



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

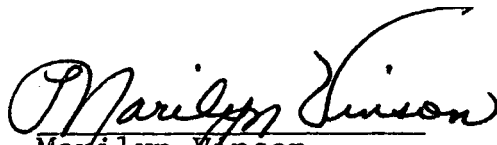
Time: 7:30 p.m.

Where: Third Floor Board Conference Room

Type: Special Meeting (open)

Purpose: Further consideration of computer options

Agenda: Computer Purchase
Other


Marilyn Vinson
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,

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, Secretary

SAUK VALLEY COLLEGE

RURAL ROUTE ONE,

DIXON, ILLINOIS 61021

DATE March 28, 1985

MEMORANDUM

TO: Dr. Garner

FROM: Robert Edison



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:cl

3/28/85

OPTION C-1 - NEW IBM 4361

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

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

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

SVC Cost to be derived from Educational
Fund

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

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

| Year | Operating Cost | Less Current Budget | Operating Cost Increase or (Decrease) |
|------|-----------------------------|---------------------|---------------------------------------|
| 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 |
| | <u>\$601,292</u> | <u>\$675,000</u> | <u>(\$73,708)</u> |

UPDATED

Sauk Valley College
Project Cash Flow For
NEW IBM 4361 (buy option)

| PURCHASE | | other one time costs | |
|-----------|--------|---------------------------|--------|
| IBM 4361 | 407898 | | |
| EDU | | Supplies | 3500 |
| CAD | | Training | 5000 |
| ADM | | Administrative software | 35000 |
| OPERAT 5Y | 59346 | Administrative training | 5000 |
| | | IBM software installation | |
| | | Staff development | 10758 |
| | 461244 | Total | 59258 |
| | | | TOTAL |
| | 154685 | | |
| | 306559 | Less grant share | 10758 |
| | | SVC one time costs | 48500 |
| | | | 165443 |
| | | | 355059 |

| 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 | 133152 | 134560 | 84360 | 84360 | 84360 |
| Total Costs | 558211 | 134560 | 84360 | 84360 | 84360 |
| -present DP budget | 135000 | 135000 | 135000 | 135000 | 135000 |
| Additional Costs | 423211 | -440 | -50640 | -50640 | -50640 |
| Cumulative Cash Flow | 558211 | 692771 | 777131 | 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 | 769131 | 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> | <u>109,710</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. |
|------------------------------------|------------------|--------------|

*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 | \$135,000 | \$ 7,420 |
| 2 | \$98,320 | 98,320 | 135,000 | (36,680) |
| 3 | \$98,320 | 98,320 | 135,000 | (36,680) |
| 4 | \$48,120 | 48,120 | 135,000 | (86,880) |
| 5 | \$48,120 | <u>48,120</u> | <u>135,000</u> | <u>(86,880)</u> |
| | | <u>\$435,300</u> | <u>\$675,000</u> | <u>(\$239,700)</u> |

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

| PURCHASE | | ONE TIME COSTS | |
|----------------|--------|-------------------------|-------|
| COMPUTERVISION | | Supplies | 3500 |
| 6 STATIONS | 159420 | Training | 5000 |
| Grant Share | 79710 | Administrative Software | 27600 |
| | | Administrative Training | 8000 |
| SVC Share | 79710 | | |

| | | | |
|---------------------|--------|----------------|-------|
| EDU/ADM | | | |
| IBM S/38 mod 8 6meg | 288600 | | |
| 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 S/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 |