David W. Mandrgoc, Secretary

SAUK VALLEY COLLEGE

RURAL ROUTE ONE,

DIXON, ILLINOIS 61021

DATE March 28, 1985

MEMORANDUM

TO: Dr. Garner

FROM: Robert Edison

Bulw

It was my understanding from the last Board meeting that the Board of Trustees wished to know which funds could be utilized, for which charges, in reference to the purchase and/or lease of new computer equipment. It was also requested that I obtain some concept as to the possible difference between the lease and/or purchase of the computer and the effect that the lease and/or purchase might have on the funds involved.

I have met with Mr. VanOsdol and Mr. Clevenger and have reviewed the various charges involved in reference to the purchase and/or lease of this equipment. I am submitting herewith the source of fund possibilities for an outright purchase of a new IBM 4361 which is referred to as Option C-1, and I am submitting the same data for the purchase of a new IBM 38 which is labelled herewith as Option C-5.

In reference to the carrying charges and/or the price of financing the purchase price of some of this equipment, I would like to indicate that IBM submitted a proposal to finance \$295,056 over a period of 5 years at an approximate rate of 10% with the requirement that payments are to be made on the first day of each year. The total interest cost for this proposal would be \$58,834.00, all of which would be charged against the Educational Fund.

In addition, we hope to obtain a proposal from a local bank but as of this time the proposal has not been received. Hopefully it will have been received by the time of the Board meeting.

Based on the cost of borrowing and the current rate of return, I would recommend the outright purchase of this equipment if the Board of Trustees approve the purchase option. The benefits (current basis) would be greater and the future operational charges for interest would be avoided.

RE:c1

OPTION C-1 - NEW IBM 4361

<i>Total Cost on Option C-1 Form</i>	<i>\$ 945,851</i>
<i>Add Special Grant</i>	<i><u>165,443</u></i>
<i>Total 5 Year Cost</i>	<i><u>\$1,111,294*</u></i>
<i>Less: Special Grant of</i> <i>\$165,443</i>	
<i>and Hi Tech Grant FY 86 for</i> <i><u>30,000</u></i>	<i><u>195,443</u></i>
<i>Balance from SVC Funds</i>	<i>\$ 915,851</i>

SVC Cost to be derived from Site and Construction Fund or Educational Fund

<i>New Hardware</i>	<i>\$223,213</i>
<i>Present Hardware</i>	<i>70,000</i>
<i>Operating Systems Hardware</i>	<i><u>53,346</u></i>
	<i><u>346,559</u></i>

SVC Cost to be derived from Educational Fund

<i>Operating Cost of Option C-1 Form</i>	<i>\$ 569,292</i>
<i>Add CADAM Maintenance for Years 2 thru 5</i>	<i><u>32,000</u></i>
	<i><u>\$ 601,292</u></i>
	<i><u>\$120,258/yr.</u></i>

*Excludes all building renovations to be derived from S & C Fund.

<u>Year</u>	<u>Operating Cost</u>	<u>Less Current Budget</u>	<u>Operating Cost Increase or (Decrease)</u>
1	\$ 48,500 <u>133,152</u>	\$181,652	\$135,000
			\$46,652
2	\$134,560 <u>8,000</u>	142,560	135,000
			7,560
3	\$ 84,360 <u>8,000</u>	92,360	135,000
			(42,640)
4	\$ 84,360 <u>8,000</u>	92,360	135,000
			(42,640)
5	\$ 84,360 <u>8,000</u>	92,360	135,000
			(42,640)
		<u>\$601,292</u>	<u>\$675,000</u>
			<u>(\$73,708)</u>

		other one time costs		
PURCHASE				
IBM 4961	407898			
	EDU	Supplies	3500	
	CAD	Training	5000	
	ADM	Administrative software	35000	
OPERAT SY	53346	Administrative training	5000	
		IBM software installation		
		Staff development	10758	
	461244	Total	59258	
			TOTAL	
	154685	Less grant share	10758	165449
	306559	SVC one time costs	48500	955059

One time costs	1st year	2nd year	3rd year	4th year	5th year
buy IBM	306559				
other one time costs	48500				
buy NCR	70000				
Total one time	425059				
Yearly costs	1st year	2nd year	3rd year	4th year	5th year
IBM Prog Support	10728	10728	10728	10728	10728
IBM hardware/software maint	60224	61632	61632	61632	61632
NCR maint	50200	50200			
Personnel	12000	12000	12000	12000	12000
Total Yearly costs	193152	194560	84360	84360	84360
Total Costs	558211	194560	84360	84360	84360
present DP budget	195000	195000	195000	195000	195000
Additional Costs	429211	-440	-50640	-50640	-50640
Cumulative Cash Flow	558211	692771	777191	861491	945851

ADDENDUMS

FY86 HIGH TECH GRANT	-30000				
CADAM MAINT		8000	8000	8000	8000
UPDATED YEARLY COSTS	133152	142560	92360	92360	92360
UPDATED CUM CASH FLOW	528211	670771	763131	855491	947851

OPTION C-5 - IBM 38

Total Cost on Option C-5 Form	\$903,610
Add Special Grant	<u>79,710</u>
Total 5 Year Cost	\$983,320*
Less: Special Grant of	\$79,710
and Hi Tech Grant FY 86 for	<u>30,000</u>
Balance for SVC Funds	\$873,610

SVC Cost to be derived from Site and
Construction Fund or Educational Fund

New Hardware	\$256,600
Present Hardware	70,000
Computervision Match	79,710
Operating Systems Hardware	<u>32,000</u>
	<u>438,310</u>

SVC Cost to be derived from Educational
Fund

Operating Costs on Option C-5 Form	<u>\$435,300</u>	\$87,060/yr.
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*Excludes all building renovations to be derived from S & C Fund

<u>Year</u>	<u>Operating Cost</u>	<u>Less Current Budget</u>	<u>Operating Cost Increase or (Decrease)</u>
1	\$44,100 <u>98,320</u>	\$142,420	\$ 7,420
2	\$98,320	98,320	(36,680)
3	\$98,320	98,320	(36,680)
4	\$48,120	48,120	(86,880)
5	\$48,120	<u>48,120</u>	<u>(86,880)</u>
		<u>\$435,300</u>	<u>(\$239,700)</u>

C 5

Sauk Valley College
Project Cash Flow For
IBM S/38 -- C/V CAD

PURCHASE COMPUTERVISION		ONE TIME COSTS	
6 STATIONS	159420	Supplies	3500
Grant Share	79710	Training	5000
SVC Share	79710	Administrative Software	27600
		Administrative Training	8000
EDU/ADM			
IBM S/38 mod 8 6meg	286600		
Software	32000		
TOTAL IBM	318600		
FY86 High Tech	-30000		
TOTAL CAD/ S/38	368310	TOTAL ONE TIME	44100

One time costs	1st year	2nd year	3rd year	4th year	5th year
buy IBM 5/38	288600				
other one time costs	44100				
buy NCR	70000				
buy COMPUTERVISION	79710				
TOTAL	482410				

Yearly costs	1st year	2nd year	3rd year	4th year	5th year
IBM hardware/software maint	36120	36120	36120	36120	36120
NCR maint	50200	50200	50200		
Personnel	12000	12000	12000	12000	12000
Total Yearly Costs	98320	98320	98320	48120	48120
Total costs	580730	98320	98320	48120	48120
-present DP budget	135000	135000	135000	135000	135000
Additional Costs	445730	-36680	-36680	-86880	-86880
Cumulative Cash Flow	580730	679050	777370	825490	873610